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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 2008.

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## **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 2009 ANNUAL GENERAL MEETING**

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A notice convening the 2009 Annual General Meeting of Galaxy Entertainment Group Limited to be held on Monday, 22 June 2009 at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 11:00 a.m. is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the registered office of the Company at Room 1606, 16th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong (marked for the attention of the Company Secretary) as soon as possible but in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

29 April 2009

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
Introduction .....	3
Re-election of Directors .....	4
General Mandates to Repurchase Shares and Issue Shares .....	4
Notice of 2009 Annual General Meeting .....	5
Voting by Poll .....	5
Recommendation .....	5
Responsibility Statement .....	6
General Information .....	6
<b>APPENDIX I — DIRECTORS PROPOSED TO BE RE-ELECTED</b> .....	7
<b>APPENDIX II — EXPLANATORY STATEMENT</b> .....	10
<b>APPENDIX III — NOTICE OF 2009 ANNUAL GENERAL MEETING</b> .....	13

## DEFINITIONS

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

“2009 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 22 June 2009 at 11:00 a.m.
“Annual Report”	the annual report of the Company for the year ended 31 December 2008
“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
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	24 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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

## DEFINITIONS

“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**

銀河娛樂集團有限公司

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 27)**

**Executive Directors:**

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

**Registered Office:**

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

**Non-Executive Directors:**

Dr. Moses Cheng Mo Chi, *GBS, OBE, JP*  
Mr. Anthony Thomas Christopher Carter  
Dr. Martin Clarke  
Mr. Guido Paolo Gamucci

**Independent Non-executive Directors:**

Mr. James Ross Ancell  
Dr. William Yip Shue Lam, *LLD*  
Dr. Patrick Wong Lung Tak, *JP*

29 April 2009

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE SHARES  
AND  
NOTICE OF 2009 ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2009 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.

## LETTER FROM THE BOARD

### RE-ELECTION OF DIRECTORS

Pursuant to Article 106(A), Mr. Francis Lui Yiu Tung, Mr. Joseph Chee Ying Keung and Dr. Moses Cheng Mo Chi will retire by rotation at the 2009 Annual General Meeting. Mr. Francis Lui Yiu Tung and Mr. Joseph Chee Ying Keung, being eligible, will offer themselves for re-election. Dr. Moses Cheng Mo Chi has elected that he will not offer himself for re-election and will retire from office at the 2009 Annual General Meeting. Dr. Cheng has served on the Board for more than twelve years and decided that it is now time for him to step down in line with international best practice and to re-allocate his time for his other business and social commitments. Dr. Cheng has confirmed that he has no disagreement with the Board and is not aware of any matter in connection with his retirement that needs to be brought to the attention of the Shareholders. The Board would like to extend its gratitude to Dr. Moses Cheng Mo Chi for his invaluable efforts and contributions to the Company during his term of appointment. Pursuant to Article 97, Dr. Patrick Wong Lung Tak will hold office until the 2009 Annual General Meeting and, being eligible, will offer himself for re-election.

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 annual general meeting of the Company held on 19 June 2008, ordinary resolutions were passed granting general mandates for the Directors to repurchase Shares not exceeding 10% of the issued share capital of the Company as at that date ("Existing Repurchase Mandate") and 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 2009 Annual General Meeting. The Directors consider that the Existing Repurchase Mandate and the Existing Share Issue Mandate increase the financing 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 2009 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 2009 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, on the basis that Resolutions 4.1, 4.2 and 4.3 are all passed and the mandates sought therein are all granted by Shareholders at the 2009 Annual General Meeting.

## LETTER FROM THE BOARD

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 2009 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 2009 Annual General Meeting), the maximum number of Shares that can be allotted and issued by the Company is 787,633,872.

### **NOTICE OF 2009 ANNUAL GENERAL MEETING**

Notice of the 2009 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 (marked for attention of the Company Secretary) 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.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of shareholders at the 2009 Annual General Meeting must be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules, which will be published on the websites of the Company and Hong Kong Exchanges and Clearing Limited as soon as practicable after closure of the 2009 Annual General Meeting.

### **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 2009 Annual General Meeting.

## LETTER FROM THE BOARD

### 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.

### 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 2009 Annual General Meeting are set out below:*

**Mr. Francis Lui Yiu Tung**, aged 53, has been an executive Director of the Company since June 1987 and is the Deputy Chairman of the Company. He is also the chairman of the Remuneration Committee of the Company. In addition, he is a director of a number of subsidiaries of the Company.

Mr. Lui holds a bachelor of science degree in civil engineering and a master of science degree in structural engineering from the University of California at Berkeley, USA. He is a Committee Member of the 11th Chinese People's Political Consultative Conference.

Mr. Lui is an executive director of K. Wah International Holdings Limited which is listed on the Main Board of the Stock Exchange. Save as disclosed, he did not hold any directorships in any listed public companies in the past three years. Mr. Lui is a son of Dr. Lui and a younger brother of Ms. Paddy Tang Lui Wai Yu, both executive Directors of the Company. He is also a direct or indirect discretionary beneficiary of the Trust which is a controlling shareholder of the Company. Save as disclosed, he has no relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lui's service contract does not provide for a fixed length or proposed length of service with the Company. He 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. His emoluments covered by his service contract comprise an annual salary and allowance, an annual Director's fee and an annual fee for acting as the chairman of the Remuneration Committee (which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting), discretionary share options and discretionary bonuses. His emoluments for the year ended 31 December 2008 amounted to HK\$21,000,000 including Director's fees, salaries, allowances and benefits in kind, discretionary bonus (which was in relation to performance in 2007), pension scheme contribution and share-based payment. A Director's fee for the year ended 31 December 2008 of HK\$100,000 and a fee for acting as the chairman of the Remuneration Committee of HK\$50,000 will be payable to Mr. Lui upon approval by the Shareholders at the 2009 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, Mr. Lui has interests in a total of 2,965,449,499 Shares and underlying Shares (including deemed interests) under Part XV of the Securities and Futures Ordinance, comprising 2,950,399,499 Shares and underlying Shares (including deemed interests), and share options entitling him to subscribe for 15,050,000 Shares. Save as disclosed, Mr. Lui 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 Mr. Lui'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.

**Mr. Joseph Chee Ying Keung**, aged 51, joined the Group in 1982. He has been an executive Director of the Company since April 2004 and is the Managing Director of the Construction Materials Division of the Company. In addition, he is a director of a number of subsidiaries of the Company.

Mr. Chee holds an International Master degree in Business Administration from the University of South Australia and a Bachelor degree in Mechanical Engineering from the University of Western Ontario in Canada. He is a fellow member of The Institute of Quarrying in the UK and has over 27 years of broad experience in the construction materials industry including operations and management, technical and quality assurance, environmental protection, commercial and strategic planning. He is currently a member of Standing Committee on Concrete Technology organized by Civil Engineering and Development Department, HKSAR and was a member of the Working Group on Construction Waste of the Provisional Construction Industry Co-ordination Board from 2004 to 2006. He was also the Chairman of The Institute of Quarrying in the UK (Hong Kong Branch) from 1998 to 2000 and the Chairman of Hong Kong Contract Quarry Association from 2002 to 2008.

Apart from being an executive Director of the Company, Mr. Chee 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.

Mr. Chee's service contract does not provide for a fixed length or proposed length of service with the Company. Mr. Chee 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. His emoluments covered by the service contract comprise an annual salary and allowance, an annual Director's fee (which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting), discretionary share options and discretionary bonuses. His emoluments for the year ended 31 December 2008 amounted to HK\$3,918,000 including Director's fee, salaries, allowances and benefits in kind, discretionary bonus (which was in relation to performance in 2007), pension scheme contribution and share-based payment. A Director's fee for the year ended 31 December 2008 of HK\$100,000 will be payable to Mr. Chee upon approval by the Shareholders at the 2009 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, Mr. Chee has interests in 3,103,000 Shares under Part XV of the Securities and Futures Ordinance, comprising 2,450,000 Shares and share options entitling him to subscribe for 653,000 Shares. Save as disclosed, Mr. Chee 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 Mr. Chee'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. Patrick Wong Lung Tak**, *JP*, aged 61, was appointed by the Board as an independent non-executive Director, a member of the Audit Committee and a member of the Remuneration Committee of the Company on 20 August 2008. Apart from this, he does not hold any positions with the Company or any of its subsidiaries.

Dr. Wong is a Certified Public Accountant (Practising) in Hong Kong and the Managing Practising Director of Wong Lam Leung & Kwok CPA Limited. He has over 30 years experience in the accountancy profession. Dr. Wong holds a Doctor of Philosophy in Business degree, was awarded a Badge of Honour by the Queen of England in 1993 and was appointed a Justice of the Peace in 1998. He has been appointed Adjunct Professor, School of Accounting and Finance of the Hong Kong Polytechnic University since 2002. Dr. Wong participates in many types of community services and is holding posts in various organisations and committees in government and voluntary agencies.

Dr. Wong is presently an independent non-executive director of China Precious Metal Resources Holdings Co., Ltd., C C Land Holdings Limited and Water Oasis Group Limited, all of which are listed on the Main Board of the Stock Exchange. Save as disclosed herein, Dr. Wong did not hold any directorship in any listed public companies in the past three years. Dr. Wong does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Wong's service contract provides for a term of three years and he will be subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association. His emoluments comprise an annual Director's fee, an annual fee for acting as a member of the Audit Committee and an annual fee for acting as a member of the Remuneration Committee (which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting), and discretionary share options. The emoluments payable to Dr. Wong for the period from 20 August to 31 December 2008 will be on a pro-rata basis based on an annual Director's fee of HK\$100,000, an annual fee for acting as a member of the Audit Committee of HK\$80,000, and an annual fee for acting as a member of the Remuneration Committee of HK\$40,000, upon approval by the Shareholders at the 2009 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. Wong has no interest 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. Wong'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 2009 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 3,938,169,361 Shares. As at the same date, there were outstanding share options granted under the Company's share option schemes to subscribe for 59,515,000 Shares and US\$190,000,000 zero coupon convertible notes due 2011, which were convertible into Shares at the revised conversion price of HK\$7.44 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 2009 Annual General Meeting, the Company will be allowed to repurchase a maximum of 393,816,936 Shares during the period from the 2009 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 2008, 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 2,065,394,585 Shares representing 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 20.3% of the issued share capital of the Company. 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.

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 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 58.3% and the 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 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:

<b>Month</b>	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
<b>2008</b>		
April	6.38	4.84
May	5.95	5.30
June	5.90	4.88
July	5.00	2.88
August	3.53	3.03
September	3.10	1.38
October	1.61	0.52
November	0.77	0.50
December	1.35	0.62
<b>2009</b>		
January	1.75	1.06
February	1.37	1.12
March	1.34	1.13
April (up to the Latest Practicable Date)	1.78	1.22

**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 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 2009 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 Monday, 22 June 2009 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and reports of the Directors and Auditors for the year ended 31 December 2008;
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 2009

**Notes:**

1. Any shareholder 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 shareholder of the Company.
2. A proxy form for use in connection with the meeting is enclosed. To be valid, the proxy forms shall be deposited at the registered office of the Company (marked for the attention of the Company Secretary) not less than 48 hours before the time appointed for holding the meeting.
3. Concerning agenda item 2 above, Mr. Francis Lui Yiu Tung and Mr. Joseph Chee Ying Keung will retire by rotation at the meeting and, being eligible, will offer themselves for re-election. Dr. Patrick Wong Lung Tak, being a new Director appointed by the Board, will hold office until the meeting and being eligible, will offer himself 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 shareholders 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 shareholders 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.