
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Neptune Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

NEPTUNE GROUP LIMITED

海王集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 70)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Salon III, 1/F., Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Wednesday, 28 November 2007 at 10:00 a.m. is set out on pages 15 to 18 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

31 October 2007

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, and the proposed re-election of Directors
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Neptune Group Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of such resolution
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 October 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of the passing of such resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD

NEPTUNE GROUP LIMITED

海王集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 70)

Executive Directors:

Mr. Lin Cheuk Fung

Mr. Chan Shiu Kwong, Stephen

Mr. Lau Kwok Hung

Mr. Nicholas J. Niglio

Mr. Wan Yau Shing, Ban

Mr. Lau Kwok Keung

Registered office:

Units 1205-6, 12/F.

Office Tower Two

The Harbourfront

18-22 Tak Fung Street

Hunghom, Kowloon

Hong Kong

Independent non-executive Directors:

Mr. Wong Yuk Man

Mr. Cheung Yat Hung, Alton

Mr. Yue Fu Wing

31 October 2007

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE BY THE COMPANY OF ITS OWN SHARES;
(2) PROPOSED RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM to be held at Salon III, 1/F., Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Kowloon, Hong Kong on Wednesday, 28 November 2007 at 10:00 a.m., resolutions will be proposed, among other matters:

- (a) to re-elect the Directors;
- (b) to grant the General Mandate to the Directors;
- (c) to grant the Repurchase Mandate to the Directors; and

LETTER FROM THE BOARD

- (d) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the re-election of Directors, and to give you the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or the Companies Ordinance; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I.

General Mandate

The Company has in issue an aggregate of 2,407,244,500 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 481,448,900 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

Repurchase Mandate

On pages 15 to 18 of this circular is the notice of the AGM. At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to the Articles of Association, Mr. Lin Cheuk Fung, Mr. Chan Shiu Kwong, Stephen, Mr. Wan Yau Shing, Ban, Mr. Nicholas J. Niglio, Mr. Yue Fu Wing and Mr. Cheung Yat Hung, Alton shall retire from their office at the AGM. Being eligible, each of Mr. Lin Cheuk Fung, Mr. Chan Shiu Kwong, Stephen, Mr. Wan Yau Shing, Ban and Mr. Nicholas J. Niglio will offer himself for re-election as an executive Director and each of Mr. Yue Fu Wing and Mr. Cheung Yat Hung, Alton will offer himself for re-election as an independent non-executive Director. At the AGM, an ordinary resolution will be proposed to re-elect Mr. Lin Cheuk Fung as executive Director, Mr. Chan Shiu Kwong, Stephen as executive Director, Mr. Wan Yau Shing, Ban as executive Director, Mr. Nicholas J. Niglio as executive Director, Mr. Yue Fu Wing as independent non-executive Director and Mr. Cheung Yat Hung, Alton as independent non-executive Director.

Particulars relating to each of Mr. Lin Cheuk Fung, Mr. Chan Shiu Kwong, Stephen, Mr. Wan Yau Shing, Ban, Mr. Nicholas J. Niglio, Mr. Yue Fu Wing and Mr. Cheung Yat Hung, Alton are set out in Appendix III to this circular.

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of Directors are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2007, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for and/or as a means of payment by the Company.

GENERAL

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board of
Neptune Group Limited
Lin Cheuk Fung
Chairman

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,407,244,500 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 240,724,450 fully paid Shares, representing 10% of the total issued Shares as at the date of the AGM.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the applicable laws of Hong Kong and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 30 June 2007, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
October	0.207	0.173
November	0.213	0.173
December	0.200	0.180
2007		
January	0.213	0.180
February	0.660	0.247
March	0.667	0.420
April	0.707	0.507
May	0.707	0.533
June	0.690	0.500
July	0.720	0.470
August	0.590	0.300
September	0.395	0.315
October (up to the Latest Practicable Date)	0.380	0.300

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Hong Kong.

If a Shareholder's proportionate interest in the voting rights of the Company increases upon the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 5% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Lin Cheuk Fung	375,000,000	15.58%
Jumbo Boom Holdings Limited (“Jumbo Boom”)	310,817,678	12.91%

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of Lin Cheuk Fung and Jumbo Boom in the Shares would be increased to about 17.31% and 14.34% respectively. As such, the Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. The Company will not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

At as the Latest Practicable Date, the Directors have no intention to exercise any of the Repurchase Mandate.

7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

According to Article 58, at any general meeting a resolution put to the vote shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the Companies Ordinance, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members of the Company having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

The details of the Directors who will retire from their offices at the AGM and, being eligible, will offer themselves for re-election at the AGM, are set out below:

Mr. Lin Cheuk Fung (“Mr. Lin”)

Mr. Lin, aged 34, was appointed as an executive Director on 21 June 2005 and re-designated as the chairman of the Board of the Company on 8 June 2006. Mr. Lin has over 10 years of experience in a number of business activities ranging from garment industry, automobile business, property investment, cruise ship operation to casino operation. Currently, he is also the director of Yan Oi Tong, Hong Kong Commerce & Industry Association Ltd. and the vice president of The Association of Industries and Commerce of N.E. New Territories.

Mr. Lin did not hold any directorship in any other listed companies in the past 3 years. Mr. Lin has no relationship with any Directors, senior management or other substantial or controlling Shareholders. He is one of the substantial Shareholders and has interest in shares of the Company within the meaning of Part XV of the SFO. As at the Latest Practicable Date, Mr. Lin was interested in 375,000,000 Shares, representing approximately 15.58% of the issued share capital of the Company.

There is no service contract entered into between Mr. Lin and the Company and no designated length of service with the Company, but is entitled to emoluments of HK\$1,040,000 per annum and a discretionary bonus for his service. The emoluments were mutually agreed upon between the Board and Mr. Lin with reference to the prevailing market conditions and his duties and responsibilities within the Company.

There is no information relating to Mr. Lin that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Lin that need to be brought to the attention of the Shareholders.

Mr. Chan Shiu Kwong, Stephen (“Mr. Chan”)

Mr. Chan, aged 51, was appointed as an executive Director of the Company on 20 April 2005. Mr. Chan holds a Master degree in Professional Accounting from Hong Kong Polytechnic University and a Bachelor degree in Commerce. He is currently a member of Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Company Secretaries and a fellow of CPA (Australia). Mr. Chan has over 20 years of experience in property development, manufacturing and travel related industries. He has previously served a number of multinational companies as chief financial personnel and many local public listed companies as a project financial manager and these attribute to his profound experience in merger and acquisition in PRC infrastructure.

Mr. Chan did not hold any directorship in any other listed companies in the past 3 years. He also has no relationship with any Directors, senior management or substantial or controlling Shareholders. Mr. Chan does not have interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Chan and no designated length of service with the Company.

There is no information relating to Mr. Chan that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders.

Mr. Wan Yau Shing, Ban (“Mr. Wan”)

Mr. Wan, aged 42, was appointed as an executive Director on 11 April 2007. He holds the position of Chief Executive Officer with the Company. Mr. Wan is a veteran management to develop and flourish our gaming and entertainment business based on his past experience in this industry. Prior to joining the Company, he had worked as operational director in some well known casinos including Lisboa in Macau and cruise lines including Orient Princess, Success Cruise, Sea Pearl. With his remarkable success to manage gaming business in Macau and handle customers from all walk of life, Mr. Wan gained an reputable standing in Macau gaming industry.

Mr. Wan did not hold any directorship in any other listed companies in the past 3 years. He has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wan was interested in 3,000,000 share options of the Company under the Share Option Scheme of the Company. This represents 0.12% of the issued share capital of the Company and therefore Mr. Wan has interest in Shares within the meaning ascribed by Part XV of the SFO.

There is no service contract entered between Mr. Wan and the Company and no designated length of service with the Company.

There is no information relating to Mr. Wan that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Wan that need to be brought to the attention of the Shareholders.

Mr. Nicholas J. Niglio (“Mr. Niglio”)

Mr. Niglio, aged 61, was elected as an executive Director on 3 September 2007. He has over 25 years varied background in gambling focused entertainment field dating back to 1983. Through out all these years, he versed himself in management of all kinds of gaming activities and have proven success of his accomplishments.

Prior to his current position, Mr. Niglio was the Executive Vice President of Trump Taj Mahal Casino Resort, Inc. Atlantic City NJ (“Trump”) serving as senior executive in Casino

marketing and international operation from October 1993 to August 2001. He originally joined Trump in October 1993 as Executive Vice President to oversee all operational and administrative management of marketing program. Regional offices including Asia, Middle East, Europe and Latin America were under all his management.

Mr. Niglio worked at Caesars World Inc, Atlantic City NJ from 1986 to 1993 as Senior Vice President Eastern Operation and Vice President Casino Operations of Caesars Palace. He worked at Caesars in such capacities to develop casino marketing operation in all aspect and to train up staff to raise the quality of customer service.

Mr. Niglio was also a senior executive holding the position of Vice President Casino Marketing and director of Casino Administration in Resort International Hotel and Casino, Atlantic City NJ from 1978 to 1986.

Mr. Niglio is a graduate of the California State University with a Master degree in business administration, and a B.S. degree in accounting from Saint Peter's College, Jersey City NJ.

Mr. Niglio did not hold any directorship in any other listed companies in the past 3 years. He also has no relationship with any Directors, senior management or substantial or controlling Shareholders. Mr. Niglio does not have interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered between Mr. Niglio and the Company and no designated length of service with the Company.

There is no information relating to Mr. Niglio that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Niglio that need to be brought to the attention of the Shareholders.

Mr. Yue Fu Wing (“Mr. Yue”)

Mr. Yue, aged 39, was appointed as an independent non-executive Director and a member of the audit committee of the Company on 15 January 2005. Mr. Yue was a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He has a Master Degree in PRC Accounting from Jinan University in China and a Bachelor Degree in Accountancy from the City University of Hong Kong. Mr. Yue has over 10 years of experience in accounting and finance. He has worked for a multinational company, a Hong Kong listed company and an international accounting firm.

Mr. Yue did not hold any directorship in any other listed companies in the past 3 years. He also has no relationship with any Directors, senior management or substantial or controlling Shareholders. Mr. Yue does not have interest in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Yue and no designated length of service with the Company.

There is no information relating to Mr. Yue that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Yue that need to be brought to the attention of the Shareholders.

Mr. Cheung Yat Hung, Alton (“Mr. Cheung”)

Mr. Cheung, aged 44, was elected as an independent non-executive Director on 5 June 2007. He has over 12 years business experience and is an elite of automobile dealer industry. At present he is currently holding directorship in a number of private companies which engaging in automobile distribution in PRC, China among most of the finest brand automobile in the world. He is a graduate of California College of Arts and Craft, Berkeley, USA holding a Bachelor degree major in faculty of communication and fine arts. Also he is currently an independent non-executive director of Hang Ten Group Holdings Limited (Stock Code: 448), being a company listed on the main board of the Stock Exchange) and a full member of Royal Hong Kong Yacht Club and Hong Kong Jockey Club.

Mr. Cheung does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. He does not have interests in shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr. Cheung and the Company and no designated length of service with the Company. However, he is entitled to a Director’s fee as an independent non-executive Director of HK\$60,000 per annum. Such fee is subject to review by the Board from time to time pursuant to the power given to it under the Articles of Association.

There is no information relating to Mr. Cheung that is required to be disclosed pursuant to Rules 13.51(h) to (v) of the Listing Rules.

Save as aforesaid, there is no other matters concerning Mr. Cheung that need to be brought to the attention of the Shareholders.

NOTICE OF THE AGM

NEPTUNE GROUP LIMITED

海王集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 70)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Neptune Limited (the “**Company**”) will be held at Salon III, 1/F., Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Kowloon, Hong Kong on Wednesday, 28 November 2007 at 10:00 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors for the year ended 30 June 2007;
2. to re-elect Directors and to authorise the board of Directors to fix their remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;
4. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued ordinary share(s) (the “**Share(s)**”) of HK\$0.20 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any

NOTICE OF THE AGM

scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (provided that resolution no. 6 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of Hong Kong; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange).”

NOTICE OF THE AGM

5. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Ordinance of Hong Kong and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of Hong Kong; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF THE AGM

6. to consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the ordinary resolutions nos. 4 and 5 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 4 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this resolution, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 5.”

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

Hong Kong, 31 October 2007

Registered office:
Units 1205-6, 12/F.
Office Tower Two
The Harbourfront
18-22 Tak Fung Street
Hunghom, Kowloon
Hong Kong

Notes:

- 1 A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
- 2 In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. In relation to proposed resolution no. 2 above, Mr. Lin Cheuk Fung, Mr. Chan Shiu Kwong, Stephen, Mr. Wan Yau Shing, Ban, Mr. Nicholas J. Niglio, Mr. Yue Fu Wing and Mr. Cheung Yat Hung, Alton will retire from their offices of Directors at the above meeting pursuant to the articles of association of the Company and, being eligible, they will offer themselves for re-election.
4. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").
5. In relation to proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.