

# TARGET

## Intelligence Report

VOLUME XXVI No. 222

T U E S D A Y

October 15, 2024

### SUNRAY ENGINEERING GROUP LTD THE COMPANY RACKS UP DECAYING FINANCIAL RESULTS, DURING THE PAST FIVE YEARS

**But, Financially, Mr and Mrs Lam Ka Wing  
Are Not Hurting ... Not At All!**

Since the first day that Senior Management of Sunray Engineering Group Ltd (新威工程集團有限公司) (Code: 8616, The Growth Enterprise Market – The GEM) applied successfully to have its entire Issued and Fully Paid-Up Share Capital to be listed on the secondary equity market of The Hongkong Special Administrative Region (HKSAR) of The People's Republic of China (PRC), Management must have taken note, amongst other things, that Total Revenues, Gross Profits, and, eventually, a Net Loss Attributable To Shareholders, had been the result of the Company's financials, being on a continuous, slippery, downward path.

Sunray Engineering Group Ltd obtained permission to have its entire Issued Share Capital to be listed on The GEM on or about Tuesday, April 23, 2020.

At Page 31 of the 2023-2024 Annual Report of Sunray Engineering Group Ltd with regard to the Financial Year, ended March 31, 2024, under the heading, '**CORPORATE PROFILE**,' one was presented with the following intelligence in respect of the Company's global businesses as follows:

*'Sunray Engineering Group Limited (the "Company", together with its subsidiaries, the "Group", "Sunray") is a Hong Kong-based building protection solution provider, and its solutions integrate (i) the provision of building protection works with a focus on waterproofing works; and (ii) the supply of building protection products.*

*'Building protection works generally involve the selection and use of appropriate building protection products in a building for water, thermal, acoustic and/or fire protection. In this regard, the Group mainly focuses on waterproofing works. The Group is responsible for the overall management, implementation and supervision of its building protection works projects, the selection and procurement of building protection products, coordination with customers or their consultants, as well as environmental safety and quality control. On the other hand, the Group*

*outsources all labour-intensive building protection works to its subcontractors, such as the application of building protection products to the properties and testing in the manner directed by the Group. With respect to the Group's business in the supply of building protection products, the Group identifies, sources, promotes and distributes suitable building protection products to its customers to meet their varying needs and requirements.*

*'The Group's principal business objectives and strategies are to achieve sustainable growth in its business and increase long-term shareholder value, by continuing to actively seek business opportunities in the building protection industry in both private and public sectors in Hong Kong and Macau,\* hence enhancing its building protection product portfolio. The Group believes it is a well-established building protection solution provider, as it has successfully operated such a business for over 26 years.*

*'To maintain competitiveness in the market and provide outstanding services to customers, the Group places significant focus on long-term sustainable development. The Group is determined to comply with relevant regulations and rules as well as requirements from its stakeholders. Various policies and procedures are established to assist the management in monitoring operational risks regarding the environment and society.'*

\* The Macau Special Administrative Region of The People's Republic of China.

### **THE CHAIRMAN'S STATEMENT**

At Page Three of the 2023-2024 Annual Report, Mr Lam Ka Wing (林嘉榮), the Chairman of the Board of Directors of Sunray Engineering Group Ltd, imparted to his shareholders, the following pronouncement:

*'FY2024 has been another challenging year as the impacts of COVID-19 have caused pressure worldwide and dampened the development of various industries, with no exception for the construction sector in Hong Kong. The Group's performance has been affected by high material costs, ongoing shortage of skilled labour, and intense competition during the tendering process. In addition, the escalating geopolitical tensions and rising interest rates have contributed to a persistently weak market sentiment in Hong Kong, posing numerous challenges for post-pandemic economy recovery. In response to these challenges, the Group has demonstrated resilience by actively pursuing business opportunities. This includes expanding its customer base and market share as well as optimising resource utilisation and efficiency, in order to maximise returns for the Company's shareholders.*

*'During FY2024, the Group recorded a total revenue of approximately HK\$166.0 million, representing a decrease of approximately HK\$56.8 million or 25.5% as compared to that of approximately HK\$222.8 million for the year ended 31 March 2023. Loss for the year attributable to*

*owners of the Company for FY2024 was approximately HK\$798,000, as compared to a profit of approximately HK\$5.5 million for the year ended 31 March 2023, which was mainly attributable to the decrease in revenue generated from both the provision of building protection works and the supply of building protection products, and the overall decrease in gross profit for FY2024.*

*'Looking forward to 2025, we anticipate that the business environment will remain challenging and competitive. The Group maintains a cautious view on the recovery of the construction sector, and as a result, the financial results of the Group for the year ending 31 March 2025 may potentially be impacted. Nevertheless, we are confident in the prospects of the building protection industry in Hong Kong. The Hong Kong government has shown commitment to investing significantly in various construction projects, particularly those related to public housing and community facilities. We believe that this continued investment will have a positive impact on the construction industry in Hong Kong, and the Group's building protection business stands to benefit from the increased housing supply and higher living quality. In the future, the Group will continue to actively explore and identify higher quality of building protection products, so as to create more reliable building protection solutions for our customers. At the same time, the Directors may also consider other investment opportunities to broaden the sources of income of the Group and eventually mitigate the risks from the competitive construction market...'*

At ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*