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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and investors that the Group is expected to record a loss in the annual results of the Group for the year ended 30 June 2008 compared to a profit recorded by the Group for the corresponding period ended 30 June 2007 mainly due to the impairment loss recognised in respect of the goodwill and intangible assets attributable to the acquisition of Profit Forest Limited and Sky Advantage Limited.

Shareholders and investors should exercise caution when dealing in the securities of the Company.

The Shares of the Company shall remain suspended pending the despatch of the announcement of the final audited financial results of the Company for the year ended 30 June 2008.

This announcement is made by Neptune Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors (the “Board”) of the Company (together with its subsidiaries, the “Group”) wishes to inform the shareholders of the Company and investors that the Group is expected to record a loss in the annual results of the Group for the year ended 30 June 2008 compared to a profit recorded by the Group for the corresponding period ended 30 June 2007 mainly due to the impairment loss recognised in respect of the goodwill and intangible assets attributable to the acquisition of Profit Forest Limited and Sky Advantage Limited.

The financial information of the Group for the year ended 30 June 2008 based on the unaudited management account of the Group is as follows:

| | Year ended 30 June 2008 HK\$'million | Year ended 30 June 2007 HK\$'million |
|--|---|--|
| Profit from gaming and entertainment business | 289 | – |
| Profit from manufacturing and trading business | 12 | 3 |
| Profit from cruise rental | 20 | 18 |
| | 321 | 21 |
| Share of result of associate | 42 | – |
| | 363 | 21 |
| Other revenue and income | 45 | 6 |
| | 408 | 27 |
| Operating expenses | | |
| – Impairment of goodwill | (211) | – |
| – Impairment of intangible assets | (171) | – |
| – Equity share-based payment expenses | (31) | (6) |
| – Administrative & finance & cost | (19) | (11) |
| – Taxation | (1) | (1) |
| (Loss)/profit for the year | <u>(25)</u> | <u>9</u> |

This profit warning announcement is only based on a preliminary estimate made by the Company after first being reviewed by the Board with reasonable care on 28 October 2008 and has not been confirmed or audited by the Company's auditors. Investors are advised to read carefully the annual results announcement of the Company for the year ended 30 June 2008.

Save as disclosed herein, the Board is not aware of any matter discloseable under the general obligations imposed under Rule 13.09 of the Listing Rules, which is or may be of a price sensitive nature.

The Shares of the Company shall remain suspended pending the despatch of the announcement of the final audited financial results of the Company for the year ended 30 June 2008.

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

Hong Kong, 30 October 2008

At the date of announcement, the Board comprises Mr. Lin Cheuk Fung, Mr. Nicholas J. Niglio, Mr. Chan Shiu Kwong, Stephen, Mr. Lau Kwok Hung, Mr. Wan Yau Shing, Ban and Mr. Lau Kwok Keung (all being executive Directors), Mr. Cheung Yat Hung, Alton, Mr. Yue Fu Wing and Mr. Wong Tat Tung (all being independent non-executive Directors).