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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)

UPDATE ON PROFIT WARNING

This announcement is made by Neptune Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 31 July 2017 (the "**Announcement**") in relation to, among other things, the profit warning of the Company for the year ended 30 June 2017. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, it is expected that the intangible assets in respect of all junket business of the Group would be fully impaired as a result of (i) the receipt of the Termination Notice by Hou Wan from VML in respect of the termination of the gaming promotion agreement dated 30 December 2016 entered into between Hou Wan and VML in relation to the promotion of casinos of VML with effect from 30 August 2017; and (ii) the receipt of the written notice dated 31 May 2017 by Hao Cai Entertainment Company Limited ("**Hao Cai**") from VML in respect of the termination of the gaming promotion agreement dated 30 December 2016 entered into between Hao Cai and VML in relation to the promotion of casinos of VML with effect from 30 June 2017 (details of which are disclosed in the announcement of the Company dated 1 June 2017).

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company for the year ended 30 June 2017, as result of reassessment of Directors after considering all the facts and change of their estimation on recoverable amount and useful life of intangible assets in respected of the junket business, the intangible assets in respect of the junket business would not be fully impaired. In addition, due to an impairment loss on intangible assets of approximately HK$451 million provided for the year ended 30 June 2016, (i) the impairment of the intangible assets in respected of the junket business in respect of the junket business for the year ended 30 June 2017 would amount to approximately HK$397.3 million, instead of HK$365.9 million as stated in the Announcement; and (ii) the amortisation of the intangible assets of the junket business would decreased by approximately 47% as compared to the previous financial year. Further, subsequent to the publication of the Announcement, certain trade receivables in respect of the junket business which were fully impaired in the prior years have been subsequently settled. As such, the Group would record a reversal of impairment loss of trade receivables in an aggregate amount of approximately HK$306.3 million. As a result of the foregoing, the Group would continue to record a net loss attributable to equity holders of the Company for the year ended 30 June 2017 but such loss would decrease significantly as compared with the net loss for the year ended 30 June 2016.

The information contained in this announcement is based on the preliminary review on the unaudited management accounts of the Group, which are unaudited, and subject to finalisation and audit to be performed by auditors of the Company. The Company is still in the process of finalising the annual results for the year ended 30 June 2017 which is expected to be released on or about 29 September 2017.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Neptune Group Limited
Lin Chuen Chow, Andy
Executive Director

Hong Kong 27 September 2017

As at the date of this announcement, the Board comprises Mr. Danny Xuda Huang, Mr. Nicholas J. Niglio and Mr. Lin Chuen Chow, Andy as executive Directors; and Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Miss Yeung Hoi Ching as independent non-executive Directors.