



K. WAH CONSTRUCTION MATERIALS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

Announcement

Change of name, change in board lot size, and new general mandates

Despatch of Circular

Notice of Extraordinary General Meeting

The Circular was despatched on 16 September 2005 and the EGM is convened to be held on 12 October 2005. The expected timetable and arrangements for the free exchange of share certificates and trading in shares of the Company in the new board lot size are set out below.

Reference is made to the announcement issued by the Company dated 19 August 2005 in relation to the proposed change of name from “K. Wah Construction Materials Limited 嘉華建材有限公司” to “Galaxy Entertainment Group Limited 銀河娛樂集團有限公司”, change in board lot size from 2,000 shares to 1,000 shares and grant of the Issue Mandate and the Repurchase Mandate to the directors of the Company (“Announcement”). Terms defined in the Announcement are used in this announcement

A circular containing, amongst others, (i) details required under Rule 13.36(4)(d) of the Listing Rules in relation to the Issue Mandate (ii) the expected timetable and arrangements for the free exchange of share certificates and trading in shares of the Company in the new board lot size (iii) the recommendation of the independent board committee on the proposed Issue Mandate (iv) the letter of advice from Commerzbank AG (Hong Kong branch), the independent financial adviser to the independent board committee and the independent shareholders and (v) the notice convening the EGM to be held on 12 October 2005 has been sent to the shareholders on 16 September 2005 (“Circular”).

FREE EXCHANGE OF SHARE CERTIFICATES

Share certificates in orange colour issued after the change of name has become effective will be issued in the new name of the Company. The change of name will not affect any of the rights of the KWCM shareholders. All existing share certificates in issue coloured yellow bearing the existing name of KWCM will continue to be evidence of title to shares of HK\$0.10 each in the Company (“KWCM Shares”) for the same number of shares in the new name of the Company. Such share certificates will remain valid for trading, settlement, registration and delivery.

As from Wednesday, 9 November 2005, being the effective date for the change in board lot size, any new share certificates will be issued in board lots of 1,000 KWCM Shares.

Shareholders may, during business hours from Wednesday, 26 October 2005 to Wednesday, 7 December 2005 (both dates inclusive), submit their existing share certificates in board lots of 2,000 KWCM Shares to the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in exchange for new share certificates in board lots of 1,000 KWCM Shares free of charge. Thereafter, existing share certificates in

board lots of 2,000 KWCM Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in board lots of 1,000 KWCM Shares issued or each old share certificate submitted, whichever number of share certificate involved is higher.

It is expected that new certificates for the KWCM Shares (in the new name (if the change has become effective) and new board lot size of 1,000 KWCM Shares) will be available for collection from the Company's share registrar on or after 10 business days from the date of submission of the existing certificates to the Company's share registrar.

EXPECTED TIMETABLE

The effective date of the change of name of the Company will be the date of issue of the certificate of incorporation on change of name by the Hong Kong Companies Registry which is expected to take place within two weeks after the EGM. The Company expects the change in board lot size of the KWCM Shares will take place on 9 November 2005. Further announcement will be made by the Company to advise the KWCM shareholders of the effective date of the change of name and the new stock short name for trading of the KWCM Shares on the Stock Exchange.

The expected timetable for the free exchange of share certificates and arrangements for trading in shares of the Company in the new board lot size is as follows:

	<i>2005</i>
Latest time for return of proxy form of EGM	3:00 p.m. on Monday, 10 October
EGM to approve, inter alia, the change of name of the Company	3:00 p.m. on Wednesday, 12 October
First day for free exchange of existing share certificates in board lots of 2,000 KWCM Shares for new share certificates in board lots of 1,000 KWCM Shares	Wednesday, 26 October
Effective date of the change in board lot size	Wednesday, 9 November
Original counter for trading in existing board lots of 2,000 KWCM Shares closes and becoming counter for trading in new board lots of 1,000 KWCM Shares	9:30 a.m. on Wednesday, 9 November
Temporary counter for trading in board lots of 2,000 KWCM Shares (in the form of existing share certificates) opens	9:30 a.m. on Wednesday, 9 November
Parallel trading (in the form of new share certificates and existing share certificates) commences	9:30 a.m. on Wednesday, 9 November
Temporary counter for trading in board lots of 2,000 KWCM Shares (in the form of existing share certificates) closes	4:00 p.m. on Wednesday, 30 November

Parallel trading (in the form of new share certificates and existing shares certificates)

ends 4:00 p.m.
on Wednesday, 30 November

Last day for free exchange of existing share certificates in board lots of 2,000 KWCM

Shares for new share certificates in board

lots of 1,000 KWCM Shares Wednesday, 7 December

Further announcement will be made by the Company if there is any change to the expected timetable.

By Order of the Board

K. Wah Construction Materials Limited

Kitty Chan Lai Kit

Company Secretary

Hong Kong, 16 September 2005

At the date of this announcement, the executive directors of KWCM are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Chan Kai Nang, Mr. Joseph Chee Ying Keung, Mr. William Lo Chi Chung and Ms. Paddy Lui Wai Yu; the non-executive director of KWCM is Mr. Moses Cheng Mo Chi; and the independent non-executive directors of KWCM are Dr. Charles Cheung Wai Bun, Mr. James Ross Ancell and Dr. William Yip Shue Lam.

NOTICE OF EGM

“**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of K. Wah Construction Materials Limited will be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong at 3:00 p.m. on Wednesday, 12 October 2005 for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions with or without amendment (in the case of resolutions 1 to 3) and as a special resolution in the case of resolution 4:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the general mandate granted to the Directors of the Company to exercise the powers of the Company to purchase shares in the capital of the Company as approved by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 April 2005 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (c), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (c) the aggregate nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (b) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution and the said approval shall be limited accordingly;
- (d) for the purpose 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.”

2. **“THAT:**

- (a) the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company as approved by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 April 2005 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution);
- (b) subject to paragraph (c), 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;
- (c) 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 (b), 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 equivalent to 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

- (d) for the purposes of this resolution:

“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); and

“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”.

3. “**THAT** conditional upon the passing of the resolutions numbered 1 and 2 in the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with shares pursuant to the resolution numbered 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 pursuant to the resolution numbered 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.”

SPECIAL RESOLUTION

4. “**THAT** the name of the Company be changed to “**GALAXY ENTERTAINMENT GROUP LIMITED** 銀河娛樂集團有限公司”.”

By Order of the Board
K. Wah Construction Materials Limited
Kitty Chan Lai Kit
Company Secretary

Hong Kong, 16 September 2005

Registered Office:
29th Floor, K. Wah Centre
191 Java Road
North Point
Hong Kong

Notes:

1. A form of proxy to be used for the meeting is enclosed. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof and, in such event, the authority of the proxy will be deemed to be revoked.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and (on a poll) vote on his behalf. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
4. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
6. Resolution numbered 2 will be voted on by way of poll.
7. At the date of this notice, the executive directors of the Company are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Chan Kai Nang, Mr. Joseph Chee Ying Keung, Mr. William Lo Chi Chung and Ms. Paddy Tang Lui Wai Yu. The non-executive director is Mr. Moses Cheng Mo Chi, and the independent non-executive directors are Dr. Charles Cheung Wai Bun, Mr. James Ross Ancell and Dr. William Yip Shue Lam.”

Please also refer to the published version of this announcement in (South China Morning Post)