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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)

**(I) RENEWAL OF THE LEASE BY HARBOUR BAY HOTELS LIMITED;
AND
(II) COMPLETION OF THE MAJOR TRANSACTION
IN RELATION TO THE ACQUISITIONS OF
(1) 30% OF THE EQUITY INTEREST IN AND THE SHAREHOLDER'S
LOAN OWING BY EVER PRAISE ENTERPRISES LIMITED; AND
(2) THE ENTIRE EQUITY INTEREST IN AND THE SHAREHOLDER'S
LOAN OWING BY HARBOUR BAY HOTELS LIMITED**

Reference is made to (i) the circular (the “**Circular**”) of Neptune Group Limited (the “**Company**”) dated 29 May 2017 in relation to, among other things, the acquisitions of (a) 30% of the equity interest in and the shareholder’s loan owing by Ever Praise Enterprises Limited and (b) the entire equity interest in and the shareholder’s loan owing by Harbour Bay Hotels Limited; and (ii) the supplement announcement of the Company dated 1 June 2017 regarding the Circular. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Renewal of the lease by Harbour Bay Hotels Limited

As disclosed in the Circular, the Hotel Portion (except the fourth floor of the Hotel Property) is currently leased to HB Hotels for a term of four years commencing from 1 May 2015 (with an option to renew for a further term of three years commencing from 1 May 2019) and HB Completion is subject to certain conditions precedent being fulfilled or waived (as the case may be) which include, among other things, Ever Praise having renewed the lease in respect of the Hotel Portion (except the fourth floor of the Hotel Property) to HB Hotels for a further term expiring no earlier than 30 April 2022 and at such rent and upon such terms and conditions to the reasonable satisfaction of Top Metro.

The Board is pleased to announce that, on 16 June 2017, Ever Praise as lessor and HB Hotels as lessee entered into the supplemental deed of lease, pursuant to which the parties agreed, among other things, that in consideration of Ever Praise agreeing HB Hotels to exercise the option to renew the lease in respect of the Hotel Portion (except the fourth floor of the Hotel Property) before the expiration of the term of the existing tenancy agreement, HB Hotels shall pay a rent at the rate of HK\$544,500 per calendar month (inclusive of rates, government rent, management fees but exclusive of all outgoings consumed by HB Hotels) to Ever Praise for leasing the Hotel Portion (except the fourth floor of the Hotel Property) for an additional term of three years commencing on 1 May 2019 and ending on 30 April 2022.

Completion of the Acquisitions

The Board is pleased to announce that all respective conditions precedent to the EP Acquisition Agreement and the HB Acquisition Agreement have been fulfilled and therefore EP Completion and HB Completion took place simultaneously on 26 June 2017.

Upon EP Completion, Ever Praise has become an associate of the Company and its financial results will be equity accounted for in the consolidated financial statements of the Enlarged Group.

Upon HB Completion, HB Hotels has become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Enlarged Group.

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

Hong Kong, 26 June 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.