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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 2015.



銀娛GEG

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 BUY-BACK SHARES
AND ISSUE SHARES
AND
NOTICE OF 2016 ANNUAL GENERAL MEETING**

A notice convening the 2016 Annual General Meeting of Galaxy Entertainment Group Limited to be held on Tuesday, 10 May 2016 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.

24 March 2016

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DEFINITIONS

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

“2016 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 Tuesday, 10 May 2016 at 11:00 a.m.
“Annual Report”	the annual report of the Company for the year ended 31 December 2015
“Article(s)”	article(s) of the Articles of Association
“Articles of Association”	articles of association of the Company
“associates”	the meaning ascribed to the expression under the Listing Rules
“Awarded Shares”	Shares awarded pursuant to the Share Award Scheme
“Board”	the board of Directors
“Buy-back Code”	the Hong Kong Code on Share Buy-backs
“close associates”	the meaning ascribed to the expression under the Listing Rules
“Companies Ordinance”	Companies Ordinance, Chapter 622 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”	the meaning ascribed to the expression under the Listing Rules
“core connected persons”	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
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	17 March 2016, 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”	Dr. Lui, his spouse, sons and daughters
“Macau SAR”	Macao Special Administrative Region of The People’s Republic of China
“Securities and Futures Ordinance”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Award Scheme”	the Share Award Scheme 2014 adopted by the Board on 4 August 2014, details of which are set out in the Company’s announcement dated on 4 August 2014, as amended from time to time
“Share(s)”	share(s) 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.



銀娛 GEG

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, *GBM, MBE, JP, LLD, DSSc, DBA (Chairman)*

Mr. Francis Lui Yiu Tung *(Deputy Chairman)*

Mr. Joseph Chee Ying Keung

Ms. Paddy Tang Lui Wai Yu, *BBS, JP*

Registered Office:

Room 1606, 16th Floor

Hutchison House

10 Harcourt Road

Central

Hong Kong

Non-Executive Director:

Dr. Charles Cheung Wai Bun, *JP*

Independent Non-executive Directors:

Mr. James Ross Ancell

Dr. William Yip Shue Lam, *LLD*

Professor Patrick Wong Lung Tak, *BBS, JP*

24 March 2016

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO BUY-BACK SHARES
AND ISSUE SHARES
AND
NOTICE OF 2016 ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2016 Annual General Meeting relating to (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates to buy-back Shares not exceeding 10% and to issue and allot new Shares not exceeding 20% of the Company's shares in issue as at the date of passing of such resolutions.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Article 106(A), Mr. Joseph Chee Ying Keung and Mr. James Ross Ancell will retire by rotation at the 2016 Annual General Meeting and, being eligible, all will offer themselves for re-election and they will be elected individually.

Dr. Charles Cheung Wai Bun was appointed as a Non-executive Director of the Company on 12 October 2015. Pursuant to Article 97, he will hold office only until the 2016 Annual General Meeting and will be eligible and offer himself for re-election and he will be elected individually.

Mr. James Ross Ancell has served as an independent non-executive Director of the Company for more than 9 years. He meets the independence factors set out in Rule 3.13 of the Listing Rules. During his years of appointment, Mr. Ancell has demonstrated his ability to provide an independent view to the Company's matters and there is no evidence that his tenure has had any impact on his independence. The Board is of the view that Mr. Ancell remains independent notwithstanding the length of his services. Subject to the approval of his re-election by the Shareholders at the 2016 Annual General Meeting, Mr. Ancell will continue to act as an Independent Non-executive Director of the Company.

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

GENERAL MANDATES TO BUY-BACK SHARES AND ISSUE SHARES

At the annual general meeting of the Company held on 16 June 2015, ordinary resolutions were passed granting general mandates for the Directors to buy-back Shares not exceeding 10% of the number of issued shares of the Company as at that date ("Existing Buy-back Mandate") and to issue and allot new Shares not exceeding 20% of the number of issued shares of the Company as at that date ("Existing Share Issue Mandate").

Both the Existing Buy-back Mandate and the Existing Share Issue Mandate will expire upon the conclusion of the 2016 Annual General Meeting. The Directors consider that the Existing Buy-back 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 should continue to be adopted by the Company.

At the 2016 Annual General Meeting, a new general mandate for the Directors to buy-back Shares not exceeding 10%, and a new general mandate for the Directors to allot, issue and deal with new Shares, to grant rights to subscribe for, or convert any security into, additional Shares (including the issue of any Awarded Shares and securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which might require the exercise of such powers not exceeding (save as otherwise provided in the resolution) 20%, of the issued shares of the Company as at the date of passing of such resolutions as respectively set out in Resolution 4.1 ("New Buy-back Mandate") and in Resolutions 4.2 and 4.3 ("New Share Issue Mandate") in the notice of the 2016 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 bought back pursuant to the New Buy-back 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 2016 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 2016 Annual General Meeting in relation to the New Buy-back 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 shares of the Company as at the Latest Practicable Date (assuming no further changes to the issued shares of the Company from that date until the date of the 2016 Annual General Meeting), the maximum number of Shares that can be allotted and issued by the Company is 852,155,605.

NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice of the 2016 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. A shareholder may appoint separate proxies to represent respectively the number of the shares held by such shareholder that is specified in the proxy form. Completion and delivery of the proxy form will not preclude you from attending, speaking 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 resolutions set out in the notice of the 2016 Annual General Meeting will be decided 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 2016 Annual General Meeting.

RECOMMENDATION

The Directors consider that the re-election of Directors, the New Buy-back Mandate and the New Share Issue Mandate are each in the best interests of the Company and the Shareholders, and accordingly, recommend all Shareholders to vote in favour of such resolutions to be proposed at the 2016 Annual General Meeting.

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
Galaxy Entertainment Group Limited
Dr. Lui Che Woo
Chairman

The details of the Directors proposed for re-election at the 2016 Annual General Meeting are set out below:

Mr. Joseph Chee Ying Keung, aged 58, 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 as well as a member of the Executive Board of the Company. In addition, he is a director of a number of subsidiaries of the Company.

Mr. Chee holds a 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 30 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 Pneumoconiosis Compensation Fund Board. He served as 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. He was re-elected as the Chairman of Hong Kong Contract Quarry Association in 2011. Mr. Chee was elected as a member of the 11th Yunnan Provincial Committee of the Chinese People's Political Consultative Conference in December 2012.

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 meetings of the Company in accordance with the Articles of Association. His emoluments 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 total emoluments received during the year ended 31 December 2015 as disclosed in the Annual Report include Director's fee, salary, allowance and benefit in kind, discretionary bonuses, pension scheme contributions and share option value amounted to HK\$7,283,000. 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 2,520,000 Shares under Part XV of the Securities and Futures Ordinance, comprising 1,696,000 Shares and share options entitling him to subscribe for 824,000 Shares. Save as disclosed herein, Mr. Chee 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 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.

Mr. James Ross Ancell, aged 62, has been an independent non-executive Director of the Company since April 2004. Mr. Ancell is the Chairman of the Audit Committee and a member of the Corporate Governance Committee of the Company. Apart from this, he does not hold any positions with the Company or any of its subsidiaries.

Mr. Ancell holds a Bachelor's degree in Management Studies from University of Waikato in New Zealand. He is a member of the Institute of Chartered Accountants of New Zealand and has over 30 years of broad experience in building materials and construction sectors, waste management and recycling business gained from multinational corporations. He is currently the Chairman of Churngold Construction Holdings Limited in the UK, a leading specialist groundworks subcontractor carrying out groundworks and road surfacing, with a separate remediation business, cleaning up sites contaminated by previous industrial activity. He is also a non-executive director of MJ Gleeson Group PLC, a housebuilder and regeneration company listed on the London Stock Exchange.

Save as disclosed above, Mr. Ancell 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. Ancell was a non-executive director of Sedgemoor Group Limited between 26 January 2005 and 17 July 2007, and of its two subsidiaries, Sedgemoor College Limited and Sedgemoor Administration Services Limited, between 26 January 2005 and 6 December 2006. These companies were incorporated in England and involved in the residential childcare business. On 26 September 2007, an Administrator was appointed over each of the companies in respect of their liquidation, which involved claims with creditors for a total amount of approximately £18.2 million (about HK\$215.5 million). Liquidation of all the three companies had been completed by 16 September 2008.

Mr. Ancell'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 meetings of the Company in accordance with the Articles of Association. His emoluments comprise an annual Director's fee and an annual fee for acting as the Chairman of the Audit Committee and a member of the Corporate Governance Committee (all of which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting) and discretionary share options. His total emoluments received for the Director's fee during the year ended 31 December 2015 as disclosed in the Annual Report amounted to HK\$440,000. 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. Ancell has interests in 300,000 Shares under Part XV of the Securities and Futures Ordinance. Save as disclosed herein, Mr. Ancell 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 Mr. Ancell'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. Charles Cheung Wai Bun, JP, aged 79, has been a non-executive Director of the Company since October 2015. Apart from this, he does not hold any positions with the Company or any of its subsidiaries.

Dr. Cheung holds an honorary doctor's degree from John Dewey University, U.S.A., a master degree in business administration and a bachelor of science degree in accounts and finance from New York University, U.S.A. He was awarded the Directors of the Year Awards 2002 of Listed Company Non-Executive Director by The Hong Kong Institute of Directors. In December 2010, Dr. Cheung received three awards, namely (1) Outstanding Management Award of The Chartered Management Association; (2) Outstanding Director Award of The Chartered Association of Directors; and (3) Outstanding CEO Award of The Asia Pacific CEO Association.

Dr. Cheung is a council member of The Hong Kong Institute of Directors. He is also a member of the Hospital Governing Committee of Kowloon Hospital and Hong Kong Eye Hospital, and a member of the Kowloon Regional Advisory Committee of the Hospital Authority in Hong Kong. Dr. Cheung was formerly a visiting professor of the School of Business of Nanjing University, PRC. He was formerly the group chief executive and executive deputy chairman of Mission Hills Group, Hong Kong, and a former director and advisor of the Tung Wah Group of Hospitals. He has held senior management positions in various companies of different industries and possessed extensive banking, financial and commercial experiences.

Dr. Cheung is an independent non-executive director of China Financial International Investments Limited, Modern Dental Group Limited (appointed on 24 November 2015), Pioneer Global Group Limited and Universal Technologies Holdings Limited, all are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He is the Chairman of the Board and an independent non-executive director of Grand T G Gold Holdings Limited and also an independent non-executive director of Zebra Strategic Holdings Limited, both of which are listed on the growth enterprise market of the Stock Exchange. Dr. Cheung is also a director and the vice chairman of executive committee of the Metropolitan Bank (China) Ltd. He was formerly an independent non-executive director of Shanghai Electric Group Company Limited from November 2004 to February 2014, a company listed on the main board of the Stock Exchange.

Save as disclosed above, Dr. Cheung 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. Cheung's service contract provides for a term of three years commencing from 12 October 2015 and he will be subject to retirement by rotation and re-election at the first general meeting of the Company after his appointment in accordance with the Articles of Association. His emoluments 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) and discretionary share options. He did not receive any emolument for the Director's fee during the year ended 31 December 2015. 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. Cheung 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. Cheung'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 2016 Annual General Meeting in relation to the New Buy-back Mandate.

ISSUE SHARES

As at the Latest Practicable Date, the issued shares of the Company comprised 4,260,778,025 Shares. As at the same date, there were outstanding share options granted under the Company's share option schemes to subscribe for 85,048,607 Shares and 23,999,790 Awarded Shares underlying the awards granted under the Share Award Scheme as disclosed in the Company's announcement dated 4 August 2014. The Awarded Shares may be satisfied by way of issue of new Shares or purchase of old Shares from the stock market.

Subject to the passing of the resolution granting the proposed mandate to buy-back Shares and on the basis that no further Shares are issued (whether generally or pursuant to the exercise of the outstanding share options) or bought back before the 2016 Annual General Meeting, the Company will be allowed to buy-back a maximum of 426,077,802 Shares during the period from the 2016 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 any applicable law of Hong Kong; or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR BUY-BACKS

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 buy-back Shares on the Stock Exchange. Such buy-backs 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 buy-back will benefit the Company and the Shareholders.

The Directors have no present intention to buy-back any Shares and they would only exercise the power to buy-back in circumstances where they consider that the buy-back would be in the best interests of the Company and in circumstances where they consider that the Shares can be bought back on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2015, 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 buy-back 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 buy-back 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 BUY-BACKS

Buy-backs made pursuant to the proposed mandate to buy-back 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 buy-back 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 Buy-back 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, Lui Family Members and their respective associates and companies controlled by them were interested in a total of 2,124,271,675 Shares, representing approximately 49.9% of the issued shares of the Company.

Based on the above shareholding interests, in the event that the power to buy-back Shares pursuant to the New Buy-back Mandate is exercised in full, and taking no account of the exercise of outstanding share options, the interests of the Trust, Lui Family Members and their respective associates and companies controlled by them would be increased to approximately 55.4%. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the New Buy-back Mandate to such an extent as would result in takeover obligations.

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\$)
2015		
March	41.00	32.80
April	43.00	34.80
May	40.00	36.20
June	37.25	30.15
July	37.80	29.40
August	37.85	24.10
September	25.20	19.02
October	29.50	19.78
November	28.25	22.75
December	24.95	22.20
2016		
January	25.30	19.92
February	27.15	21.95
March (up to the Latest Practicable Date)	28.00	24.85

BUY-BACK OF SHARES

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

GENERAL

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

No core 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 buy-backs of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the New Buy-back Mandate to buy-back Shares in accordance with the Listing Rules and the applicable laws of Hong Kong.



銀娛 GEG

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 OF 2016 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2016 annual general meeting of shareholders of Galaxy Entertainment Group Limited (the “Company”) will be held at Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 10 May 2016 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and reports of the Directors and Auditor for the year ended 31 December 2015;
2. To re-elect Directors and fix the Directors’ remuneration;
3. To re-appoint Auditor and authorise the Directors to fix the Auditor’s 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 is hereby generally and unconditionally approved;
- (b) the aggregate number 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 Buy-backs pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate number of the issued shares of the Company 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 any applicable law of Hong Kong or the Company’s Articles of Association 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, to grant rights to subscribe for, or convert any security into, additional shares in the capital of the Company (including the issue of any securities convertible into shares, issue of any Shares pursuant to the Share Award Scheme 2014 adopted by the Company on 4 August 2014 or grant options, warrants or similar rights to subscribe for any shares) 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 number of shares 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) any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares, or rights or options (and the exercise thereof) to acquire shares in the capital 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 number of the issued shares of the Company on the date of the passing of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into larger or smaller number of shares); (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the number of shares bought back by the Company subsequent to the passing of this Resolution (up to a maximum of 10% of the issued shares of the Company at the date of passing this Resolution) (subject to adjustment in the case of any conversion of any or all of the shares of the Company into larger or smaller number of shares), 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 any applicable law of Hong Kong or the Company’s Articles of Association 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 in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for, or of securities convertible into, shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company (or, where appropriate, to holders of other securities of the Company entitled to the offer) or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) or class thereof (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 recognised 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 a number representing the aggregate number of shares of the Company bought back by the Company under the authority granted by the Resolution numbered 4.1, provided that such number shall not exceed 10% of the aggregate number of the issued shares of the Company at the date of the passing of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into larger or smaller number of shares).”

By Order of the Board
Galaxy Entertainment Group Limited
Jenifer Sin Li Mei Wah
Company Secretary

Hong Kong, 24 March 2016

Notes:

1. Any shareholder entitled to attend and to speak and vote at the meeting is entitled to appoint one or more proxies to attend and to speak and vote at the 2016 annual general meeting 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 with the circular dated 24 March 2016 (the “Circular”). 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. A shareholder may appoint separate proxies to represent respectively the number of the shares held by such shareholder that is specified in the proxy form.
3. The register of members of the Company will be closed from Friday, 6 May 2016 to Tuesday, 10 May 2016, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2016 annual general meeting, all share certificates with completed transfer documents must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Thursday, 5 May 2016.
4. Concerning agenda item 2 above, Mr. Joseph Chee Ying Keung, Mr. James Ross Ancell and Dr. Charles Cheung Wai Bun will retire by rotation at the meeting and, being eligible, will offer themselves for re-election. Details of these Directors are set out in Appendix I to the Circular.
5. 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 buy-back shares on The Stock Exchange of Hong Kong Limited. An explanatory statement to provide relevant information in respect of the proposed granting of the buy-back mandate to the Directors is set out in Appendix II to the Circular.
6. 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.