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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Galaxy Entertainment Group Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular should be read in conjunction with the accompanying Annual Report for the year ended 31 December 2007.



GALAXY ENTERTAINMENT GROUP LIMITED

銀河娛樂集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES
AND
NOTICE OF 2008 ANNUAL GENERAL MEETING**

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2007 Annual General Meeting”	the annual general meeting of the Company held on 26 June 2007
“2008 Annual General Meeting”	the annual general meeting of the Company to be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 19 June 2008 at 11:00 a.m.
“Annual Report”	the annual report of the Company for the year ended 31 December 2007
“Article(s)”	article(s) of the Articles of Association
“Articles of Association”	articles of association of the Company
“associates”	has the meaning ascribed to the expression under the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Galaxy Entertainment Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected persons”	has the meaning ascribed to the expression under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Lui”	Dr. Lui Che Woo, an executive Director and the Chairman of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company held on 21 November 2007
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	25 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Lui Family Members”	family members comprising Dr. Lui, his spouse, sons and daughters
“Repurchase Code”	the Hong Kong Code on Share Repurchases
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust”	the discretionary Lui Family trust established by Dr. Lui as founder
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



GALAXY ENTERTAINMENT GROUP LIMITED

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Executive Directors:

Dr. Lui Che Woo, *GBS, MBE, JP, LLD, DSSc, DBA (Chairman)*
Francis Lui Yiu Tung *(Deputy Chairman)*
Chan Kai Nang
Joseph Chee Ying Keung
Paddy Tang Lui Wai Yu, *JP*

Registered Office:

Room 1606, 16th Floor
Hutchison House
10 Harcourt Road
Central
Hong Kong

Non-Executive Directors:

Dr. Charles Cheung Wai Bun, *JP**
Dr. Moses Cheng Mo Chi, *GBS, OBE, JP*
James Ross Ancell*
Dr. William Yip Shue Lam, *LLD**
Anthony Thomas Christopher Carter
Dr. Martin Clarke
Guido Paolo Gamucci

* *Independent Non-executive Directors*

29 April 2008

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES
AND
NOTICE OF 2008 ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2008 Annual General Meeting relating to (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates to repurchase Shares not exceeding 10% and to issue and allot new Shares not exceeding 20% of the Company's issued share capital as at the date of passing of such resolutions.

RE-ELECTION OF DIRECTORS

Pursuant to Article 106(A) of the Articles of Association, Ms. Paddy Tang Lui Wai Yu, Dr. Charles Cheung Wai Bun and Dr. William Yip Shue Lam shall retire by rotation at the 2008 Annual General Meeting. Both of Ms. Paddy Tang Lui Wai Yu and Dr. William Yip Shue Lam, being eligible, offer themselves for re-election. Dr. Charles Cheung Wai Bun has elected that he will not seek for re-election and will retire from office at the 2008 Annual General Meeting.

Details of the Directors proposed to be re-elected are set out in Appendix I to this circular.

GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES

At the 2007 Annual General Meeting, an ordinary resolution was passed granting a general mandate for the Directors to repurchase Shares not exceeding 10% of the issued share capital of the Company as at that date ("Existing Repurchase Mandate"). At the Extraordinary General Meeting, an ordinary resolution was passed granting a general mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at that date ("Existing Share Issue Mandate").

Both the Existing Repurchase Mandate and the Existing Share Issue Mandate will expire upon the conclusion of the 2008 Annual General Meeting. The Directors consider that the Existing Repurchase Mandate and the Existing Share Issue Mandate increase the financial flexibility and provide discretion to the Board in managing the Company's affairs and capital base timely and are in the interests of the Shareholders, and that both of the same shall continue to be adopted by the Company.

At the 2008 Annual General Meeting, a new general mandate for the Directors to repurchase Shares not exceeding 10% and a new general mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of such resolutions as respectively set out in Resolution 4.1 ("New Repurchase Mandate") and in Resolutions 4.2 and 4.3 ("New Share Issue Mandate") in the notice of the 2008 Annual General Meeting will be proposed. Resolution 4.3 also proposes to add to the 20% limit under the New Share Issue Mandate such Shares as repurchased pursuant to the New Repurchase Mandate, assuming Resolutions 4.1, 4.2 and 4.3 are all passed and the mandates sought therein are all granted by Shareholders at the 2008 Annual General Meeting.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution 4.1 to be proposed at the 2008 Annual General Meeting in relation to the New Repurchase Mandate is set out in Appendix II to this circular.

With respect to the proposed New Share Issue Mandate, on the basis of the issued share capital of the Company as at the Latest Practicable Date (assuming no further changes to the issued share capital of the Company from that date until the date of the 2008 Annual General Meeting), the maximum number of Shares that can be allotted and issued by the Company is 787,129,872.

NOTICE OF 2008 ANNUAL GENERAL MEETING

Notice of the 2008 Annual General Meeting is set out in Appendix III to this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form accompanying this circular in accordance with the instructions printed thereon and return it to the registered office of the Company at Room 1606, 16th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong as soon as possible and, in any event, so as to be received by the Company not less than 48 hours before the time appointed for the holding of the meeting. Completion and delivery of the proxy form will not prevent you from attending and voting in person at the meeting if you so wish.

PROCEDURE FOR DEMANDING A POLL

According to Article 75 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded: (i) by the chairman of the meeting; or (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

RECOMMENDATION

The Directors consider that the re-election of Directors, the New Repurchase Mandate and the New Share Issue Mandate are each in the best interests of the Company, and accordingly, recommend all Shareholders to vote in favour of such resolutions to be proposed at the 2008 Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Galaxy Entertainment Group Limited
Dr. Lui Che Woo
Chairman

The details of the Directors proposed for re-election at the 2008 Annual General Meeting are set out below:

Ms. Paddy TANG LUI Wai Yu, aged 54, has been an executive Director of the Company since August 1991. She is also an executive director of K. Wah International Holdings Limited which is listed on the Stock Exchange. In addition, she is a director of a number of subsidiaries of the Company.

Ms. Tang holds a bachelor of commerce degree from the McGill University, Canada and she is a member of The Institute of Chartered Accountants in England and Wales. She was a member of the Election Committee of the HKSAR. She is also a member of various public and social service organizations, including the Board of Ocean Park Corporation, the Hong Kong Arts Development Council, the Statistic Advisory Board and the Standing Committee on Company Law Reform. She has been again elected as a member of the Hotel Sub-sector of Election Committee for the Third Term Chief Executive of the HKSAR in December 2006.

Save as disclosed, Ms. Tang did not hold any directorships in any listed public companies in the past three years.

Ms. Tang is a daughter of Dr. Lui and the elder sister of Mr. Francis Lui Yiu Tung, both executive Directors of the Company. She is also a direct or indirect discretionary beneficiary of the Trust which is a controlling shareholder of the Company. Save as disclosed, she has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Ms. Tang has no service contract with the Company and there is no fixed length or proposed length of service with the Company. She is not appointed for a specific term but shall be subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. The amount of emoluments payable to Ms. Tang comprises an annual director's fee which will be proposed by the Board and approved by the Shareholders at the subsequent year's annual general meeting, discretionary share options and discretionary bonuses. Her director's fee, which is presently expected to be HK\$100,000, for the year ended 31 December 2007 will be submitted to the Shareholders for approval at the 2008 Annual General Meeting. Her emoluments are determined by reference to her duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

As at the Latest Practicable Date, Ms. Tang has interests in a total of 2,998,011,061 Shares and underlying shares (including deemed interests) under Part XV of the Securities and Futures Ordinance, comprising 2,992,611,061 Shares and share options entitling her to subscribe for 5,400,000 Shares. Save as disclosed, Ms. Tang has no interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

To the best of the Directors' knowledge and belief and having made all reasonable enquiries, in relation to Ms. Tang's proposed re-election, there is no information that is required to be disclosed pursuant to any of the requirements of paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules. Save as disclosed herein, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders.

Dr. William Yip Shue Lam, aged 70, has been an independent non-executive Director of the Company since December 2004 and a member of the Remuneration Committee of the Company since January 2006. Apart from this, he does not hold any positions with the Company or any of its subsidiaries.

Dr. Yip holds a Bachelor of Arts degree and an honorary Doctor of Laws degree from the Concordia University, Canada. He is the founder and the Chairman of Canada Land Limited, a company listed on the Australian Stock Exchange and engaged in real estate development and tourist attraction business. He is also the Chairman of Cantravel Limited, Guangzhou. He has been active in public services and is presently a Standing Committee Member of The Chinese General Chamber of Commerce and the President of Concordia Hong Kong Foundation Limited. He also serves on the Board of Governors of The Canadian Chamber of Commerce in Hong Kong. In addition, he has been elected a Guangzhou Municipal Honorable Citizen.

Save as disclosed, he did not hold any directorships in any listed public companies in the past three years. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Dr. Yip's service contract with the Company provides for a term of 3 years. His emoluments covered by his service contract comprise an annual director's fee and an annual remuneration committee member's fee which will be proposed by the Board and approved by the Shareholders at the subsequent year's annual general meeting, and discretionary share options. His director's fee and remuneration committee member's fee for the year ended 31 December 2007, which are presently expected to be HK\$100,000 and HK\$40,000 respectively, will be submitted to the Shareholders for approval at the 2008 Annual General Meeting. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market benchmark.

As at the Latest Practicable Date, Dr. Yip held share options entitling him to subscribe for 250,000 Shares. Save as disclosed, Dr. Yip has no interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

To the best of the Directors' knowledge and belief and having made all reasonable enquiries, in relation to Dr. Yip's proposed re-election, there is no information that is required to be disclosed pursuant to any of the requirements of paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules. Save as disclosed herein, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the 2008 Annual General Meeting in relation to the New Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,935,649,361 Shares. As at the same date, there are outstanding share options granted under the Company's share option schemes to subscribe for 87,114,000 Shares and US\$240,000,000 zero coupon convertible notes due 2011, which are convertible into Shares at an initial conversion price of HK\$9.36 (subject to adjustment) per Share.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued (whether generally or pursuant to the exercise of the subscription rights attaching to the outstanding share options or the conversion rights attaching to the outstanding convertible notes) or repurchased before the 2008 Annual General Meeting, the Company will be allowed to repurchase a maximum of 393,564,936 Shares during the period from the 2008 Annual General Meeting and ending on the earliest of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or by law; or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, there might be a material adverse impact on the working capital position and gearing position of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases made pursuant to the proposed mandate to repurchase Shares would be funded out of funds legally available for the purpose in accordance with the Articles of Association, the Companies Ordinance and other applicable laws of Hong Kong.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and would become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Trust, K. Wah International Holdings Limited, Lui Family Members and their respective associates and companies controlled by them were interested in a total of 2,062,894,585 Shares representing approximately 52.4% of the issued share capital of the Company. According to the register required to be kept under section 336 of the Securities and Futures Ordinance, as at the Latest Practicable Date, the Permira Funds were interested in 798,384,000 Shares, representing approximately 20.3% of the issued share capital of the Company.

Based on the above shareholding interests, in the event that the power to repurchase Shares pursuant to the New Repurchase Mandate is exercised in full, and taking no account of the exercise of outstanding share options or the conversion of outstanding convertible notes, the aforesaid interests of the Trust, K. Wah International Holdings Limited, Lui Family Members and their respective associates and companies controlled by them would be increased to approximately 58.2% and the aforesaid interest of the Permira Funds would be increased to approximately 22.5%. In such circumstance, their aggregate interests would be increased to over 75% of the issued share capital of the Company and the Shares held by the public would fall below 25% of the total number of Shares in issue. The Directors are not aware of any consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the New Repurchase Mandate to such an extent which will result in the number of the Shares held by the public being reduced to less than 25%.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months preceding the Latest Practicable Date:

Month	Highest (HK\$)	Lowest (HK\$)
2007		
April	8.20	7.60
May	7.76	7.04
June	8.45	7.40
July	8.05	7.50
August	8.27	6.15
September	8.72	7.41
October	9.56	7.60
November	8.44	6.51
December	7.70	6.70
2008		
January	8.10	5.45
February	6.40	5.44
March	6.35	5.20
April (up to the Latest Practicable Date)	6.38	4.84

REPURCHASE OF SHARES

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell Shares to the Company or its subsidiaries.

No connected persons of the Company, as defined in the Listing Rules, have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws of Hong Kong.



GALAXY ENTERTAINMENT GROUP LIMITED

銀河娛樂集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

NOTICE IS HEREBY GIVEN that the 2008 annual general meeting of shareholders of Galaxy Entertainment Group Limited will be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 19 June 2008 at 11:00 a.m. for the following purposes:

1. To receive and consider the financial statements and reports of the Directors and auditors for the year ended 31 December 2007;
2. To elect Directors and fix the Directors' remuneration;
3. To re-appoint auditors and authorise the Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:

4.1 "THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the approval given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

4.2 “**THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of any option under the Company’s share option schemes or similar arrangement for the time being adopted by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the grant or issue of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed the aggregate of: (aa) 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this Resolution; (bb) (if the Directors are so authorised by a

separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum of 10% of the share capital of the Company in issue at the date of passing this Resolution), and this approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the time of passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

4.3 “**THAT** conditional upon the passing of the Resolutions numbered 4.1 and 4.2 in the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company pursuant to paragraph (a) of the Resolution numbered 4.2 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted by the Resolution numbered 4.1, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution.”

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

Hong Kong, 29 April 2008

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote, on a poll, on his/her behalf. A proxy need not be a member of the Company.
2. A proxy form for use in connection with the meeting is enclosed. The proxy form shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Concerning agenda item 2 above, Ms. Paddy Tang Lui Wai Yu and Dr. William Yip Shue Lam will retire by rotation at the meeting and, being eligible, offer themselves for re-election. Details of these Directors are set out in Appendix I to this circular.
4. Concerning agenda item 4.1 above, approval is being sought from members for increasing flexibility and providing discretion to the Directors in the event that it becomes desirable to repurchase shares on The Stock Exchange of Hong Kong Limited. An explanatory statement to provide relevant information in respect of the proposed granting of the repurchase mandate to the Directors is set out in Appendix II to this circular.
5. Concerning agenda item 4.2 above, approval is being sought from members for a general mandate to the Directors to allot, issue and deal in additional shares in the capital of the Company for increasing flexibility and providing discretion to the Directors in managing the Company's capital base and in particular enabling the Company to maintain financing flexibility.