



GALAXY ENTERTAINMENT GROUP LIMITED

銀河娛樂集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 27)

COMMENCEMENT OF TENDER OFFERS FOR THE GUARANTEED SENIOR FLOATING RATE NOTES DUE 2010 AND THE 9.875% GUARANTEED SENIOR NOTES DUE 2012

Sole Dealer Manager



ANNOUNCEMENT

pursuant to

Listing Rule 13.09(1) (price-sensitive information)

and

Listing Rule 13.09(2) (overseas regulatory announcement)

This announcement is made pursuant to Rules 13.09(1) and (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Galaxy Entertainment Finance Company Limited, a subsidiary of Galaxy Entertainment Group Limited, has published an announcement on the Singapore Exchange Securities Trading Limited on 2 December 2008 in respect of the commencement of tender offers by the subsidiary for the Guaranteed Senior Floating Rate Notes Due 2010 and the 9.875% Guaranteed Senior Notes Due 2012, the full text of which is set out below.

Galaxy Entertainment Finance Company Limited Announces the Commencement of Tender Offers for the Guaranteed Senior Floating Rate Notes Due 2010 and the 9.875% Guaranteed Senior Notes Due 2012

December 2, 2008 – Galaxy Entertainment Finance Company Limited (the “Issuer”) announced today that it has commenced tender offers (the “Offers”) to purchase for cash (i) any and all of its US\$250,000,000 Guaranteed Senior Floating Rate Notes Due 2010 (the “Floating Rate Notes”) and (ii) up to US\$100,000,000 in the aggregate principal amount of its outstanding US\$350,000,000 9.875% Guaranteed Senior Notes Due 2012 (the “Fixed Rate Notes”, and together with the Floating Rate Notes, the “Notes”). The purchase price payable by the Issuer for the Floating Rate Notes is US\$530 per US\$1,000 principal amount of the

Floating Rate Notes (the “Floating Rate Total Consideration”), and the purchase price payable by the Issuer for the Fixed Rate Notes will be determined through the Modified Dutch Auction procedure as described below.

The funds required for the Issuer to consummate the Offers will be funded from internal resources of the Issuer’s group. The Issuer will also pay accrued and unpaid interest on purchased Notes up to, but not including, the date of payment. The Notes are listed on the Singapore Exchange Securities Trading Limited.

The Offers and proration period will expire at 12:00 midnight, New York City time, on Monday, December 29, 2008 (the “Expiration Date”), unless the Offers are extended. An appropriate announcement will be made if and when either Offer is extended. The withdrawal rights will expire at 6:00 p.m., New York City time, on Friday, December 12, 2008 (the “Early Tender Date”), unless they are extended.

The maximum aggregate principal amount of Fixed Rate Notes that may be purchased by the Issuer under the Offer for the Fixed Rate Notes is US\$100,000,000 and that is referred to as the “Fixed Rate Offer Amount”. Under the Modified Dutch Auction procedure, the Issuer will determine a single purchase price between US\$375 and US\$450 per US\$1,000 principal amount of the Fixed Rate Notes, that, subject to the terms and conditions of that Offer, the Issuer will pay for Fixed Rate Notes validly tendered and not withdrawn pursuant to that Offer. Subject to the terms and conditions of that Offer, the Issuer will select the single lowest price specified by tendering holders within this range (the “Fixed Rate Total Consideration”) that will enable it to purchase the Fixed Rate Offer Amount (or, if less than the Fixed Rate Offer Amount is validly tendered, all Fixed Rate Notes so tendered). The Issuer will pay the same price for all Fixed Rate Notes that are tendered at or below the Fixed Rate Total Consideration, upon the terms and subject to the conditions of that Offer.

If the principal amount of Fixed Rate Notes validly tendered on or prior to the Expiration Date at or below the Fixed Rate Total Consideration exceeds the Fixed Rate Offer Amount then, subject to the terms and conditions of that Offer, the Issuer will accept for payment such Fixed Rate Notes that are tendered at or below the Fixed Rate Total Consideration on a pro rata basis from among the tendered Fixed Rate Notes.

Holders of Notes that validly tender their Notes prior to the Early Tender Date and do not validly withdraw their Notes, and to the extent their Notes are accepted for payment, will receive the Floating Rate Total Consideration or the Fixed Rate Total Consideration, as applicable, in each case, plus accrued and unpaid interest thereon to, but not including, the date of payment. Holders of Notes that validly tender after the Early Tender Date but on or prior to the Expiration Date will receive the Floating Rate Total Consideration, or the Fixed Rate Total Consideration, as applicable, in each case, less an amount equal to US\$30 for each US\$1,000 principal amount of Notes, plus accrued and unpaid interest thereon to, but not including, the date of payment.

The maximum aggregate amount payable by the Issuer’s group under the Offers (exclusive of related expenses and inclusive of accrued interest on the Notes purchased pursuant to the Offers, assuming payment is made on January 2, 2009) is approximately US\$180 million.

The terms and conditions of the Offers are set forth in the Offer to Purchase by the Issuer, dated December 1, 2008. Neither Offer is conditional on a minimum principal amount of

Notes being tendered in that Offer. The consummation of each Offer is subject to certain conditions, which are described in the Offer to Purchase that is being sent to holders of Notes. Subject to applicable law, the Issuer may, in its sole discretion, waive any condition applicable to an Offer or extend or terminate or otherwise amend an Offer.

As of December 1, 2008, there was US\$250,000,000 aggregate principal amount of Floating Rate Notes outstanding and US\$350,000,000 aggregate principal amount of Fixed Rate Notes outstanding. The ISIN codes for the Floating Rate Notes are USG37093AB09 and US36318MAB81, and the ISIN codes for the Fixed Rate Notes are USG37093AA26 and US36318MAA09.

Merrill Lynch & Co. is acting as sole dealer manager (the “Dealer Manager”), and Bondholder Communications Group is acting as information and tender agent (the “Information and Tender Agent”) in connection with the Offers. Copies of the Offer to Purchase and related documents may be obtained from the Information and Tender Agent at www.bondcom.com/galaxy. The Issuer and Galaxy Entertainment Group Limited have agreed to indemnify the Dealer Manager, on a joint and several basis, for any losses incurred by the Dealer Manager and its affiliates relating to, arising out of, or based on the performance of the Dealer Manager’s obligations with respect to the Offers or in connection with the Offers (except for losses resulting from the Dealer Manager’s gross negligence or bad faith).

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE OFFER TO PURCHASE.

About Galaxy Entertainment Finance Company Limited

Galaxy Entertainment Finance Company Limited is a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Galaxy Casino, S.A., which holds a Macau gaming concession and is authorised to carry out casino games of chance in Macau which is the only legal gaming location in China.

Its ultimate holding company is Galaxy Entertainment Group Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (under stock code 0027).

Forward-Looking Statements

Forward-looking statements in this announcement, including those statements relating to the Offers, such as the scheduled expiration date and the repurchase of Notes, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price for the Notes; changes in the business and financial condition of the Issuer and Galaxy Entertainment Group Limited and its subsidiaries; changes in the debt markets in general; and the occurrence of events specified in the Offer to Purchase that would trigger a condition permitting termination or amendment of an Offer.

As at the date of this announcement, the executive Directors of Galaxy Entertainment Group Limited are Dr. Lui Che Woo (Chairman), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Ms. Paddy Tang Lui Wai Yu; the non-executive Directors of Galaxy Entertainment Group Limited are Dr. Moses Cheng Mo Chi, Mr. Anthony Thomas Christopher Carter, Dr. Martin Clarke and Mr. Guido Paolo Gamucci; and the independent non-executive Directors of Galaxy Entertainment Group Limited are Mr. James Ross Ancell, Dr. William Yip Shue Lam and Dr. Patrick Wong Lung Tak.

By Order of the Board of
Galaxy Entertainment Group Limited
Kitty Chan Lai Kit
Company Secretary

Hong Kong, 2 December 2008