NEPTUNE GROUP LIMITED
海王國際集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00070)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2015

The Board of Directors (the "Board") of Neptune Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 June 2015 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	2015 HK$'000	2014 HK$'000
Revenue	3	**473,558**	710,396
Other revenue	4	**4,445**	3,745
Other net loss	5	**(248,491)**	(113,114)
Purchase cost recognised as an expense		**–**	(88,680)
Impairment loss of trade receivables		**(344,289)**	–
Impairment loss of intangible assets		**(875,222)**	–
General and administrative expenses		**(6,194)**	(8,041)
(Loss)/profit from operation		**(996,193)**	504,306
Share of (loss)/profit of an associate		**(1,879)**	11,740
Finance costs	6(a)	**(524)**	(633)
(Loss)/profit before taxation	6	**(998,596)**	515,413
Income tax	7	**–**	–
(Loss)/profit for the year		**(998,596)**	515,413
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investment		**(209,852)**	(111,126)
Impairment loss on available-for-sale investment		**209,852**	111,126
Item that will not be reclassified to profit or loss:			
Surplus on revaluation of owner occupied building upon change of use to investment property		**–**	5,922
Other comprehensive income for the year		**–**	5,922
Total comprehensive (loss)/income for the year		**(998,596)**	521,335
(Loss)/profit for the year attributable to			
– Owners of the Company		**(828,012)**	148,762
– Non-controlling interests		**(170,584)**	366,651
		(998,596)	515,413
Total comprehensive (loss)/income for the year attributable to			
– Owners of the Company		**(828,012)**	154,684
– Non-controlling interests		**(170,584)**	366,651
		(998,596)	521,335
(Loss)/earnings per share – basic and diluted	8	**(17.94 HK cents)**	3.22 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

		2015		2014	
	Note	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment			**643**		965
Investment property	*10*		**59,200**		59,140
Intangible assets	*11*		**1,227,571**		2,102,793
Goodwill			**–**		–
Interest in an associate			**56,205**		58,084
Available-for-sale investments			**39,672**		249,524
			1,383,291		2,470,506
Current assets					
Derivative financial instruments		**67**		33,203	
Securities held for trading		**–**		4	
Trade and other receivables	*12*	**406,080**		543,780	
Dividend receivable from an associate		**–**		55,902	
Amount due from an associate		**233**		1,698	
Cash and cash equivalents		**58,207**		45,190	
		464,587		679,777	
Less: Current liabilities					
Other payables		**10,030**		9,773	
Bank borrowing		**18,817**		20,931	
Dividend payable to non-controlling shareholders		**–**		152,169	
Income tax payable		**–**		99	
		28,847		182,972	
Net current assets			**435,740**		496,805
Net assets			**1,819,031**		2,967,311
Capital and reserves					
Share capital			**1,077,853**		1,077,853
Reserves			**87,054**		915,066
Equity attributable to owners of the Company			**1,164,907**		1,992,919
Non-controlling interests			**654,124**		974,392
Total equity			**1,819,031**		2,967,311

Notes:

1. BASIS OF PREPARATION

(i) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the List of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(ii) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2015 comprise the Company and its subsidiaries (including the structured entity) (together referred to as the "Group") and the Group's interest in an associate.

(i) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

– investment property;

– securities held for trading

– available-for-sale investments; and

– derivative financial instruments.

(ii) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). These consolidated financial statements are presented in Hong Kong dollars ("presentation currency"), which is the Company's functional and presentation currency. All financial information presented in Hong Kong dollars has been rounded to the nearest thousand, except unless otherwise stated.

(iii) Use of estimates and judgement

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs and one new interpretation that are first effective for the current accounting period of the Group, in which Amendments to HKAS 36, Recoverable Amount Disclosures for Non-Financial Assets, was early adopted by the Group during the year ended 30 June 2014. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities
- Amendments to HKAS 39, Novation of Derivatives and Continuation of Hedge Accounting

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 39, Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these financial statements as the Group has not novated any of its derivatives.

Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9, "Accounts and Audit", of the Hong Kong Companies Ordinance (Cap. 622) came into operation at the start of the Company's current financial year. The adoption of the requirements has primarily impacted the presentation and disclosure of information in the consolidated financial statements. These changes mainly include the presentation of the Company's statement of financial position as a note disclosure instead of a primary statement, updating any references to the Hong Kong Companies Ordinance to refer to the current Hong Kong Companies Ordinance and replacing certain terminology no longer used in the Hong Kong Companies Ordinance with terminology used in HKFRSs.

3. REVENUE AND SEGMENT REPORTING

The principal activity of the Group is receiving the profit streams from junket businesses at respective casino's VIP rooms in Macau (the "Gaming and Entertainment Business").

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers ("CODM"), being the directors of the Company for the purposes of resource allocation and performance assessment, the CODM review the Group's (loss)/profit as a whole which is generated solely from receiving the profit streams from gaming and entertainment related business and the Group has identified the Gaming and Entertainment Business as the Group's sole reportable operating segment. The Group's result and financial position are reviewed as a whole. Accordingly, no segment analysis is presented other than entity wide disclosure.

(a) Geographical information

The Group's business operates in two principal geographical areas – (i) Hong Kong and (ii) Macau (place of domicile). In presenting information on the basis of geographical locations, turnover is based on the location of customers. The Group's non-current assets include property, plant and equipment, investment property, intangible assets, goodwill and interest in an associate. The geographical locations of property, plant and equipment and investment property are based on the physical location of the asset under consideration. In the case of intangible assets and goodwill, it is based on the location of the operation to which they are allocated. In the case of interest in an associate, it is the location of operation of such associates.

	Hong Kong		**Macau**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Turnover from external customers	**–**	–	**473,558**	710,396
Non-current assets	**59,843**	60,105	**1,283,776**	2,160,877

4. OTHER REVENUE

An analysis of the Group's other revenue is as follows:

	2015	2014
	HK$'000	*HK$'000*
Total interest income on financial assets not at fair value through profit or loss:		
– Bank interest income	**468**	314
Compensation from junket promoter for shortfall in guaranteed profit *(Note)*	**2,811**	3,061
Gross rental income	**1,166**	370
Total	**4,445**	3,745

Note: Pursuant to the profit guarantee agreements and the supplementary profit guarantee agreements in respect of the acquisition of Essence Gold Investment Limited ("Essence Gold"), the Group is entitled to receive compensations from junket promoter for Essence Gold's failure to achieving a predetermined guaranteed profits for the period up to 30 September 2014.

During the years ended 30 June 2015 and 2014, profits generated from Essence Gold did not meet the guaranteed profit under the relevant profit guarantee agreements, and accordingly the Group is entitled to receive the compensation from the junket promoter for shortfall in guarantee profits of Essence Gold.

5. OTHER NET LOSS

An analysis of the Group's other net loss is as follows:

	2015	2014
	HK$'000	*HK$'000*
Gain on disposal of a subsidiary	**306**	–
Fair value changes on derivative financial instruments	**(33,136)**	(1,397)
Fair value change on securities held for trading	**2**	2
Fair value change on investment property	**60**	900
Impairment loss of other receivables	**(5,871)**	(713)
Impairment loss of available-for-sale investments	**(209,852)**	(111,126)
Loss on deregistration of a subsidiary	**–**	(780)
	(248,491)	(113,114)

6. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging:

(a) Finance costs

	2015	2014
	HK$'000	*HK$'000*
Total interest expense on financial liabilities not at fair value through profit or loss:		
– Interest on bank borrowing	**524**	633

(b) Other items

	2015	2014
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**322**	1,569
Operating lease charges in respect of land and buildings	**658**	199
Gross rental income from investment property less direct outgoings of HK$194,000 (2014: HK$100,000)	**972**	270

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(i) Income tax credited to profit or loss:

No provision for Hong Kong Profits Tax and other income taxes has been made as the Group's entities did not have estimated assessable profits subject to any income tax in Hong Kong and other tax jurisdictions concerned during the years ended 30 June 2015 and 2014.

(ii) Deferred taxation

There were no material unrecognised deferred tax assets and liabilities as at 30 June 2015 and 2014.

8. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of the basic (loss)/earnings per share is based on the consolidated loss attributable to owners of the Company of approximately HK$828,012,000 (2014: profit of HK$148,762,000) and the weighted average of 4,616,245,000 ordinary shares (2014: 4,616,245,000 ordinary shares) in issue during the year.

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the years ended 30 June 2015 and 2014 was the same as the basic (loss)/earnings per share because the exercise prices of the Company's outstanding share options were higher than the average market prices of the Company's shares during both years.

9. DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 30 June 2015 (2014: Nil).

10. INVESTMENT PROPERTY

	HK$'000
At fair value	
At 1 July 2013	–
Transfer from property, plant and equipment	58,240
Fair value adjustment *(Note 5)*	900
At 30 June 2014 and 1 July 2014	59,140
Fair value adjustment *(Note 5)*	60
At 30 June 2015	59,200

The investment property is located in Hong Kong under medium lease.

11. INTANGIBLE ASSETS

	Rights in sharing of profit streams *HK$'000*
Cost:	
At 1 July 2013, 30 June 2014, 1 July 2014 and 30 June 2015	2,918,693
Accumulated impairment losses:	
At 1 July 2013, 30 June 2014 and 1 July 2014	815,900
Impairment loss recognised during the year	875,222
At 30 June 2015	1,691,122
Carrying amount:	
At 30 June 2015	**1,227,571**
At 30 June 2014	2,102,793

The intangible assets represent the rights in sharing of profit streams from junket businesses at respective casinos' VIP rooms in Macau for an indefinite period of time. As a result, the intangible assets are considered by the directors of the Company as having an indefinite useful life because they are expected to contribute net cash inflows to the Group indefinitely. Such intangible assets are carried at cost less accumulated impairment losses, and are related to the Gaming and Entertainment Business.

The recoverable amount of the intangible assets with indefinite useful life is determined based on value-in-use calculations by reference to the valuation report issued by Ascent Partners Valuation Services Limited, an independent qualified professional valuer.

12. TRADE AND OTHER RECEIVABLES

Included in the Group's trade and other receivables are trade receivables with the following aging analysis as of the end of each reporting period:

	2015 ***HK$'000***	2014 *HK$'000*
0 – 30 days	**23,525**	44,285
31 – 60 days	**32,741**	79,548
61 – 90 days	**28,365**	52,248
Over 90 days	**575,188**	363,181
Total trade receivables	**659,819**	539,262
Less: Impairment loss on trade receivables	**(344,289)**	–
	315,530	539,262

As at 30 June 2015, the Group's trade receivables amounting to approximately HK$607,464,000 (2014: HK$508,825,000) were derived from the Gaming and Entertainment Business and these trade debtors are entities owned by substantial shareholders of the Company or non-controlling shareholders of certain subsidiaries.

The Group's trading terms with its customers are mainly on credit. The credit terms are generally for a period of 30 days for gaming and entertainment segment. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

As at 30 June 2015, trade receivables of the Group amounting to approximately HK$344,289,000 (2014: Nil) were individually determined to be impaired. The individually impaired receivables were outstanding for over 30 days at the end of the reporting period or were due from customers with financial difficulties. The impairment assessment has made reference to the valuation report issued by Ascent Partners Valuation Services Limited, an independent qualified professional valuer. Accordingly, specific allowances for doubtful debts of approximately HK$344,289,000 (2014: Nil) were recognised.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Board announces the audited net loss of the Group for the year ended 30 June 2015 amounting to approximately HK$998,596,000 (2014: profit of HK$515,413,000).

For the financial year ended 30 June 2015, the Group's gaming revenue falling by 33% to approximately HK$473.6 million, a significant decrease as compared to same period in 2014, we face unsettlingly challenges to consider how to sustain our business under such difficult circumstances.

A net loss attributable to owners of the Company was approximately HK$828,012,000 or loss per share of HK$17.94 cents, or compared with last year's net profit attribute to owner of the Company of approximately HK$148.8 million or earning per share of HK$3.22 cents.

Result was mainly impacted by a spectacular slowdown in the Macau VIP gaming industry as a whole.

The following is summarised information relating to our VIP junkets rooms activities.

		For the year ended 30 June		
		2015	2014	Change
		(HK$ in millions, except percentage and points)		
I)	The Venetian Macau Venetian Neptune GD VIP Club	**143.1**	231.4	(38.2)%
II)	Sands Macau Sands Neptune GD VIP Club	**108.2**	159.9	(32.3)%
III)	Grand Lisboa Neptune GD 31 Sky Club	**203.4**	272.0	(25.2)%
IV)	StarWorld Hotel Starworld Neptuno VIP Club (Cessation of business)	**18.9**	47.1	(59.9)%

Our EBITDA (see note 1) loss for the year ended 30 June 2015 was approximately HK$997.8 million, showing an exacerbated decrease of approximately HK$1,515.4 million, or 292.8% compared to last year's EBITDA of an approximately HK$517.6 million, clearly this is a significant loss and uncanny loss of this financial year. Management had already deployed all of our resources to secure and collect monies from our debtors in order to minimise our loss arising from the impairment loss of trade receivable.

The inversed EBITDA loss of approximately HK$997.8 million as compared to last year is mainly attributable to the following reasons:

– There are two unexpected events surged up during the second half of this financial year including an impairment loss of trade receivables of approximately HK$344.3 million as a result of steep turnaround of VIP gaming performance from slowdown to a full year of depression. We never face such an analogous condition happening before in the last 5 years.

– Another big event is the recognition of an impairment loss on the sum we paid on VIP gaming business recognised as intangible assets as at 30 June 2015, may be this can be debated in future, however at the moment we needs to reflect them at the fair value. The total amount of impairment loss on intangible assets is approximately HK$875.2 million consisting of our investments in Sands VIP business slashed by approximately HK$241.7 million, Venetian VIP business of approximately HK$346.6 million, Grand Lisboa VIP business of approximately HK$118.0 million and eventually the close down of VIP room in Starworld Hotel by the junket leading to a rip of approximately HK$168.9 million.

– With no exception the significant loss of VIP business causing the fair values of available -for-sale investments and derivative financial instruments lower to further loss of HK$243.0 million altogether.

– Share of result of an associate declined by 116% to a loss of approximately HK$1.9 million, as compared with last year's share of profit of approximately HK$11.7 million.

– Reduction of general and administrative expenses by HK$1.8 million was partly due to a decrease of depreciation charge of approximately HK$1.2 million for the owned office flat which was leased out, a decrease of legal and professional fees etc.

– Finally revenue generated from VIP gaming business has dropped to the lowest level recently recorded. It already formed a downward trajectory that required strenuous external and internal effort to looking forward for a rebound, if possible.

  The diminution of approximately HK$236.8 million was mainly due to the fast contraction of business during the last 6 months of this financial period.

– The comparative loss is somewhat softened since we did not absorb any purchase cost as an expense during the year ended 30 June 2015 as compared with last year's amount of approximately HK$88.6 million.

Note 1: EBITDA refers to earnings before interest expenses and other finance costs, tax, depreciation and amortisation.

DIVIDEND

The Board does not recommend the payment of final dividend for the year 30 June 2015 (2014: Nil).

CAPITAL STRUCTURE

As at 30 June 2015, the total issued share capital of the Company was HK$46,162,245 divided into 4,616,245,000 ordinary shares.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

At year end date the Group's borrowings of bank loan was approximately HK$18.8 million, a decrease of approximately HK$2.1 million from last year end date. The total cash and bank balance was approximately HK$58.2 million as compared to approximately HK$45.2 million for same period last year.

The Group had net current assets of approximately HK$435.7 million as at 30 June 2015 (2014: HK$496.8 million).

The equity of the Group as at year-end was approximately HK$1,819.0 million (2014: HK$2,967.3 million). The gearing ratio, calculated on the basis of total debt over total equity of the Group as at 30 June 2015, was approximately 1.62% (2014: 1.05%). Total debt is bank borrowing of approximately HK$18.8 million and total equity is the equity attributable to owners of the Company.

As at 30 June 2015, the face value of total indebtedness amounted to approximately HK$28.8 million (2014: HK$183.0 million), comprising of bank borrowing of approximately HK$18.8 million and other payables of approximately HK$10.0 million.

With limited cash on hand and long outstanding unsettled debts being at the risk of total written off, as well as available banking facilities, the Group's liquidity position is extremely vulnerable to satisfy any new capital commitments and working capital requirements.

PLEDGE OF GROUP'S ASSETS

As at 30 June 2015, we have pledged an investment property of the Group to secure our bank facilities of approximately HK$18.8 million (2014: HK$20.9 million), and with fair value of approximately HK$59.2 million (2014: HK$59.1 million).

CONTINGENT LIABILITIES

On 1 September 2004, a writ of summons and statement of claim was made by The Center (49) Limited against the Company in respect of the office previously rented by the Group. The claim is for a sum of approximately HK$3.3 million together with interest and cost. In the opinion of the Company's directors, the amount claimed is unreasonable. The Group would vigorously contest against such claim. After obtaining legal advice, a provision of approximately HK$1.6 million has been made in the financial statements for the year ended 30 June 2004. During the years ended 30 June 2015 and 2014, there has been no significant progress.

BUSINESS OVERVIEW

Market conditions in Macau remained challenging this year, in particular when the impact of anti-corruption measures and a softening macro-economic conditions in China was on the surface commencing from second half of this financial year. As expected, our VIP gaming business was most impacted by this macro condition, driving our whole year turnover way back to the lowest record since five years ago.

Profit fell and we thought how to cope with this vicious circle which has devastated Macau VIP gaming business continuing to slump. A Yuan devaluation, government clampdown on money flows added concerns to this industry. Possibly if tighter junket regulations are adopted, we think further negative impact on VIP gaming volumes would be inevitable, driven by the likely accelerating junket room closures.

Naturally we cut back all investment spending in anticipation that this industry cannot revive itself in the next twelve months. Now, junkets are pulling back, faced with a slowing China economy that will no longer be the same dominant force to keep high rollers clients in abundant supply.

The Group may not resolutely to continue its presence in Macau VIP gaming industry anymore if this situation doesn't correct itself in coming years. Management now face pressing concerns, as scramble to stem profit slide from weak turnover and trying to maintain a healthy cash flow for exploring other business opportunities. The Group may consider to enter into money lending business to effectively utilise the Group's cash resources and to diversify the source of the Group's income. Management may consider to commence Securities Investment business. So as to achieve a better return to the Group.

Talking of our investments within five casinos, junkets also scaled down their business in The Venetian, Sands Macau, Galaxy, Grand Lisboa and City of Dream. The allocation of their VIP gaming tables are 14 tables in Venetian, 11 tables in Sands Macau, 13 tables in Galaxy, 14 tables in StarWorld and 11 tables in Grand Lisboa, 10 tables in City of Dream, in total of 62 tables, dropping out 27 tables within one year.

But deepening economic fears about China, which culminated last six months in global market rout, we are now forcing a board rethinking of our business strategy and plotting our profit around China's rise to some other regions in other Asian countries.

However China is still a large and pervasive presence in global economy driving engine, is now the entire world is focusing on, watching this crisis unfold.

We are still to be both skeptical and prudent about future development of Macau gaming industry in path of recovery when more new casino opened up in 2016 and looser travel restrictions on Chinese nationals might have boosted optimism.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board is committed to the maintenance of good corporate governance for the creation of shareholder value. An effective system of corporate governance requires that the Board approves strategic direction, monitors performance to exercise our stewardship responsibilities with due skill and care.

Save as disclosed below, the Company has, as far as possible, fully complied with the all code provisions and, where applicable, and certain recommended best practices of Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the year ended 30 June 2015.

Independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One executive director was unable to attend the interim result board meeting of the Company held on 27 February 2015 due to other business engagement.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has developed its own securities trading code for securities transactions (the "Company Code") by the Directors and relevant employees who are likely to be in possession of unpublished inside information of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Following specific enquiry by the Company, all Directors have confirmed that they have complied with the Company Code and, therefore, with the Model code throughout the year ended 30 June 2015 and to the date of announcement.

BOARD AND BOARD COMMITTEES COMPOSITION

The following changes were made to the composition of the Board and the Board Committee during the year ended 30 June 2015.

On 27 February 2015, Mr. Chan Choi Kam resigned as an independent non-executive director and a member of Audit committee of the Company with effect from 9 March 2015.

On 27 March 2015, Mr. Chow Chung Lam Louis was appointed as an independent non-executive director and a member of audit committee of the Company.

AUDIT COMMITTEE REVIEW

The audit committee has reviewed the accounting policies adopted by the Group and the audited consolidated financial statement for the year ended 30 June 2015 and was of the opinion that the preparation of such final results compiled with the applicable accounting standards and requirements that adequate disclosure have been made. All of the audit committee members are independent non-executive directors, with Mr. Cheung Yat Hung Alton (Chairman of the audit Committee) and Mr. Yue Fu Wing possessing the appropriate professional qualification and accounting and related financial management expertise and Mr. Chow Chung Lam Louis.

The Group's annual results for the year ended 30 June 2015 has been reviewed by the audit committee and audited by auditor the Company, CCIF CPA Limited.

REMUNERATION COMMITTEE

The remuneration committee comprises two independent non-executive directors, namely Mr. Cheung Yat Hung (Chairman), Mr. Yue Fu Wing and one executive director Mr. Nicholas. J. Niglio.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement of the Group's annual results for the year ended 30 June 2015 is published on the website of the Stock Exchange of Hong Kong Limited (http://www.hkex.com.hk) and the Company's website (http://www.neptunegroup.com.hk). The annual report will be dispatched to the shareholders the Company and available on above named websites in due course.

By Order of the Board of
Neptune Group Limited
Danny Xuda Huang
Chairman

Hong Kong, 25 September 2015

As at the date of this announcement, the Board comprises the executive Directors Mr. Danny Xuda Huang (Chairman), Mr. Nicholas J. Niglio, Mr. Chan Shiu Kwong Stephen and Mr. Lin Chuen Chow Andy; and the independent non-executive directors Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Mr. Chow Chung Lam Louis.