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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform its Shareholders and potential investors that based on the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2016 and the information currently available, it is expected that the Group will record a net loss of not less than HK\$44,000,000 for the financial year ended 31 December 2016 as compared to the net loss of approximately HK\$39,700,000 recorded in the financial year ended 31 December 2015.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the 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 (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and its potential investors that, based on the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2016 and the information currently available, it is expected that the Group will record a net loss of not less than HK\$44,000,000 for the financial year ended 31 December 2016 as compared to the net loss of approximately HK\$39,700,000 recorded in the financial year ended 31 December 2015.

The increase in net loss is mainly attributable to (i) increase in cost of sales relating to the WIFI business sector (the “WIFI Business”) from which the Group had not generated any revenue during the year ; (ii) increase in administrative expenses attributable mainly to the increase professional fees, staff recruitment costs incurred for the WIFI Business and litigation expense incurred by

the Group; (iii) the writing off of the leasehold improvement of the beauty centre at Lyndhurst Terrace upon the expiration of its tenancy agreement; (iv) the impairment loss in respect of certain fixed assets as the Board has determined that the recoverable amount of those fixed assets is less than their carrying value; and (v) the impairment loss in respect of certain other receivables as the Board has determined that those other receivables are irrecoverable but is alleviated by other income received by the Group from Mr. Shum Yeung during the year ended 31 December 2016 in the legal proceedings against Mr. Shum Yeung, the details of which are disclosed in the previous announcements and annual report dated 21 March 2016 for the financial year ended 31 December 2015 of the Company.

The Company is still in the process of finalising the Group's consolidated results for the financial year ended 31 December 2016. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2016 and the information currently available, and is not based on any figures or information which have been audited or reviewed by the auditor or the audit committee of the Company. Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Company for the financial year ended 31 December 2016, which is expected to be published in early-March 2017.

Shareholders and potential investors of the Company are advised to 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, 24 February 2017

As at the date of this announcement, the Board comprises 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 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>.