
Skycorp Solar Group Limited Reports First Half 2025 Financial Results

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NINGBO, China, Sept. 08, 2025 (GLOBE NEWSWIRE) -- Skycorp Solar Group Limited (the "Company") (NASDAQ: PN), a solar PV product provider engaged in the manufacture and sale of solar cables and solar connectors, announced its financial results for the six months ended March 31, 2025.

Financial Highlights

- Revenues were \$24,176,271 for the six months ended March 31, 2025 compared with \$22,483,601 for the six months ended March 31, 2024, representing an increase of 7.53%, primarily driven by solar PV product sales.
- Gross profit was \$3,703,925 for the six months ended March 31, 2025 compared with \$3,395,547 for the six months ended March 31, 2024, representing 15.32% and 15.10% of revenue, respectively.
- Selling and marketing expense increased by 23.15% to 973,207 for the six months ended March 31, 2025 from \$790,232 for the six months ended March 31, 2024, as a result of our continues effort in expanding our business.
- Net income was \$391,967 for the six months ended March 31, 2025, representing a decrease of 39.09% from \$643,498 for the six months ended March 31, 2024.

Mr. Weiqi Huang, Chairman and CEO of the Company, commented: "We're encouraged by strong top-line growth and improved gross profit in the first half, reflecting both market enthusiasm for our solar products and our team's outstanding execution."

"Our bottom-line results were shaped by accelerated investments in strategic initiatives. We significantly increased sales and marketing spend to expand into new markets, with a focus on enhancing overseas logistics and delivery. Additionally, we scaled our operational infrastructure to support sustained growth."

"These investments are critical to building a stronger, more diversified, and market-leading company. While they affect short-term profitability, we're confident they will deliver long-term value to shareholders and customers."

Semi-annual Financial Results as of March 31, 2025

Revenues

Our revenue for the six months ended March 31, 2025 and 2024 was \$24,176,271 and \$22,483,601, respectively. The \$1,692,670, or 7.53% increase in revenue mainly resulted from the \$ 2,746,959, or 13.62% increase in solar PV products sales though offset by \$1,054,289, or 45.53% decrease in HPC products sales.

The booming global photovoltaic market, coupled with the shortage of electricity in many countries, has led to a huge growth in our PV product revenue for the six months ended March 31, 2025.

The significant decrease in HPC product revenue was due to the global economic slowdown, and our relatively conservative investment in HPC for the six months ended March 31, 2025.

Cost of revenues

Cost of revenues consists primarily of manufacturing and purchase cost of servers, photovoltaic cable, and photovoltaic connectors etc., depreciation, maintenance, and other overhead expenses.

Our cost of revenue for solar PV products increased by \$2,568,852, or 15.01%, to \$19,683,435 for the six months ended March 31, 2025 from \$17,114,583 for the six months ended March 31, 2024. The percentage increase in cost of revenue was consistent with the 13.62% increase in solar PV products sales revenue.

Our cost of revenue for HPC products sales decreased by \$1,184,560, or 60.02%, to \$788,911 for the six months ended March 31, 2025 from \$1,973,471 for the six months ended March 31, 2024. The percentage decrease in cost of revenue was consistent with the 45.53% decrease in HPC products sales revenue.

Gross profit and margin

Gross profit for the six months ended March 31, 2025 and 2024 was \$3,703,925 and \$3,395,547, representing 15.32% and 15.10% of revenue, respectively. The increase from 15.10% to 15.32% in gross margin for the six months ended March 31, 2025 was due to the increase of 13.62% in solar PV products sales.

	For the six months ended March 31		
	2025 Amount	2024 Amount	Variances %
Revenues	24,176,271	22,483,601	7.53%
Cost of revenue	(20,472,346)	(19,088,054)	7.25%
Gross profit	3,703,925	3,395,547	9.08%
Operating income	504,319	577,582	(12.68%)
Net income	391,967	643,498	(39.09%)

Selling and marketing expenses

Our selling and marketing expenses primarily consist of salaries and benefits, office expense, and freight expense. Our selling and marketing expenses were \$973,207 and \$790,232 for the six months ended March 31, 2025 and 2024, respectively. The selling and marketing increased by \$182,975, or 23.15%, primarily due to increase transport expense for the six months ended March 31, 2025.

General and administrative expenses

Our general and administrative expenses consist primarily of salaries and welfare expenses, rent expense, depreciation and bad debt provision. Our general and administrative expenses were \$1,850,399 and \$1,198,885 for the six months ended March 31, 2025 and 2024 respectively, representing an increase of \$651,514, or 54.34%, primarily due to increased service fees and consultant fee for the six months ended March 31, 2025.

Research and development expenses

Research and development expenses are related to improvement expenses for solar PV products. Research and development expenses primarily consist of employee salaries and benefit costs. Research and development expenses were \$376,000 and \$828,848 for the six months ended March 31, 2025 and 2024, respectively.

Income tax expense

The PRC EIT is calculated based on the taxable income determined under the applicable EIT Law and its implementation rules, which became effective on January 1, 2008. The EIT Law applies a uniform 25% income tax rate for all resident enterprises in China. Income tax expenses amounted to \$181,987 and \$143,875 for the six months ended March 31, 2025 and 2024, respectively. The change resulted from the change in our taxable income.

Net income

As a result of the foregoing, our net incomes for the six months ended March 31, 2025 and 2024 were \$391,967 and \$643,498, respectively, representing an decrease of \$251,531, or 39.09%.

About Skycorp Solar Group Limited

Skycorp Solar Group Limited is a solar photovoltaic (PV) product provider focused on manufacturing and selling solar cables and connectors. Our operations are managed through our subsidiaries, including Ningbo Skycorp Solar Co., Ltd., in China.

The Company's mission is to become a green energy solutions provider by utilizing solar power and delivering eco-friendly solar PV products. By leveraging the Company's expertise in solar technologies and relationships with worldwide clients, it aims to expand offerings of solar PV products and energy solutions for enterprise customers. For more information, please visit: <https://ir.skycorp.com/>.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company's expectations discussed in the forward-looking statements. These statements are subject to uncertainties and risks including, but not limited to, factors discussed in the "Risk Factors" section of the registration statement filed with the SEC. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Additional factors are discussed in the Company's filings with the SEC, which are available for review at www.sec.gov. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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SKYCORP SOLAR GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In U.S. dollars except for number of shares)

	March 31, 2025	September 30, 2024
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,741,586	\$ 5,166,851
Restricted cash		
Notes receivable	580,656	237,092
Accounts receivable, net	9,873,208	10,656,432
Inventory, net	3,751,975	2,597,322
Due from related party	121,611	2,314,477
Prepaid expenses and other current assets	9,007,200	4,457,783
Total current assets	33,076,236	25,429,957
Property, plant and equipment, net	669,338	538,708
Intangible asset	1,581,354	1,742,458
Investment	1,543,402	-
Down-payment for investment	5,350,756	4,136,577
Right-of-use Asset	1,769,493	104,223
Total non-current assets	10,914,343	6,521,966
Total Assets	\$ 43,990,579	\$ 31,951,923
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank borrowings – current	\$ 3,322,903	\$ 2,363,303
Note payable	673,653	-
Advance from customer	4,837,518	4,350,421
Account payable & other payables	3,680,827	1,815,751
Tax payables	4,219,883	4,125,038
Lease Liabilities, Current	374,750	84,492
Due to related party	17,947	21,157
Total current liabilities	17,127,481	12,760,162
Bank borrowings – non-current	242,848	427,421
Lease Liabilities, Non-Current	1,391,516	-
Total non-current liabilities	1,634,364	427,421
Total liabilities	18,761,845	13,187,583
Equity:		
Common stock (\$0.0001 par value, 500,000,000 shares authorized, 27,000,000 and 25,000,000 share issued and outstanding as of March 31, 2025 and September 30, 2024*)	2,700	2,500
Additional Paid-In Capital	8,996,955	2,032,655

Retained earnings	14,209,693	14,275,450
Accumulated other comprehensive (loss)/income	(426,781)	109,082
Total Equity attributable to owners of the capital stock of the parent	22,782,567	16,419,687
Non-controlling interest	2,446,167	2,344,653
Total equity	25,228,734	18,764,340
Total Liabilities and Shareholders' Equity	\$ 43,990,579	\$ 31,951,923

SKYCORP SOLAR GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In U.S. dollars except for number of shares)

	Six Months Ended	
	March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Revenue	\$ 24,176,271	\$ 22,483,601
Cost of revenues	(20,472,346)	(19,088,054)
Gross profit	3,703,925	3,395,547
Operating expenses:		
Selling and marketing expenses	(973,207)	(790,232)
General and administrative expenses	(1,850,399)	(1,198,885)
Research and development expenses	(376,000)	(828,848)
Total operating expenses	(3,199,606)	(2,817,965)
Operating income	504,319	577,582
Other income (expenses):		
Interest expense	(76,431)	(58,961)
Interest income	44,068	11,671
Foreign exchange gain (loss), net	9,722	32,596
Other income, net	92,276	224,485
Total other income (expense), net	69,635	209,791
Income before income tax expense	573,954	787,373
Income tax expense	(181,987)	(143,875)
Net income	391,967	643,498
Other comprehensive income:		
Foreign currency translation (loss) gain	(622,393)	39,197
Total comprehensive (loss)/income	(230,426)	682,695
Net income attributable to:		
Owners of the Company	(65,757)	377,745
Non-controlling interest	457,724	265,753
	391,967	643,498

Total comprehensive (loss)/income attributable to:		
Owners of the Company	(601,620)	446,622
Non-controlling interest	371,194	236,073
	<u>(230,426)</u>	<u>682,695</u>
Earning per share: Basic and diluted	0.001	0.02
Weighted Average Number of Common Share Outstanding: Basic and Diluted*	<u>25,296,703</u>	<u>25,000,000</u>

SKYCORP SOLAR GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. dollars except for number of shares)

	Six Months Ended	
	March 31,	
	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	391,967	643,498
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	176,175	148,190
Amortization of right-of-used asset	231,811	76,855
Provision for expected credit loss	191,437	107,577
Changes in Operating Assets and Liabilities:		
Accounts receivable, net	281,777	(1,916,377)
Inventories, net	(1,244,674)	(1,174,864)
Notes receivable, net	(352,635)	(9,561)
Prepaid expenses and other current assets	(4,740,203)	612,948
Accounts payable	1,855,273	(525,490)
Other payable	76,270	51,774
Advance from customer	632,697	516,880
Tax payable	231,586	120,340
Note payable	676,066	401,497
Net Cash Used In Operating Activities	<u>(1,592,453)</u>	<u>(946,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(221,024)	(153,341)
Down-payment for investments	(1,452,121)	(2,227,187)
Purchase of investments	(1,446,938)	-
Net Cash Used in Investing Activities	<u>(3,120,083)</u>	<u>(2,380,528)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of bank borrowings	1,713,503	1,360,236
Repayment of bank borrowings	(843,419)	(1,937,730)
Amount due from related party	2,120,858	1,906,091
Amount due to related party	(2,523)	(235,702)

Capital contributed by minor shareholders	6,915	-
Dividend paid to non-controlling shareholders	(276,595)	(138,766)
Gross proceeds from initial public offering	8,000,000	-
Expenses related to initial public offering	(1,035,500)	-
Principal portion of lease liability	(178,363)	(78,469)
Interest portion of lease liability	(37,538)	(4,790)
Net Cash Provided by Financing Activities	9,467,338	870,870
Effect of exchange rate changes on cash and restricted cash	(180,067)	66,251
NET INCREASE(DECREASE) IN CASH AND RESTRICTED CASH	4,574,735	(2,390,140)
CASH AND RESTRICTED CASH, beginning of period	<u>5,166,851</u>	<u>5,930,340</u>
CASH AND RESTRICTED CASH, end of period	<u><u>9,741,586</u></u>	<u><u>3,540,200</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	15	-
Interest	76,431	58,961