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Skymission Group Holdings Limited

天任集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1429)

PROFIT WARNING

This announcement is made by Skymission Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary assessment of the unaudited consolidated management accounts and other financial information (collectively, the “**Unaudited Financial Information**”) of the Group for the six months ended 30 September 2023 (“**1H 2023**”), the Group expects the revenue for 1H 2023 to be around HK\$280.0 million, representing a decrease of approximately 17.7% as compared to around HK\$340.3 million for the six months ended 30 September 2022 (“**1H 2022**”). The Group expects to record a net loss ranging from approximately HK\$2 million to HK\$6 million for 1H 2023, while the net profit for 1H 2022 was approximately HK\$36.3 million.

The Group, an established formwork works subcontractor in Hong Kong with over 20 years of operating history, has been offering traditional formwork works services using timber and plywood, along with system formwork works services with aluminum formwork.

In 1H 2023, our gross profit margin recorded a reduction from about 10.5% in 1H 2022 to nearly 5.0%. This change is primarily attributed to an increase in wages for experienced workers, unexpected on-site costs, and a competitive environment for new formwork contracts. Additionally, financial performance was influenced by a provision for loss allowance on trade receivables and contract assets of HK\$7.7 million, due to aged receivables, and the absence of one-off anti-epidemic funds of HK\$16.4 million that benefited us in 1H 2022.

Given these industry challenges, the Group remains dedicated to maintaining a prudent approach in tender preparation, ensuring a sustainable profit margin. We continue to actively seek and identify opportunities that align with our cost control and risk management policies, and remain committed to delivering value to our Shareholders and stakeholders.

Since the results for 1H 2023 have not been finalized, the information contained in this announcement is only for reference based on the Unaudited Financial Information as of the date of this announcement and has not been reviewed by the audit committee of the Company.

The Company will fully comply with the provisions of the Listing Rules and expects to publish its interim results announcement for 1H 2023 by the end of November 2023.

By order of the Board
Skymission Group Holdings Limited
Leung Yam Cheung
Chairman and Chief Executive Officer

Hong Kong, 17 November 2023

As at the date of this announcement, the Board comprises Mr. Leung Yam Cheung, Mr. Leung Wing Chun and Mr. Leung Chau Ming as executive Directors; Mr. Yau Sheung Hang as a non-executive Director; and Mr. Ng Lin Fung, Mr. Tang Tsz Tsun and Mr. Tsang Ho Yin as independent non-executive Directors.