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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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

HIGHLIGHTS FOR THE YEAR ENDED 31 MARCH 2025

- Revenue was approximately HK\$402.9 million for the year ended 31 March 2025, representing a decrease of approximately 33.7% as compared with the same for the year ended 31 March 2024;
- Gross profit was approximately HK\$4.3 million for the year ended 31 March 2025, representing a decrease of approximately 50.6% as compared with the same for the year ended 31 March 2024;
- Gross profit margin decreased from approximately 1.4% for the year ended 31 March 2024 to approximately 1.1% for the year ended 31 March 2025;
- Loss and total comprehensive expense for the year attributable to the owners of the Company was approximately HK\$105.4 million for the year ended 31 March 2025, while a loss and total comprehensive expense of approximately HK\$32.4 million was recognised for the year ended 31 March 2024;
- Basic loss per share attributable to owners of the Company was approximately HK6.59 cents for the year ended 31 March 2025, while a basic loss per share of approximately HK2.02 cents was recognised for the year ended 31 March 2024; and
- The Board does not recommend the payment of any final dividend for the year ended 31 March 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Skymission Group Holdings Limited (the “**Company**” and, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the audited consolidated financial results of the Group for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024, as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 March 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| Revenue | 4 | 402,912 | 608,078 |
| Cost of services | | <u>(398,565)</u> | <u>(599,377)</u> |
| Gross profit | | 4,347 | 8,701 |
| Other income | | —* | 22 |
| Impairment losses under expected credit loss model, net of reversal | | (99,909) | (22,680) |
| Impairment losses on property, plant and equipment | | — | (700) |
| Administrative and other operating expenses | | (7,515) | (15,610) |
| Finance costs | | <u>(2,099)</u> | <u>(2,007)</u> |
| Loss before tax | 6 | (105,176) | (32,274) |
| Income tax expenses | 5 | <u>(235)</u> | <u>(122)</u> |
| Loss and total comprehensive expense for the year attributable to owners of the Company | | <u>(105,411)</u> | <u>(32,396)</u> |
| | | HK cents | <i>HK cents</i> |
| Loss per share | 7 | | |
| – Basic | | (6.59) | (2.02) |
| – Diluted | | <u>N/A</u> | <u>N/A</u> |

* Represents amount less than HK\$1,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

| | <i>Notes</i> | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 558 | 11,601 |
| Deferred tax assets | | <u>—</u> | <u>235</u> |
| | | 558 | 11,836 |
| CURRENT ASSETS | | | |
| Trade and other receivables | 9 | 214,732 | 334,946 |
| Contract assets | 10 | 125,390 | 103,079 |
| Income tax recoverable | | 3,723 | 2,791 |
| Cash and cash equivalents | | <u>665</u> | <u>13,412</u> |
| | | 344,510 | 454,228 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 26,680 | 48,754 |
| Interest-bearing borrowings | 12 | 60,242 | 53,725 |
| Lease liabilities | | <u>448</u> | <u>812</u> |
| | | 87,370 | 103,291 |
| NET CURRENT ASSETS | | <u>257,140</u> | <u>350,937</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>257,698</u> | <u>362,773</u> |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 4,735 | 3,951 |
| Lease liabilities | | <u>—</u> | <u>448</u> |
| | | 4,735 | 4,399 |
| NET ASSETS | | <u>252,963</u> | <u>358,374</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | | 16,000 | 16,000 |
| Reserves | | <u>236,963</u> | <u>342,374</u> |
| TOTAL EQUITY | | <u>252,963</u> | <u>358,374</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2025

1. GENERAL INFORMATION

Skymission Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company with limited liability, and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company’s registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s principal place of business is situated at Flat 3, 7/F., Yuen Long Trade Centre, 99-109 Castle Peak Road, Yuen Long, New Territories, Hong Kong.

The Company is an investment holding company and together with its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of formwork works services in Hong Kong.

In the opinion of the directors of the Company (the “**Directors**”), the immediate and ultimate holding company of the Company is Sky Mission Group Limited, a limited liability company incorporated in the British Virgin Islands (the “**BVI**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

| | |
|----------------------------------|---|
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

*Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)(the “**2020 Amendments**”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “**2022 Amendments**”)*

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ³ |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 ³ |
| Amendments to HKAS 21 | Lack of Exchangeability ² |
| HKFRS 18 | Presentation and Disclosure in Financial Statements ⁴ |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures ⁴ |

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned in the annual report, the Directors anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

During the year ended 31 March 2025, the Group incurred a net loss of approximately HK\$105,411,000 and net cash outflow in respect of operating activities. As at 31 March 2025, the Group has interest-bearing borrowings of approximately HK\$60,242,000 included in the current liabilities, in which the Group has breached financial covenants of the borrowings with the carrying amounts of approximately HK\$52,097,000 and the Group has cash and cash equivalent of approximately HK\$665,000. Such conditions indicate the existence of material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

The Group continues to adopt the going concern basis in preparing its consolidated financial statements. In order to improve the Group’s financial positions, liquidity and cash flows, the Directors have adopted or shall adopt the following measures:

- (i) implement cost-saving initiatives and enhance operational efficiency in order to improve profitability and future operating cashflow;
- (ii) renegotiating the borrowing terms with the bank which the financial covenants were breached;
- (iii) implemented measures to speed up the collection of outstanding trade receivables; and
- (iv) obtained a loan agreement for facilities up to HK\$20 million from a money lender company incorporated in Hong Kong in favour of the Group to provide standby facilities to the Group.

The Directors have reviewed the Group’s cash flow projections prepared by the management, which covers a period of not less than twelve months from 31 March 2025, on the basis that the Group’s aforementioned plans and measures will be successful, the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

The consolidated financial statements do not include any adjustments that would result from the failure of the Group to obtain sufficient future funding. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the assets of the Group to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

4. SEGMENT INFORMATION

The Board of directors, being the chief operating decision maker (“CODM”), have determined that the Group’s only business of provision of formwork works services as the sole operating and reportable segment throughout the reporting periods, as the Group and CODM manage the business as a whole and information reported to the CODM, for the purpose of resource allocation and assessment, are prepared as a whole of the sole business. No other discrete financial information provided other than the Group’s results and financial position as a whole.

The Company is an investment holding company and the principal place of the Group’s operation is in Hong Kong. All of the Group’s revenue from external customers during the years ended 31 March 2025 and 2024 is derived from Hong Kong and all of the Group’s assets and liabilities are located in Hong Kong. Accordingly, only entity-wide disclosures and major customers are presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

| | 2025 <i>HK\$’000</i> | 2024 <i>HK\$’000</i> |
|------------|-------------------------|-------------------------|
| Customer A | 247,395 | 247,354 |
| Customer B | 61,716 | 182,408 |
| Customer C | 40,732 | N/A ^{Note} |
| Customer D | N/A ^{Note} | 88,592 |
| Customer E | N/A ^{Note} | 67,022 |

Note: The customers contributed less than 10% of the total revenue of the Group for the reporting period.

5. INCOME TAX EXPENSES

| | 2025 <i>HK\$’000</i> | 2024 <i>HK\$’000</i> |
|--|-------------------------|-------------------------|
| Hong Kong Profits Tax: – current year | — | — |
| Deferred tax | 235 | 122 |
| Income tax expenses | 235 | 122 |

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Auditors' remuneration | | |
| – Audit service | 1,000 | 1,000 |
| – Non-audit service | 320 | – |
| Staff costs (including directors' emolument) | | |
| – salaries, wages, allowance and other benefits in kind | 258,853 | 358,111 |
| – retirement benefits schemes contributions | 7,506 | 9,097 |
| – service cost of long service payments | 668 | 928 |
| Total staff costs | <u>267,027</u> | <u>368,136</u> |
| Cost of materials recognised as cost of services | <u>49,244</u> | <u>103,707</u> |
| Depreciation included in cost of services | 10,144 | 12,705 |
| Depreciation included in administrative and other operating expenses | <u>900</u> | <u>1,045</u> |
| Total depreciation | <u>11,044</u> | <u>13,750</u> |
| Subcontracting fees recognised as cost of services | 39,024 | 63,579 |
| Loss on written-off of property, plant and equipment | <u>–</u> | <u>59</u> |

7. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss attributable to owners of the Company | <u>(105,411)</u> | <u>(32,396)</u> |
| | 2025 '000 | 2024 '000 |
| Number of shares: | | |
| Weighted average number of ordinary shares for purpose of basic loss per share | <u>1,600,000</u> | <u>1,600,000</u> |

No diluted loss per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both years ended 31 March 2025 and 31 March 2024.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

9. TRADE AND OTHER RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade receivables of construction works | 296,971 | 356,950 |
| Less: Allowance for ECL | <u>(82,783)</u> | <u>(22,096)</u> |
| | <u>214,188</u> | <u>334,854</u> |
| Other receivables | | |
| Deposits and other receivables | <u>544</u> | <u>92</u> |
| Trade and other receivables, net | <u>214,732</u> | <u>334,946</u> |

The ageing analysis of trade receivables (net of allowance for ECL) based on the date of issuance of the payment certificates issued by customers/correspondence with customers at the end of the reporting period is as follows:

| | 2025 | 2024 |
|-----------------------------------|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Within 30 days | 11,694 | 69,484 |
| 31 to 60 days | 23,967 | 49,694 |
| 61 to 90 days | 605 | 40,228 |
| Over 90 days but less than 1 year | 11,690 | 164,442 |
| Over 1 year | 166,232 | 11,006 |
| | 214,188 | 334,854 |

10. CONTRACT ASSETS

| | 2025 | 2024 |
|---|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Contract assets arising from construction contracts | | |
| Unbilled revenue of construction works | 53,144 | 7,020 |
| Retention receivables of construction works | 114,990 | 99,581 |
| | 168,134 | 106,601 |
| Less: Allowance for ECL | (42,744) | (3,522) |
| | 125,390 | 103,079 |

11. TRADE AND OTHER PAYABLES

| | 2025 | 2024 |
|---|-----------------|----------|
| | HK\$'000 | HK\$'000 |
| Trade payables | 13,696 | 14,004 |
| Other payables: | | |
| Salaries and other employee benefits payables | 16,719 | 37,701 |
| Accruals and other payables | 1,000 | 1,000 |
| | 17,719 | 38,701 |
| | 31,415 | 52,705 |
| Analysed for reporting purpose as: | | |
| Non-current liabilities | 4,735 | 3,951 |
| Current liabilities | 26,680 | 48,754 |
| | 31,415 | 52,705 |

At the end of the year, the ageing analysis of the trade payables based on invoice date is as follows:

| | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
|----------------|--------------------------------|-------------------------|
| Within 60 days | 10,998 | 14,002 |
| 61 to 90 days | 1,996 | – |
| Over 90 days | 702 | 2 |
| | <u>13,696</u> | <u>14,004</u> |

12. INTEREST-BEARING BORROWINGS

| | As at 31 March | |
|--|--------------------------------|-------------------------|
| | 2025 HK\$'000 | 2024 <i>HK\$'000</i> |
| Secured bank borrowings and with a repayment on demand clause | <u>60,242</u> | <u>53,725</u> |
| Less: Amount due within one year shown under current liabilities | <u>(60,242)</u> | <u>(53,725)</u> |
| Amount shown under non-current liabilities | <u>–</u> | <u>–</u> |

13. COMPARATIVE FIGURES

During the year ended 31 March 2025, for enhancing the relevance of the presentation of the consolidated financial statements, reclassification have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation.

EXTRACT OF THE INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 March 2025.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 3.1 to the consolidated financial statements, the Group incurred a net loss of approximately HK\$105,411,000 and net cash outflow in respect of operating activities for the year ended 31 March 2025. As at 31 March 2025, the Group has interest-bearing borrowings of approximately HK\$60,242,000 included in the current liabilities, in which the Group has breached financial covenants of the borrowings with the carrying amounts of approximately HK\$52,097,000 and the Group has cash and cash equivalent of approximately HK\$665,000. These events and conditions, along with other matters as set forth in Note 3.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The aforesaid “Note 3.1 to the consolidated financial statements” extracted from the independent auditor’s report is disclosed in Note 3 to this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established formwork works subcontractor in Hong Kong with over 20 years of operating history. During the year ended 31 March 2025 (“FY2025”), the Group continued to provide traditional formwork services using timber and plywood, as well as system formwork services using aluminum formwork.

In FY2025, the Group’s revenue decreased significantly from HK\$608.1 million for the year ended 31 March 2024 (“FY2024”) to HK\$402.9 million, representing a decline of approximately 33.7%. Our gross profit margin also dropped from approximately 1.4% in FY2024 to approximately 1.1% in FY2025. This reduction was primarily due to the ongoing downturn in the Hong Kong construction industry, driven by weaker private sector demand, delays in public sector projects, and intensified competition, which negatively impacted the pricing of new contracts.

Additionally, the Group faced rising subcontracting costs and higher wages for skilled workers, which further contributed to the decline in profitability. The Group also incurred unexpected additional costs for site safety compliance and project management, adding further pressure to operating expenses. Delays in the processing of certain interim payment certification also affected the Group’s cash flow, creating additional challenges during the year.

The Group’s financial performance was further impacted by a provision for loss allowance on trade receivables and contract assets of approximately HK\$99.9 million (FY2024: HK\$22.7 million), reflecting delays in payment collection and financial difficulties faced by certain customers amid the challenging macroeconomic environment. The Group adopted a more conservative approach to assess credit risk, especially for aged receivables, resulting in higher provisions for potential bad debts.

As a result of the above, the Group recorded a net loss and total comprehensive expense of approximately HK\$105.4 million for FY2025, compared to a net loss of approximately HK\$32.4 million in FY2024.

In FY2025, the Group successfully secured 7 new projects, adding approximately HK\$249.8 million in contract value. As of 31 March 2025, the Group had a total of 21 active projects with a combined contract value of at least HK\$996.9 million. These projects are expected to ensure steady revenue for our subcontracting works in the coming years.

Given the intensifying competition in the formwork industry and increasing wage levels for formwork workers in Hong Kong, the Group remains committed to a prudent approach in tender preparation, ensuring a reasonable profit margin is factored in. The Group will continue to identify suitable opportunities aligned with its cost control and risk management policies and submit tenders for potential projects.

FINANCIAL REVIEW

Revenue

During FY2025, the Group's revenue decreased significantly from HK\$608.1 million in FY2024 to HK\$402.9 million, representing a year-on-year decline of approximately 33.7%. Set out below is the revenue breakdown of the Group derived from public sector projects and private sector projects during FY2025:

| Year ended 31 March | 2025 | 2024 |
|---------------------|---------|---------|
| No. of projects | 25 | 29 |
| Revenue (HK\$'000) | 402,912 | 608,078 |

| Sector | No. of Project | Revenue (HK\$'000) | Percentage of revenue (%) |
|----------------|----------------|-----------------------|---------------------------------|
| Public sector | 14 | 224,925 | 55.8 |
| Private sector | 11 | 177,987 | 44.2 |

Gross Profit and Gross Profit Margin

Our gross profit declined from approximately HK\$8.7 million in FY2024 to HK\$4.3 million in FY2025, representing a decrease of approximately 50.6%. Gross profit margin dropped from approximately 1.4% in FY2024 to approximately 1.1% in FY2025. This decline was primarily due to weaker project performance, increased subcontracting costs, and rising labor expenses.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses decreased from HK\$15.6 million in FY2024 to HK\$7.5 million in FY2025, representing a reduction of approximately 51.9%. This was mainly due to cost-cutting measures, including reduced staffing and tighter controls on administrative costs.

Impairment Loss Recognised

In FY2025, the Group recognised a provision for expected credit loss (“ECL”) on trade receivables and contract assets amounting to approximately HK\$99.9 million (FY2024: HK\$22.7 million). This sharp increase reflects deteriorating macroeconomic conditions, payment delays, and heightened credit risks for certain customers. The Group adopted a more conservative approach to assess credit risk, factoring in the financial challenges faced by customers in the construction industry. A detailed ageing analysis of trade receivables (net of allowance for ECL) is set out in the consolidated financial statements. An independent external valuer, Valtech Valuation Advisory Limited, was engaged to carry out the ECL assessment.

No provision for impairment loss on property, plant, and equipment was recognised for FY2025 (FY2024: HK\$700,000).

Finance Costs

The Group’s finance costs remain stable at approximately HK\$2.0 million and HK\$2.1 million, for FY2024 and FY2025, respectively, as a result of average debt structure remain unchanged during FY2025.

Income Tax Expenses

The Group recorded an income tax expense of approximately HK\$0.2 million, compared to income tax expenses of HK\$0.1 million in FY2024. The Group has no assessable income for the current financial year.

Loss and Total Comprehensive Expense for the Year Attributable to Owners of the Company

As a result of the foregoing, the Group recorded net loss and total comprehensive expense of approximately HK\$105.4 million for FY2025, compared to net loss of HK\$32.4 million in FY2024, marking a year-on-year deterioration of approximately 225.3%.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the year ended 31 March 2025 (FY2024: Nil). This decision reflects the Group’s commitment to preserving financial resources amid challenging market conditions and ensuring sufficient liquidity to support ongoing operations and future business opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily finances its operations through business operations, interest-bearing borrowings, and equity contributions from shareholders.

As at 31 March 2025, the Group had net current assets of approximately HK\$257.1 million (31 March 2024: HK\$350.9 million) and cash and cash equivalents of approximately HK\$665,000 (31 March 2024: HK\$13.4 million).

The Group's total equity attributable to the owners of the Company as at 31 March 2025 was approximately HK\$253.0 million (31 March 2024: HK\$358.4 million), and total interest-bearing borrowings and lease liabilities amounted to approximately HK\$60.7 million (31 March 2024: HK\$55.0 million).

During FY2025, the Group experienced a decline in cash and bank balances, which was impacted by delayed payments from customers. Despite these challenges, the Directors are confident that the Group has sufficient financial resources to meet its obligations as they fall due over the next twelve months.

CAPITAL STRUCTURE

The Group's capital structure has remained stable since its listing on the Main Board of the Stock Exchange in 2020. As at 31 March 2025, the share capital of the Group comprised only ordinary shares, with no changes to the capital structure during the year.

GEARING RATIO

As at 31 March 2025, the gearing ratio (calculated as total interest-bearing borrowings divided by total equity) was approximately 23.8% (31 March 2024: 15.0%). The increase in gearing ratio was primarily due to the reduction in total equity resulting from the net loss recorded for FY2025.

CAPITAL COMMITMENTS

The Group had no significant capital commitments as at 31 March 2025 (31 March 2024: Nil).

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2025 (31 March 2024: Nil).

CHARGE ON GROUP ASSETS

The Group had no charges on assets as at 31 March 2025 (31 March 2024: Nil).

FOREIGN CURRENCY RISK

The Group does not have significant exposure to foreign currency risk, as most monetary assets and liabilities are denominated in Hong Kong dollars. The management continues to monitor foreign exchange risks and may consider hedging instruments if significant currency exposure arises in the future.

TREASURY POLICY

The Group follows a prudent treasury policy, maintaining healthy liquidity to meet operational needs and funding requirements. The Directors closely monitor the liquidity position of the Group to ensure stability and flexibility, enabling the Group to seize future growth opportunities when they arise.

SEGMENT INFORMATION

The Group operates in a single business segment, providing formwork works services in Hong Kong. Accordingly, no business segment analysis is presented.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 March 2025, the Group did not have any material acquisitions or disposals of subsidiaries or associated companies.

SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investments during the year ended 31 March 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2025, the Group did not have any future plans for material investments or acquisitions of capital assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2025, the Group employed 1,249 staff members (31 March 2024: 1,236). The Group remains committed to providing regular training to enhance the capabilities of its workforce.

Employees are remunerated based on industry practices, individual performance, and experience. Discretionary bonuses may also be awarded to eligible employees, taking into account the Group's financial performance and individual contributions.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group after 31 March 2025.

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at 31 March 2025, the Group's right-of-use assets amounted to approximately HK\$0.4 million (31 March 2024: HK\$1.2 million), included within property, plant, and equipment. Lease liabilities stood at approximately HK\$0.4 million (31 March 2024: HK\$1.3 million), with all related assets and liabilities located in Hong Kong.

COMPETING BUSINESSES

During FY2025, none of the Directors or controlling shareholders of the Company, nor their respective close associates, were engaged in any business that competed or was likely to compete, either directly or indirectly, with the Group's business.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high standards of corporate governance, which are fundamental to safeguarding shareholder interests and ensuring transparency and accountability.

The Company has fully complied with all applicable provisions in the Corporate Governance Code under Appendix C1 to the Listing Rules during the year ended 31 March 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct for Directors and relevant employees.

Upon enquiry, all Directors confirmed that they fully complied with the Model Code throughout FY2025.

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

Neither the Company nor its subsidiaries purchased, sold, or redeemed any of the Company's listed securities during the year ended 31 March 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the website of the Stock Exchange at (www.hkexnews.hk) and on the website of the Company at (www.skymission.group). The annual report of the Company for the year ended 31 March 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting (“**AGM**”) of the Company is scheduled to be held in September 2025 or any other dates as specified in further notice of AGM meeting to be published on the websites of the Company and the Stock Exchange later.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 7 September 2020. The chairman of the Audit Committee is Mr. Tang Tsz Tsun, an independent non-executive Director, and consists of other members, namely, Mr. Lei Nelson and Ms. Wu Kin Yi, each being an independent non-executive Director. The written terms of reference of the Audit Committee are posted on the websites of the Stock Exchange and the Company.

The Company has complied with Rule 3.21 and Rule 3.10(2) of the Listing Rules which mandate that the Audit Committee must comprise non-executive Directors only, comprising a minimum of three members, the majority of the members of the Audit Committee must be independent non-executive Directors and must be chaired by an independent non-executive Director; and at least one of the members of the Audit Committee is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

The primary duties of the Audit Committee are to make recommendations to the Board on appointment or reappointment and removal of external auditor; review the financial statements of the Group and make judgements in respect of financial reporting; and oversee the effectiveness of the procedures of the risk management and internal control procedures of the Group and monitor any future and/or potential continuing connected transactions.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has, together with the management and external auditor of the company, reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements as well as the annual results announcement of the Group for the year ended 31 March 2025 with the management of the Group and recommended them to the Board for approval.

SCOPE OF WORK OF ASIAN ALLIANCE (HK) CPA LIMITED

The figures in respect of the Company’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in this announcement have been agreed by the Company’s auditor, Asian Alliance (HK) CPA Limited (“**Asian Alliance**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Asian Alliance in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance on this announcement.

APPRECIATION

On behalf of the Board, I would like to express my heartfelt gratitude to the management team and all employees of the Group for their dedication and hard work during a challenging year.

I would also like to extend my sincere appreciation to our shareholders, customers, and business partners for their unwavering trust and support. As we navigate a competitive and dynamic environment, we remain committed to delivering value and pursuing growth opportunities for the long-term success of the Group.

By order of the Board
SKYMISSION GROUP HOLDINGS LIMITED
Leung Yam Cheung
Chairman and Chief Executive Officer

Hong Kong, 30 June 2025

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 non-executive Director; and Mr. Tang Tsz Tsun, Mr. Lei Nelson and Ms. Wu Kin Yi as independent non-executive Directors.