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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)

RESIGNATION AND APPOINTMENT OF DIRECTORS

The Board announces that Mr. Guido Paolo Gamucci has resigned as a non-executive Director of the Company and Mr. Henry Lin Chen has been appointed a non-executive Director of the Company, both with effect from 20 January 2010.

The Board of Directors (the “**Board**”) of Galaxy Entertainment Group Limited (the “**Company**”) announces that Mr. Guido Paolo Gamucci (“**Mr. Gamucci**”) has resigned as a non-executive Director of the Company with effect from 20 January 2010 due to his retirement with Permira. Permira is a European private equity firm with a global reach which advises a private equity fund (the “**Permira Fund**”) beneficially interested in approximately 20.3% of the issued share capital of the Company. Pursuant to an Investors’ Rights Agreement dated 8 October 2007 (the “**Investors’ Rights Agreement**”) as disclosed in the joint circular of the Company and K. Wah International Holdings Limited dated 5 November 2007, Mr. Henry Lin Chen (“**Mr. Chen**”) has been nominated by a company wholly-owned by the Permira Fund to replace Mr. Gamucci.

Mr. Gamucci has confirmed that he has no disagreement with the Board and is not aware of any matter in connection with his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to extend its gratitude to Mr. Gamucci for his contribution to the Company during his term of appointment and offers its best wishes to him.

The Board is also pleased to announce that Mr. Chen has been appointed a non-executive Director of the Company with effect from 20 January 2010.

Mr. Henry Lin Chen, aged 39, joined Permira in August 2008 and is responsible for running Permira’s Hong Kong office and for developing Permira’s activities, with a particular focus on Greater China.

Prior to joining Permira, Mr. Chen spent nine years in senior positions at Goldman Sachs. Most recently, as Head of General Industrials Group, Asia ex-Japan, he was responsible for managing the largest industry group in investment banking covering four major sectors: Industrials, Transportation, Consumer Retail and Healthcare. Previously, Mr. Chen served as Chief Operating

Officer of Corporate Finance where he led the execution of complex transactions including Lenovo's acquisition of IBM's PC Business and Temasek's investment in China Construction Bank. In addition, he led and executed a broad range of transactions primarily in Greater China.

Mr. Chen received a Bachelor and Master of Arts in History and Science from Harvard University and a Juris Doctorate from Harvard Law School. He is licensed to practice law in the state of New York, USA.

Save for the appointment to the Board, Mr. Chen does not hold any position with the Company or any of its subsidiaries. Mr. Chen did not hold any directorship in any listed public companies in the past three years.

There is no written director's service contract between the Company and Mr. Chen. He is not appointed for any specific length of service but his term as a Director of the Company is subject to the terms of the Investors' Rights Agreement as well as retirement by rotation and re-election at the annual general meetings of the Company in accordance with its Articles of Association. The director's emoluments payable to Mr. Chen (if any) comprise 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 of the Company) and will be determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and market benchmarks.

Mr. Chen does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company save that he has been nominated pursuant to the Investors' Rights Agreement as disclosed above.

As at the date of this announcement, Mr. Chen has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Save as disclosed above, the Board is not aware of any other matters relating to the appointment of Mr. Chen that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to any of the requirements of paragraphs (h) to (v) of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board would like to extend its warm welcome to Mr. Chen on his appointment.

As at the date of this announcement, the executive Directors of the Company 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 the Company are Mr. Anthony Thomas Christopher Carter, Dr. Martin Clarke and Mr. Henry Lin Chen; and the independent non-executive Directors of the Company 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, 20 January 2010

Website: www.galaxyentertainment.com