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SKYBLUE 11
天璽曜11有限公司

Sky Blue 11 Company Limited

(formerly known as Balk 1798 Group Limited 巴克1798集團有限公司)
(Incorporated in Bermuda with limited liability)
(Stock code: 1010)

PROFIT WARNING

This announcement is made by Sky Blue 11 Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on its preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2024 (the "**Period**") and information currently available to the Board, it is expected to record a net loss of not less than HK$12.0 million in the condensed consolidated statement of profit or loss for the Period, an increase in net loss of not less than HK$11.1 million, 119.6% as compared to the net loss of HK$0.9 million for the six months ended 30 June 2023. Such increase in net loss for the Period was mainly due to deterioration in the operating performance of the Group and decrease in the gross profit of the Group by approximately HK$24.4 million for the Period compared to the six months ended 30 June 2023, which was netted off by the impact of decrease in selling and distribution costs and general and administrative expenses. The significant decrease in the gross profit of the Group was mainly due to the economy downturn during the Period which affects the customers' purchasing power as well as the consumption sentiment experienced a continuous decline, particularly in the luxury goods, thus nil revenue from the yacht businesses for the Period.

The Company is still in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is only based on preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the Period and other information currently available to the Board, which are subject to adjustments as appropriate and final review by the Board and its audit committee.

The Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Period for further details, which is expected to be published on 30 August 2024, and may be different from the information as stated in this announcement.

The Shareholders and potential investors are advised to exercise caution when dealing securities of the Company.

On behalf of the Board
Sky Blue 11 Company Limited
Li Weina
Executive Director

Hong Kong, 19 August 2024

As at the date of this announcement, the Board of the Company comprises four Directors. The executive Directors are Ms. Li Weina and Dr. Zhang Yu; and the independent non-executive Directors are Ms. Ching Ching and Dr. Song Donglin.