SkyNet Group Limited

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

(Stock Code: 8176)

FIRST QUARTERLY REPORT
FOR THE THREE MONTHS ENDED
31 MARCH 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors (the "**Directors**" and each, a "**Director**") of SkyNet Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*

This report, containing the full text of the 2017 First Quarterly Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of quarterly results. Printed version of the Company's 2017 First Quarterly Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at http://www.hkgem.com and the Company's website at http://www.skynetgroup.com.hk on 12 May 2017.

FIRST QUARTERLY RESULTS

The board of Directors (the "**Board**") is pleased to announce the unaudited condensed consolidated first quarterly results of the Group for the three months ended 31 March 2017 together with the comparative unaudited figures for the corresponding period in 2016 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2017

		(Unaudited) For the three months ended 31 March	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**11,714**	13,111
Cost of sales		**(15,739)**	(26,248)
Gross loss		**(4,025)**	(13,137)
Other income	*4*	**1,813**	40
Other losses, net		**(913)**	—
Selling and distribution costs		**(1,186)**	(750)
Administrative expenses		**(17,672)**	(8,892)
Operating loss		**(21,983)**	(22,739)
Finance costs		**—**	(274)
Loss before income tax		**(21,983)**	(23,013)
Income tax expense	*7*	**(311)**	(237)
Loss for the period		**(22,294)**	(23,250)
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation on foreign operations		**1,990**	696
Other comprehensive income for the period		**1,990**	696
Total comprehensive loss for the period		**(20,304)**	(22,554)

	Notes	(Unaudited) For the three months ended 31 March **2017** ***HK$'000***	*2016* *HK$'000*
Loss for the period attributable to:			
Owners of the Company		**(22,893)**	(24,615)
Non-controlling interests		**599**	1,365
		(22,294)	(23,250)
Total comprehensive loss for the period attributable to:			
Owners of the Company		**(20,903)**	(23,919)
Non-controlling interests		**599**	1,365
		(20,304)	(22,554)
Loss per share *(HK cents)*			
Basic and diluted	*8*	**(5.1)**	(5.8)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

SkyNet Group Limited (the "**Company**") and its subsidiaries (together "**the Group**") are principally engaged in the sale of beauty products, the provision of therapy services (collectively the "**Beauty Business"**), and the provision of engineering products and related services (the "**Engineering Business**").

The Company is a limited liability company incorporated in the Cayman Islands and with effect from 22 April 2014, the Company deregistered in the Cayman Islands and continued in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("**GEM Listing Rules**") and the disclosure requirements of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the audited consolidated financial statements for year ended 31 December 2016.

The HKICPA has issued a number of new and revised standards, amendments to standards and Int (collectively referred to as "**new and revised HKFRSs**"). The Group has adopted the new and revised HKFRSs which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2017. The adoption of these new and revised HKFRSs does not have any significant financial effect on the Group's unaudited results of operations and financial position.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the three months ended 31 March 2017.

3. REVENUE

	(Unaudited) For the three months ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Sales of beauty products	**287**	867
Provision of therapy services	**11,427**	12,244
	11,714	13,111

4. OTHER INCOME

	(Unaudited) For the three months ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Interest income on bank deposits	**78**	31
Gain on disposal of property, plant and equipment	**14**	—
Sundry income	**1,721**	9
	1,813	40

5. OPERATING LOSS

	(Unaudited) For the three months ended 31 March	
	2017	2016
	HK$'000	*HK$'000*
Operating loss has been arrived at after charging:		
Depreciation of property, plant and equipment	**792**	2,214
Staff costs including directors' emoluments		
— Salaries and other allowances	**5,562**	7,877
— Pension costs — defined contribution plans	**432**	238
Operating lease rentals in respect of rental premises	**1,883**	604

6. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 31 March 2017 (2016: Nil).

7. INCOME TAX EXPENSE

(i) Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the three months ended 31 March 2017.

(ii) No provision for overseas income tax was made as the Company's overseas subsidiaries did not have taxable income for the three months ended 31 March 2017 (2016: Nil).

(iii) The Group had no significant unprovided deferred tax assets and liabilities at 31 March 2017 (2016: Nil).

8. LOSS PER SHARE

The calculation of the basic loss per share for the three months ended 31 March 2017 is based on the loss for the period of approximately HK$22,893,000 (2016: loss of approximately HK$24,615,000) and on the weighted average of 455,219,666 shares in issue during the three months ended 31 March 2017 (2016: 419,803,000 shares).

For the three months ended 31 March 2017, the computation of diluted loss per share does not assume the conversion of the Company's outstanding preferred share since their exercise would result in a decrease in loss per share.

Diluted loss per share for the three months ended 31 March 2017 was the same as the basic loss per share as there was no diluting event.

9. RESERVES

	Attributable to owners of the Company									
	Share capital-ordinary Shares	**Share capital-preferred Shares**	**Share premium**	**Contributed surplus**	**Translation reserve**	**Accumulated losses**	**Share based payment reserve**	**Sub-total**	**Non-controlling interests**	**Total equity**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2017 (audited)	45,522	3,000	359,013	27,141	(342)	(174,287)	—	260,047	308	260,355
Loss for the period	—	—	—	—	—	(22,893)	—	(22,893)	599	(22,294)
Other comprehensive income for the period:										
Exchange differences on translating foreign operations	—	—	—	—	1,990	—	—	1,990	—	1,990
Total comprehensive loss for the period	—	—	—		1,990	(22,893)	—	(20,903)	599	(20,304)
Transactions with owners in their capacity as owners:										
Employee share option scheme										
Value of employee services	—	—	—	—	—	—	3,329	3,329	—	3,329
At 31 March 2017 (unaudited)	**45,522**	**3,000**	**359,013**	**27,141**	**1,648**	**(197,180)**	**3,329**	**242,473**	**907**	**243,380**
At 1 January 2016 (audited)	41,980	3,000	196,380	27,141	192	(129,341)	—	139,352	825	140,177
Loss for the period	—	—	—	—	—	(24,615)	—	(24,615)	1,365	(23,250)
Other comprehensive expenses for the period:										
Exchange differences on translating foreign operations	—	—	—	—	696	—	—	696	—	696
Total comprehensive loss for the period	—	—	—	—	696	(24,615)	—	(23,919)	1,365	(22,554)
At 31 March 2016 (unaudited)	41,980	3,000	16,380	27,141	888	(153,956)	—	115,433	2,190	117,623

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the sale of beauty products and provision of therapy services (collectively, the "**Beauty Business**"), as well as the provision of engineering products and related service (the "**Engineering Business**"). For the sale of beauty products, the Group offers a variety of beauty products under the brand name "Evidens de Beauté", and a variety of medical skincare products, including the brand "Activa". For the provision of therapy services, the Group operates a medical skincare centre located at Soundwill Plaza in Causeway Bay.

Despite facing adverse macro-economic conditions in Hong Kong, the Board does not expect any significant growth in the Beauty Business.

For the engineering products, the Group offers WLAN and WIFI systems, and robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for WLAN and WIFI systems as well as robotics and automation systems.

On 30 December 2016, the Group has received a notice of termination from the Airline company to terminate the cooperation agreement with the Group due to certain requirements stated in the cooperation agreement were not fulfilled. As announced on 23 January 2017, since the receipt of the mentioned notice, the Group has been communicating with the Airline for possible solution acceptable to both parties. Nevertheless no alternative solution is agreed. Hence the cooperation agreement has been terminated. The Group will continue to explore other opportunities for its WLAN and WIFI systems and related services.

The first batch of robotic products was proudly delivered in last December. We are confident the first phase of mass production will start once the pilot phrase is completed. Furthermore, in December 2016, the Group has entered into a cooperative agreement with a local partner in PRC to form a joint venture to acquire the entire shareholding of ("**Shenzhen Anzer Intelligent Engineering Co., Ltd.**" or "**Anzer**") for a cash consideration of RMB500,000. Anzer is a company established in Shenzhen, the PRC and possesses its own facility qualified for robotic production. The acquisition has been completed in February 2017.

The acquisition of Anzer signifies the Group's preliminary success with deployment in the two main platforms, namely overseas research and development as well as domestic industry transformation and production. Professional expertise as a competitive advantage was strengthened and the business scope was expanded through patents and professional standards of the overseas research and development platform; the technology transfer ability and potential for market development were strengthened by virtue of the domestic industry platform.

Following the acquisition of Anzer, in addition to the development of their own technology and product advantages, the Group has taken an active role in strengthening specialized technology cooperation with other platforms whereas a strategic cooperation framework agreement was entered into with the Chinese Academy of Medical Science Biomedical Engineering Research Institute in late February 2017.

During the financial period, the Group has stepped up its marketing efforts to promote robotic products. Within three short months, other than existing clients from the previous year, numerous new clients have expressed their intention to purchase the Group's robotic products. In light of upgrades to the Group's existing products and to ensure various product performance tests are duly completed, robotic products momentarily have not generated sales in the first quarter. The Group believes that upon the completion of all tests, the Group's robotic products would result in purchase orders as expected.

Financial Review

During the period under review, the Group recorded a turnover of approximately HK$11.7 million, representing an decrease of approximately 10.7% as compared with the corresponding period in 2016, of which approximately HK$0.3 million (2016: approximately HK$0.9 million) and approximately HK$11.4 million (2016: approximately HK$12.2 million) were generated from the sales of beauty products and provision of therapy services respectively. China Honest Enterprises Limited ("**China Honest**"), a 51% owned subsidiary of the Company, was the major revenue contributor of the Group. The decrease in revenue is mainly due to decrease in revenue from provision of therapy services. The Engineering Business did not generate any revenue during the reporting period.

The negative gross margin was approximately 34.4% (2016: negative gross margin of approximately 100.2%). China Honest contributed gross profit of approximately HK$4.6 million to the Group, while the operations under the brand name "Evidens de Beauté" recorded a gross loss of approximately HK$0.1 million. The improvement in negative gross margin is mainly due to decrease in cost of sales incurred by the Engineering Business.

Other income of approximately HK$1.8 million (2016: approximately HK$40,000) was mainly contributed by the recovery of legal expense incurred for lawsuits against Mr. Shum Yeung amounted to HK$1.5 million.

Other losses of HK$0.9 million is due to change in fair value of investment in listed securities. There is no such investment in the corresponding period.

The selling and distribution costs was approximately HK$1.2 million for the three months ended 31 March 2017 (2016: approximately HK$0.8 million), representing an increase of 58% over the corresponding period in 2016. Such increase was mainly attributed to the advertising and promotion expenses of approximately HK$0.2 million and approximately HK$1.0 million incurred by the Beauty Business and the Engineering Business respectively during the period under review.

The administrative expenses was approximately HK$17.7 million for the three months ended 31 March 2017 (2016: approximately HK$8.9 million), representing an increase of 98.9% over the last corresponding period. Such increase was mainly attributed to (i) amortization of employee share option expense of HK$3.3 million; (ii) increase in directors' remuneration of HK$2.0 million; (iii) increase in staff cost of HK$2.6 million arising from acquisition of Engineering Service Inc in December 2016 and Anzer in February 2017 for the production and development robotic products;,

(iv) increase in traveling cost of HK$0.6 million and (v) increase in other administrative expense of HK$0.3 million. The total consolidated loss for the period is amounted to approximately HK$20.3 million for the three months ended 31 March 2017 (2016: approximately HK$22.6 million), representing a decrease of approximately 10.0%. Such loss was mainly attributed to the loss incurred by the Engineering Business.

OUTLOOK

China's robotics research and development started in the 1970s whereas the robotics market reached RMB14 billion in 2016 with a 56% year-on-year growth in annual sales. The next few years would be a critical period of time for tremendous development in the Chinese robotics market, particularly the market of robotics which specializes in special services. The speed of robotics market growth would exceed 100% with 2017 witnessing approximately RMB20 billion in the whole robotics market, thereby creating in tremendous potential for the Group's market development in the future.

In the future, the Group would start with positioning itself in the three lines of business: police use, commercial use and civilian use according to market resources and the status of development, and develop products in the three lines accordingly to cater to our clients' needs. Alongside placing emphasis on clients' requirements and the need of practical applications, the Group would incorporate its professional background in diverse fields so as to commit itself to producing customized robots and mechatronic solutions for clients across various fields and industries.

The Group has obtained the PMA for inflight WLAN equipment and has completed the development of its own software platform and user interface for the use on the WLAN and WIFI system. However, phones and other electronic devices are prohibited on all flights of China's airlines, which hinders the development of WIFI. On August 8, 2016, the CAAC released a draft of Civil Aviation Law of the People's Republic of China for public opinions, which still prohibits using of phones and other electronic devices on airplanes. Therefore, the Board is optimistic yet prudent about the prospect of in-flight Internet access.

The directors do not expect any significant growth in the Group's Beauty Business.

CONTINGENT LIABILITY

The Group does not have significant contingent liability as at 31 March 2017.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event occurred after the reporting period and up to date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2017, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long and short positions in the ordinary shares and underlying shares of the Company

Name of director/ chief executive	Nature of interests	*Notes*	Interest in shares *(Note 1)*	Interest in underlying shares of the Company *(Note 1)*	Total interest in shares of the Company *(Note 1)*	Approximate percentage of shareholding *(Notes 1 and 3)*
Mr. Cai Zhaoyang	Interest of controlled corporation	*Notes 2 and 3*	179,925,549(L) 179,921,200(S)	— —	179,925,549(L) 179,921,200(S)	39.52%(L) 39.52%(S)

Notes:

1. "L" represents long position in shares or underlying shares of the Company and "S" represents short position in shares or underlying shares of the Company.

2. Xing Hang Limited ("**Xing Hang**") is ultimately owned as to 65% by Mr. Cai Zhaoyang, which in turn directly holds long positions in 179,925,549 shares of the Company and short positions in 179,921,200 shares of the Company. Accordingly, Mr. Cai Zhaoyang is deemed to be interested in the long positions in 179,925,549 shares and short positions in 179,921,200 shares of the Company.

3. Pursuant to a term loan agreement (the "**Term Loan Agreement**") entered into between Xing Hang (as borrower) and Success Far Holdings Limited ("**Success Far**") (as lender) on 17 February 2015, a deed of charge and assignment in relation to the 179,921,200 shares of the Company had been executed by Xing Hang (as charger) in favour of Success Far (as chargee), pursuant to which 179,921,200 shares of the Company have been charged by Xing Hang to Success Far as security under the Term Loan Agreement. Accordingly, Xing Hang acquired short positions in respect of such 179,921,200 shares of the Company.

4. The percentage is calculated on the basis of 455,219,666 shares of the Company in issue as at 31 March 2017.

Save as disclosed above, as at 31 March 2017, so far as is known to any Directors or chief executive of the Company, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2017, so far as is known to the Directors and the chief executives of the Company, the interests and shorts positions of the persons or corporations (other than the Directors and the chief executive of the Company) in the shares and underlying shares as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Interests and short positions in the shares or underlying shares of the Company

Name of shareholder	**Nature of interests**	*Notes*	**Interest in shares of the Company** *(Note 1)*	**Interest in underlying shares of the Company** *(Note 1)*	**Total interest in shares of the Company** *(Note 1)*	**Approximate percentage of shareholding** *(Notes 1 and 7)*
Xing Hang	Beneficial owner	*2*	179,925,549(L)	—	179,925,549(L)	39.52%(L)
			179,921,200(S)	—	179,921,200(S)	39.52%(S)
Success Far	Security interest	*2*	179,921,200(L)	—	179,921,200(L)	39.52%(L)
High Aim	Beneficial owner	*3*	26,697,946(L)	30,000,000(L)	56,697,946(L)	12.46%(L)
Ko Chun Shun, Johnson	Interest of controlled corporation	*3*	26,697,946(L)	30,000,000(L)	56,697,946(L)	12.46%(L)
Hong Kong Bridge Investments	Beneficial owner	*4*	41,666,666(L)	—	41,666,666(L)	9.15%(L)
Topsearch International	Interest of controlled corporation	*4*	41,666,666(L)	—	41,666,666(L)	9.15%(L)
New Cove	Beneficial owner	*5*	26,970,000(L)	—	26,970,000(L)	5.92%(L)
Eternity	Interest of controlled corporation	*5*	26,970,000(L)	—	26,970,000(L)	5.92%(L)
Tai Dong	Beneficial owner	*6*	24,979,500(L)	—	24,979,500(L)	5.49%(L)
Su Zhituan	Interest of controlled corporation	*6*	24,979,500(L)	—	24,979,500(L)	5.49%(L)

Notes:

1. "L" represents long position in shares or underlying shares of the Company and "S" represents short position in shares or underlying shares of the Company.

2. Xing Hang is ultimately owned as to 65% by Mr. Cai Zhaoyang. Pursuant to the Term Loan Agreement entered into between Xing Hang (as borrower) and Success Far (as lender) on 17 February 2015, a deed of charge and assignment in relation to the 179,921,200 shares of the Company had been executed by Xing Hang (as charger) in favour of Success Far (as chargee), pursuant to which 179,921,200 shares of the Company have been charged by Xing Hang to Success Far as security under the Term Loan Agreement. Accordingly, Xing Hang acquired short positions in respect of such 179,921,200 shares of the Company.

3. High Aim Global Limited ("**High Aim**") is wholly-owned by Mr. Ko Chun Shun, Johnson. Accordingly, Mr. Ko Chun Shun, Johnson is deemed to be interested in all the shares of the Company in which High Aim is deemed to be interested. High Aim is interested in 26,697,946 ordinary shares and 30,000,000 preferred shares.

4. Hong Kong Bridge Investments Limited ("**Hong Kong Bridge Investments**") is interested in 41,666,666 shares of the Company. As Hong Kong Bridge Investments is an indirect wholly-owned subsidiary of Topsearch International (Holdings) Limited ("**Topsearch International**"), Topsearch International is deemed to be interested in such 41,666,666 shares.

5. New Cove Limited ("**New Cove**") is interested in 26,970,000 shares of the Company. As New Cove is an indirect wholly-owned subsidiary of Eternity Investment Limited ("**Eternity**"), Eternity is deemed to be interested in such 26,970,000 shares.

6. Tai Dong New Energy Holdings Limited ("**Tai Dong**") is interested in 24,979,500 shares of the Company. As Tai Dong is ultimately wholly-owned by Mr. Su Zhituan, Mr. Su Zhituan is deemed to be interested in such 24,979,500 shares.

7. The percentage is calculated on the basis of 455,219,666 Shares in issue as at 31 March 2017.

Save as disclosed above, as at 31 March 2017, so far as is known to the Directors and the chief executive of the Company, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, no other persons or corporations (other than the Directors and the chief executive of the Company) has interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING INTERESTS

As at 31 March 2017, none of the Directors, substantial shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) has any interest in a business which causes or may cause any significant competition with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Chu Kin Wang, Peleus (chairman), Mr. Tam B Ray, Billy and Mr. Tse Joseph. The Audit Committee has reviewed the unaudited condensed consolidated first quarterly results of the Group for the three months ended 31 March 2017 and has provided advice and comments thereon.

By Order of the Board
SkyNet Group Limited
Cai Zhaoyang
Executive Director, Chairman and
Chief Executive Officer

Hong Kong, 12 May 2017

As at the date of this report, 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.