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SkyNet Group Limited
航空互聯集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8176)

INSIDE INFORMATION

**RECEIPT OF NOTICE OF TERMINATION OF 2016 COOPERATION
AGREEMENT WITH AN AIRLINE COMPANY**

This announcement is made by SkyNet Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement (the “**Announcement**”) of the Company dated 24 October 2016 in relation to, among other things, the cooperation agreement dated 24 October 2016 (the “**2016 Cooperation Agreement**”) entered into between Shenzhen Donica Networking Technology Co. Ltd. (“**Shenzhen Donica**”), an indirect wholly-owned subsidiary of the Company and a wholly-foreign-owned enterprise in the People’s Republic of China (the “**PRC**”), and an airline company in the PRC (the “**Airline**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 30 December 2016, Shenzhen Donica has received a written notice dated 23 December 2016 from the Airline purporting to terminate the 2016 Cooperation Agreement, with effect from the date of receipt of the written notice, due to certain requirements stated in the 2016 Cooperation Agreement were not fulfilled.

The Group is currently seeking relevant legal advice as to, among others, the validity of the purported termination. Based on preliminary assessment by Shenzhen Donica, there will be a possible impairment loss on the Group’s assets of approximately HKD6.6 million if the termination is effective and, apart from that, there will not be any other material adverse impact on the financial position of the Group.

The Company will continue to communicate with the Airline on the purported termination and make further announcements regarding this matter as and when appropriate.

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

By Order of the Board
SkyNet Group Limited
Cai Zhaoyang

Executive Director, Chairman and Chief Executive Officer

Hong Kong, 30 December 2016

As at the date of this announcement, the Board comprises of six executive Directors, namely Mr. Cai Zhaoyang, Mr. Chan Kin Wah Billy, Mr. Lee Chan Wah, Mr. Zhang Chong, Mr. Zhang Chongdi and Dr. Andrew Goldenberg; and three independent non-executive Directors, namely Mr. Tam B Ray Billy, Mr. Chu Kin Wang Peleus and Mr. Tse Joseph.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.skynetgroup.com.hk>.