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NEPTUNE GROUP LIMITED

海王國際集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00070)

SECOND SUPPLEMENTAL AGREEMENT AND COMPLETION OF THE DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 20% EQUITY INTERESTS OF ESSENCE GOLD INVESTMENT LIMITED

Reference is made to the announcements of the Company dated 19 September 2012, 24 September 2012, 9 October 2012 and 31 December 2012 (the “Announcements”) in relation to, among others, the Acquisition.

SECOND SUPPLEMENTAL AGREEMENT TO THE AGREEMENT

On 26 February 2013, the Vendor, the Purchaser, the Junket Promoter and the Junket Owner entered into the Second Supplemental Agreement to vary the terms of the Agreement (as supplemented by the supplemental agreement entered into on 31 December 2012). The parties to the Second Supplemental Agreement have agreed to revise the Agreement to such an extent that the conditions as set out in (e) (i.e. the Purchaser having received to its reasonable satisfaction a Macanese legal opinion on the legality, validity and effectiveness of the Junket Licence, the Junket Promoter Agreement, the implementation of the Agreement and the Acquisition) may be waived by the Purchaser.

COMPLETION OF THE ACQUISITION

The Board is also pleased to announce that the conditions precedent to the Agreement have either been fulfilled or waived in accordance with the terms of the Agreement (as supplemented). The Acquisition was completed on 26 February 2013.

SUPPLEMENTAL AGREEMENT TO THE PROFIT ASSIGNMENT AGREEMENT

The Board would like to provide further information on the Acquisition. On 30 January 2013, the Junket Promoter, Essence Gold and the Junket Owner entered into the Supplemental Agreement to vary the provisions of the Profit Assignment Agreement.

Pursuant to the Supplemental Agreement, the following key revisions are made:

- (i) The Junket Promoter shall sell and/or assign, as legal and beneficial owner, and the Junket Owner shall procure the Junket Promoter to sell and/or to assign, to Essence Gold absolutely and free from any encumbrance whatsoever the Junket Promoter's right, title interest and benefits in 100% of the Profit Stream from the execution of the Agreement, and Essence Gold shall, relying on the Junket Promoter's warranties, purchase and/or accept the assignment of the Profit Stream and with all rights attached free from any encumbrance whatsoever in accordance with the Profit Assignment Agreement as revised and supplemented by the Supplemental Agreement.
- (ii) The Junket Promoter irrevocably and unconditionally guarantees to Essence Gold that the Profit Stream for the Further Period shall not be less than HK\$23 million for each and every calendar month, which Further Period Guaranteed Profit shall be adjusted on a pro rata basis for any period of less than a calendar month during the Further Period. In the event that the Profit Stream received and/or receivable by Essence Gold for the Further Period shall be less than the guaranteed amount in aggregate, the Junket Promoter undertakes to pay to Essence Gold an amount equivalent to the difference between the amount guaranteed under the Further Period Guaranteed Profit in aggregate and the Profit Stream received and/or receivable by Essence Gold during the Further Period, which payment shall be made and settled in entirety at completion of the Profit Assignment.

Reference is made to the announcements of the Company dated 19 September 2012, 24 September 2012, 9 October 2012 and 31 December 2012 (the "Announcements") in relation to, among others, the Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated.

SECOND SUPPLEMENTAL AGREEMENT TO THE AGREEMENT

On 26 February 2013, the Vendor, the Purchaser, the Junket Promoter and the Junket Owner entered into a second supplemental agreement (the "Second Supplemental Agreement") to vary the terms of the Agreement (as supplemented by the supplemental agreement entered into on 31 December 2012). The parties to the Second Supplemental Agreement have agreed to revise the Agreement to such an extent that the conditions as set out in (e) (i.e. the Purchaser having received to its reasonable satisfaction a Macanese legal opinion on the legality, validity and effectiveness of the Junket Licence, the Junket Promoter Agreement, the implementation of the Agreement and the Acquisition) may be waived by the Purchaser.

REASONS FOR THE SECOND SUPPLEMENTAL AGREEMENT TO THE AGREEMENT

The Second Supplemental Agreement to the Agreement is determined after arm's length negotiations among the parties to the Second Supplemental Agreement. The Board considers the terms of the Second Supplemental Agreement to the Agreement is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

COMPLETION OF THE ACQUISITION

The Board is also pleased to announce that the conditions precedent to the Agreement have either been fulfilled or waived in accordance with the terms of the Agreement (as supplemented). The Acquisition was completed on 26 February 2013.

FURTHER INFORMATION ON THE ACQUISITION

As disclosed in the Announcement, on 19 September 2012, the Junket Promoter, Essence Gold and the Junket Owner entered into the Profit Assignment Agreement pursuant to which the Junket Promoter shall sell and/or assign, as legal and beneficial owner, and the Junket Owner shall procure the Junket Promoter to sell and/or to assign to Essence Gold absolutely and free from any encumbrance whatsoever the Junket Promoter's right, title interest and benefits in and to the Profit Stream generated by the Vendor and/or its patrons at the VIP Club.

Upon further negotiations, the Junket Promoter, Essence Gold and the Junket Owner agreed to vary the terms of the Profit Payment (as defined below) to such extent, inter alia, that (i) the completion date of the Profit Assignment shall be extended to such an extent that it is to fall on the same day as the date of the completion of the Acquisition, and (ii) in addition to the Profit Payment (as defined below) as set out in the Profit Assignment Agreement, the Junket Promoter shall make a further profit payment to Essence Gold for and over the period commencing upon the execution of the Profit Assignment Agreement and ending at the time immediately prior to completion of the Profit Assignment, and such additional profit payment shall be paid by the Junket Promoter to Essence Gold at completion of the Profit Assignment (collectively, the "Further Profit Payment").

SUPPLEMENTAL AGREEMENT TO THE PROFIT ASSIGNMENT AGREEMENT

The Board would like to provide further information on the Acquisition. On 30 January 2013, the Junket Promoter, Essence Gold and the Junket Owner entered into a supplemental agreement (the "Supplemental Agreement") to vary the provisions of the Profit Assignment Agreement.

Pursuant to the Supplemental Agreement, the following key revisions are made:

- (i) The Junket Promoter shall sell and/or assign, as legal and beneficial owner, and the Junket Owner shall procure the Junket Promoter to sell and/or to assign, to Essence Gold absolutely and free from any encumbrance whatsoever the Junket Promoter's right, title interest and benefits in 100% of the Profit Stream from the execution of the Agreement, and Essence Gold shall, relying on the Junket Promoter's warranties, purchase and/or accept the assignment of the Profit Stream and with all rights attached free from any encumbrance whatsoever in accordance with the Profit Assignment Agreement as revised and supplemented by the Supplemental Agreement.
- (ii) Upon execution of the Supplemental Agreement, the Junket Promoter shall relinquish all its rights, interest and title in the Profit Stream as from the time of execution of the Profit Assignment Agreement, and Essence Gold shall become the sole legal and beneficial owner of the Profit Stream and be entitled to the rights attached thereto.
- (iii) The Junket Promoter shall pay to the Purchaser 100% of the Profit Stream of the Further Period (as defined below) on the date of the completion of the Profit Assignment (or such other date as the Junket Promoter, Essence Gold and the Junket Owner may agree in writing). Further, the Junket Promoter shall pay to the Purchaser 100% of the Profit Stream for each and every calendar month during the First Relevant Period and the Second Relevant Period in accordance with the Profit Assignment Agreement as revised and supplemented by the Supplemental Agreement (collectively, the "Profit Payment").

- (iv) Shall the Junket Promoter default and/or delay in making Profit Payment or any part thereof, interest shall accrue on such or such relevant amount of Profit Payment at the prime rate (as prescribed by the Hong Kong and Shanghai Banking Corporation Limited) per annum from and including the relevant Profit Payment day until the full and final settlement and discharge of such or such relevant amount of Profit Payment (the “Interest”). The Profit Payment and/or the Interest shall be recoverable by Essence Gold against the Junket Promoter as a debt due and owing by the Junket Promoter to Essence Gold.
- (v) The Junket Promoter irrevocably and unconditionally guarantees to Essence Gold that the Profit Stream for the period commencing upon the execution of the Agreement and ending at the time immediately prior to the completion of the Profit Assignment (the “Further Period”) shall not be less than HK\$23 million for each and every calendar month (the “Further Period Guaranteed Profit”), which Further Period Guaranteed Profit shall be adjusted on a pro rata basis for any period of less than a calendar month during the Further Period. In the event that the Profit Stream received and/or receivable by Essence Gold for the Further Period shall be less than the guaranteed amount in aggregate, the Junket Promoter undertakes to pay to Essence Gold an amount equivalent to the difference between the amount guaranteed under the Further Period Guaranteed Profit in aggregate and the Profit Stream received and/or receivable by Essence Gold during the Further Period, which payment shall be made and settled in entirety at completion of the Profit Assignment.

By Order of the Board
Neptune Group Limited
Lin Cheuk Fung
Chairman

Hong Kong, 26 February 2013

At the date of announcement, the Board comprises Mr. Lin Cheuk Fung, Mr. Nicholas J. Niglio, Mr. Chan Shiu Kwong, Stephen and Mr. Lin Chuen Chow Andy (all being executive Directors), Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Mr. Chan Choi Kam (all being independent non-executive Directors).