Sunray Engineering Group Limited
新威工程集團有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8616





DP ChemTech®



2026
INTERIM REPORT

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This report, for which the directors (collectively the "**Directors**" and individually a "**Director**") of Sunray Engineering Group Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.







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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lam Ka Wing *(Chairman and Chief Executive Officer)*
Ms. Wong Pui Yee Edith

Independent non-executive Directors

Mr. Ng Kwun Wan
Ms. Cho Mei Ting
Mr. Ho Ka Kit

AUDIT COMMITTEE

Mr. Ng Kwun Wan *(Chairman)*
Ms. Cho Mei Ting
Mr. Ho Ka Kit

REMUNERATION COMMITTEE

Ms. Cho Mei Ting *(Chairlady)*
Mr. Ho Ka Kit
Mr. Ng Kwun Wan

NOMINATION COMMITTEE

Mr. Ho Ka Kit *(Chairman)*
Ms. Cho Mei Ting
Mr. Ng Kwun Wan

COMPANY SECRETARY

Mr. Lo Kai Yeung Kenneth
(Member of the HKICPA)

AUTHORISED REPRESENTATIVES

Mr. Lam Ka Wing
Mr. Lo Kai Yeung Kenneth

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Hastings & Co.
11/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

CAYMAN ISLANDS REGISTERED OFFICE

Windward 3, Regatta Office Park
P.O. Box 1350
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STOCK CODE

08616

FINANCIAL HIGHLIGHTS

HIGHLIGHTS

- The revenue of the Group amounted to approximately HK$98.3 million for the six months ended 30 September 2026, representing an increase of approximately 12.2% as compared to that of approximately HK$87.6 million for the six months ended 30 September 2025.
- The gross profit amounted to approximately HK$27.8 million for the six months ended 30 September 2026, representing an increase of approximately 6.6% as compared to that of approximately HK$26.1 million for the six months ended 30 September 2025.
- The net profit amounted to approximately HK$3.4 million for the six months ended 30 September 2026 as compared to the net profit of approximately HK$1.6 million for the six months ended 30 September 2025.
- Basic and diluted earnings per share was HK$0.34 cents for the six months ended 30 September 2026 (six months ended 30 September 2025: earnings of HK$0.16 cents).
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2026

The board of Directors (the "**Board**") of the Company is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 September 2026, together with the comparative figures for the corresponding period in 2025, as follows:

		Six months ended 30 September	
	Notes	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	3	**98,301**	87,600
Cost of sales and services		**(70,460)**	(61,492)
Gross profit		**27,841**	26,108
Other income	5	**190**	86
Other gains and losses	6	**(221)**	26
Impairment losses, net of reversal		**(99)**	(151)
Selling and distribution costs		**(2,681)**	(3,386)
Administrative expenses		**(20,082)**	(19,628)
Finance costs	7	**(273)**	(391)
Profit before taxation	8	**4,675**	2,664
Income tax expense	9	**(1,292)**	(1,026)
Profit for the period		**3,383**	1,638
Other comprehensive income (expense) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**34**	(4)
Total comprehensive income for the period:		**3,417**	1,634
Earnings per share			
Basic (HK cents)	10	**0.34**	0.16

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

	Notes	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Non-current assets			
Property and equipment	12	**44,597**	44,637
Right-of-use assets	12	**525**	719
Rental and other deposits		**140**	140
		45,262	45,496
Current assets			
Inventories		**14,858**	10,776
Trade and other receivables	13	**27,655**	18,711
Contract assets	14	**100,155**	97,373
Bank balances and cash		**64,239**	74,690
		206,907	201,550
Current liabilities			
Trade and other payables	15	**23,498**	20,217
Contract liabilities	14	**25,086**	26,660
Lease liabilities		**257**	699
Taxation payable		**4,784**	3,721
Bank borrowings	16	**16,948**	17,526
		70,573	68,823
Net current assets		**136,334**	132,727
Total assets less current liabilities		**181,596**	178,223
Non-current liabilities			
Lease liabilities		**—**	44
Deferred taxation		**444**	444
		444	488
Net assets		**181,152**	177,735
Capital and reserves			
Share capital	17	**10,000**	10,000
Reserves		**171,152**	167,735
Total equity		**181,152**	177,735

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2026

	Share capital HK$'000	Share premium HK$'000	Legal reserve HK$'000 (Note)	Other reserve HK$'000	Translation reserve HK$'000	Capital contribution HK$'000	Retained profits HK$'000	Total HK$'000
At 31 March 2025 (audited)	10,000	31,055	24	49	13	36,724	95,633	173,498
Profit for the period	—	—	—	—	—	—	1,638	1,638
Exchange differences arising on translation of foreign operations and other comprehensive expense for the period	—	—	—	—	(4)	—	—	(4)
Total comprehensive income (expense) for the period	—	—	—	—	(4)	—	1,638	1,634
At 30 September 2025 (unaudited)	10,000	31,055	24	49	9	36,724	97,271	175,132
At 31 March 2026 (audited)	10,000	31,055	24	49	22	36,724	99,861	177,735
Profit for the period	—	—	—	—	—	—	3,383	3,383
Exchange differences arising on translation of foreign operations and other comprehensive income for the period	—	—	—	—	34	—	—	34
Total comprehensive income for the period	—	—	—	—	34	—	3,383	3,417
At 30 September 2026 (unaudited)	**10,000**	**31,055**	**24**	**49**	**56**	**36,724**	**103,244**	**181,152**

Note: In accordance with Article 377 of the Commercial Code of Macau Special Administrative Region ("Macau"), the subsidiaries registered in Macau are required to transfer part of their profits of the accounting period of not less than 25% to legal reserve, until the amount reaches an amount equal to half of the respective share capital.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2026

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Operating activities		
Profit before taxation	**4,675**	2,664
Adjustments for:		
Loss (gain) on disposal of property and equipment	**98**	(80)
Depreciation	**2,908**	2,931
Bank interest income	**(162)**	(84)
Impairment losses, net of reversal	**99**	151
Interest expenses	**273**	391
Operating cash flows before movements in working capital	**7,891**	5,973
(Increase) decrease in inventories	**(4,082)**	2,785
Increase in trade and other receivables	**(9,011)**	(10,423)
Increase in contract assets	**(2,813)**	(4,642)
Increase in trade and other payables	**3,297**	1,808
Decrease in contract liabilities	**(1,574)**	(1,628)
Cash used in operations	**(6,292)**	(6,127)
Hong Kong Profits Tax refunded	**—**	172
Hong Kong Profits Tax paid	**(246)**	—
Net cash used in operating activities	**(6,538)**	(5,955)
Investing activities		
Purchase of property and equipment	**(4,470)**	(701)
Proceeds from disposal of property and equipment	**1,698**	80
Interest received	**162**	84
Net cash used in investing activities	**(2,610)**	(537)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2026

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Financing activities		
Repayment of bank borrowings	**(578)**	(2,359)
Repayment of lease liabilities	**(486)**	(878)
Interest paid	**(273)**	(391)
Net cash used in financing activities	**(1,337)**	(3,628)
Net decrease in cash and cash equivalents	**(10,485)**	(10,120)
Effect of foreign exchange rate changes	**34**	(4)
Cash and cash equivalents at beginning of the period	**74,690**	49,123
Cash and cash equivalents at end of the period, represented by bank balances and cash	**64,239**	38,999

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2026

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 12 February 2019. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the Company's principal place of business is 5/F, International Industrial Building, 501-503 Castle Peak Road, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in provision of building protection works and supply of building protection products. The Company's immediate and ultimate holding company is Ultra Success Industries Limited ("**Ultra Success**"), a limited liability company incorporated in the British Virgin Islands ("**BVI**"). The ultimate controlling shareholder of the Group is Mr. Lam Ka Wing ("**Mr. Lam**"). Since 23 April 2020 (the "**Listing Date**"), the Company has been listed on GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements are presented in HK$, which is also the functional currency of the Company.

The condensed consolidated financial statements for the six months ended 30 September 2026 (the "**Interim Financial Statements**") are unaudited but were reviewed by the audit committee of the Company (the "**Audit Committee**") and approved for issue by the Board on 20 November 2026.

2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 — *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of the GEM Listing Rules. The Interim Financial Statements do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("**HKFRSs**") and should be read in conjunction with the Company's consolidated financial statements for the year ended 31 March 2026 (the "**2026 Annual Report**").

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2026 Annual Report except for the adoption of new or revised standards, amendments and interpretations issued by the HKICPA mandatory for annual accounting periods beginning on or after 1 April 2026. The adoption of these new or revised standards, amendments and interpretations in the current accounting period had no significant change in accounting policies and no significant effect on the financial results of the Group. In addition, the Group has not early adopted any new standard, interpretation or amendment that has been issued but is not yet effective for the current accounting period.

2. BASIS OF PREPARATION (CONTINUED)

The Interim Financial Statements have been prepared on the historical cost basis.

Accounting estimates and assumptions are used in the preparation of financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately be different from those estimates and assumptions. In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the 2026 Annual Report.

3. REVENUE

Revenue represents the fair value of amounts received and receivable from provision of building protection works and supply of building protection products.

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Provision of building protection works, recognised over time:		
Residential buildings	**34,481**	23,573
Community facilities (Note)	**32,788**	35,566
Commercial buildings	**12,406**	11,214
	79,675	70,353
Supply of building protection products, recognised at a point in time	**18,626**	17,247
	98,301	87,600

Note: Community facilities include sports centres, theatre, hospitals, power stations and other community facilities.

All the Group's provision of building protection works are made directly with customers which are mainly construction companies and contractors in Hong Kong. The duration of building protection works normally varies from 1 to 4 years. The customers for supply of building protection products are mainly located in Hong Kong, Macau and Mainland China.

4. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "**CODM**"), being Mr. Lam, in order for CODM to allocate resources and assess performance. No operating segments identified by the CODM have been aggregated in arriving at the reporting segments of the Group.

Specifically, the Group's reporting and operating segments under HKFRS 8 "Operating Segments" are as follows:

- Provision of building protection works; and
- Supply of building protection products.

The CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the six months ended 30 September 2026 (unaudited)

	Provision of building protection works HK$'000	Supply of building protection products HK$'000	Total HK$'000
Segment revenue — external	79,675	18,626	98,301
Segment results	19,483	8,358	27,841
Other income			190
Other gains and losses			(221)
Impairment losses, net of reversal			(99)
Selling and distribution costs			(2,681)
Administrative expenses			(20,082)
Finance costs			(273)
Profit before taxation			4,675

4. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the six months ended 30 September 2025 (unaudited)

	Provision of building protection works HK$'000	Supply of building protection products HK$'000	Total HK$'000
Segment revenue — external	70,353	17,247	87,600
Segment results	18,132	7,976	26,108
Other income			86
Other gains and losses			26
Impairment losses, net of reversal			(151)
Selling and distribution costs			(3,386)
Administrative expenses			(19,628)
Finance costs			(391)
Profit before taxation			2,664

Segment results represent the profit before tax earned by each segment without allocation of other income, other gains and losses, impairment losses, net of reversal, selling and distribution costs, administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Geographical information

The Group's operations are located in Hong Kong, Macau and Mainland China. Analysis of the Group's revenue by geographical location is detailed below:

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Hong Kong	**92,151**	85,252
Macau	**5,634**	2,282
Mainland China	**516**	66
	98,301	87,600

The Group's non-current assets, excluding financial assets, are substantially situated in Hong Kong.

5. OTHER INCOME

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Bank interest income	**162**	84
Sundry income	**28**	2
	190	86

6. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Net exchange loss	**(123)**	(54)
(Loss) gain on disposal of property and equipment	**(98)**	80
	(221)	26

7. FINANCE COSTS

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Interests on:		
– bank borrowings	**263**	332
– lease liabilities	**10**	59
	273	391

8. PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Profit before taxation has been arrived at after charging:		
Directors' emoluments	**5,950**	5,950
Other staff costs	**18,801**	16,734
Retirement benefit schemes contributions for other staff	**664**	625
Total staff costs	**25,415**	23,309
Auditor's remuneration	**200**	200
Cost of inventories recognised as an expense	**37,397**	32,487
Depreciation of property and equipment	**2,705**	1,929
Depreciation of right-of-use assets	**203**	1,002

9. INCOME TAX EXPENSE

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Hong Kong Profits Tax	**1,284**	1,026
PRC Enterprise Income Tax	**8**	—
	1,292	1,026

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

According to the Enterprise Income Tax Law (中華人民共和國企業所得税法) and the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得税法實施條例), an entity eligible as a Small Low-profit Enterprise (小型微利企業) is subject to preferential tax treatments. Up to 31 December 2027, a Small Low-profit Enterprise with annual taxable income not more than RMB3 million is subject to Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20%. During both periods, a subsidiary of the Group is eligible as a Small Low-profit Enterprise and is subject to the relevant preferential tax treatments.

9. INCOME TAX EXPENSE (CONTINUED)

No provision for Macau Complementary Tax is made as the Group has no estimated assessable profits exceeding Macau Pataca 600,000 for both periods.

10. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	**3,383**	1,638

	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**1,000,000**	1,000,000

No diluted earnings per share for both periods ended 30 September 2026 and 2025 were presented as there were no potential ordinary shares in issue for both periods.

11. DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

12. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 September 2026, the Group acquired items of property and equipment with a cost of approximately HK$4,470,000 (six months ended 30 September 2025: HK$701,000). In addition, the Group disposed of certain property and equipment with a cost of approximately HK$1,796,000 (six months ended 30 September 2025: nil) for proceeds of approximately HK$1,698,000 (six months ended 30 September 2025: HK$80,000), resulting in a loss on disposal of approximately HK$98,000 (six months ended 30 September 2025: gain on disposal of approximately HK$80,000).

During the six months ended 30 September 2026, the Group did not enter into any lease contract. During the six months ended 30 September 2025, the Group entered into lease contracts and recognised right-of-use assets and lease liabilities of approximately HK$70,000.

13. TRADE AND OTHER RECEIVABLES

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Trade receivables	**26,655**	18,110
Less: Allowance for impairment	**(2,095)**	(2,028)
	24,560	16,082
Other receivables	**1,743**	1,299
Prepayment and deposits	**1,492**	1,470
	27,795	18,851
Less: Rental and other deposits classified as non-current portion	**(140)**	(140)
Current portion	**27,655**	18,711

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables

Trade receivables represent the amounts receivable, after deduction of retention receivables. For provision of building protection works, the trade receivables usually fall due within 14 to 30 days after the work is certified. For supply of building protection products, the Group normally allows a credit period ranging from 15 to 30 days to its customers.

The following is an ageing analysis of trade receivables, net of loss allowances, presented based on the approval dates of work certified or dates of invoices at the end of the reporting period:

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
0 to 30 days	**19,884**	14,090
31 to 90 days	**1,017**	999
91 to 180 days	**2,056**	—
181 to 365 days	**732**	493
Over 365 days	**871**	500
	24,560	16,082

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customers. Recoverability of the trade receivables is reviewed by the management of the Group regularly.

In addition, the management of the Group is of the opinion that no event of default occurred for trade receivables past due over 90 days as the balances are still considered fully recoverable based on the management's historical experience on the settlement pattern from these customers.

The Group applies the simplified approach to provide for expected credit loss ("**ECL**") prescribed by HKFRS 9. There has been no change in the estimation techniques or significant assumptions made during the six months ended 30 September 2026 in assessing the loss allowances for the trade receivables.

For the other receivables including rental and other deposits, allowance for impairment was insignificant and thus negligible to be made since the management of the Group considers the probability of default is minimal after assessing the counterparties' financial background and creditability.

14. CONTRACT ASSETS/LIABILITIES

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Analysed for reporting purposes, on a net basis for each respective contract:		
Contract assets	**100,155**	97,373
Contract liabilities	**(25,086)**	(26,660)

As at 30 September 2026, included in carrying amount of contract assets are retention receivables of HK$33,353,000 (31 March 2026: HK$30,650,000), net of loss allowance of HK$4,248,000 (31 March 2026: HK$4,244,000).

Retention receivables represent the money retained by the Group's customers to secure the due performance of the contracts. The customers normally withhold 10% of the certified amount payable to the Group as retention money (accumulated up to maximum 5% of contract sum), 50% of which is normally recoverable upon completion of respective projects and the remaining 50% is recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 to 2 years from the date of completion of respective projects. The amount is unsecured and interest-free.

The retention receivables, net of loss allowance, included in contract assets are to be settled, based on the expiry of the defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, at the end of the reporting period as follows:

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Within one year	**5,778**	6,950
After one year	**27,575**	23,700
	33,353	30,650

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9. There has been no change in the estimation techniques or significant assumptions made during the six months ended 30 September 2026 in assessing the loss allowances for the contract assets.

At the end of the reporting period, contract liabilities represent advanced payments from customers for unsatisfied performance obligations and are recognised as revenue when the Group performs its obligations under the contracts which are expected to be satisfied within one year.

15. TRADE AND OTHER PAYABLES

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Trade payables	**8,972**	6,862
Retention payables	**6,259**	5,767
Accrued staff costs	**1,951**	2,100
Accrued expenses	**6,316**	5,488
	23,498	20,217

The following is an ageing analysis of trade payables based on the invoice date at the end of the reporting period:

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
0 - 30 days	**4,553**	2,344
31 to 90 days	**713**	409
Over 90 days	**3,706**	4,109
	8,972	6,862

The credit period of trade payables ranges from 30 to 90 days.

Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the expiry of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts for a period of generally 12 months after completion of the relevant works.

The retention payables are to be settled, based on the expiry of maintenance period, at the end of each reporting period as follows:

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Within one year	**1,424**	1,736
After one year	**4,835**	4,031
	6,259	5,767

16. BANK BORROWINGS

	As at 30 September 2026 HK$'000 (Unaudited)	As at 31 March 2026 HK$'000 (Audited)
Current:		
Bank borrowings subject to a repayment on demand clause, secured	**16,948**	17,526

17. SHARE CAPITAL

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2025, 1 April 2026 and 30 September 2026	1,560,000,000	15,600
Issued and paid:		
At 1 April 2025, 1 April 2026 and 30 September 2026	1,000,000,000	10,000

18. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had entered into the following related party transactions:

		Six months ended 30 September	
		2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Name of related party	**Nature of transaction**		
Mr. Lam	Interest expenses on lease liabilities	**8**	25
	Lease liabilities (Note)	**139**	954

Note: During the year ended 31 March 2025, the Group entered into a lease agreement for the use of residential flat owned by Mr. Lam for two years, with a monthly rental payment of HK$70,000. The Group has recognised an addition of right-of-use assets and lease liabilities of approximately HK$1,606,000 and HK$1,606,000, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a Hong Kong-based building protection solution provider principally engaged in provision of building protection works and supply of building protection products.

The Group's building protection works generally refer to the selection and use of appropriate building protection products in a building for protection against water, thermal, acoustic and fire. The supply of building protection products refers to identifying, sourcing, promoting and distributing suitable building protection products to the Group's customers to meet their varying needs and requirements. The building protection products supplied by the Group are mainly waterproofing products, tiling products, flooring and other products.

FINANCIAL REVIEW

Revenue

The table below sets forth a breakdown of the Group's revenue by the type of services for the period indicated:

	Six months ended 30 September			
	2026		2025	
	HK$'000	**%**	HK$'000	%
Provision of building protection works	**79,675**	**81.1**	70,353	80.3
Supply of building protection products	**18,626**	**18.9**	17,247	19.7
Total	**98,301**	**100.0**	87,600	100.0

The Group's revenue increased from approximately HK$87.6 million for the six months ended 30 September 2025 to approximately HK$98.3 million for the six months ended 30 September 2026, representing an increase of approximately HK$10.7 million, or 12.2%. Such increase in revenue was due to the increase in revenue generated from both the provision of building protection works and the supply of building protection products.

Provision of building protection works

Revenue recognised:

	Six months ended 30 September	
	2026	2025
	HK$'000	HK$'000
Public sector projects	**60,265**	41,896
Private sector projects	**19,410**	28,457
Total	**79,675**	70,353

Number of projects by the range of revenue recognised:

	Six months ended 30 September	
	2026	2025
HK$1,000,000 or above	**26**	22
HK$100,000 to below HK$1,000,000	**64**	65
Below HK$100,000	**285**	286
Total	**375**	373

The Group's revenue recognised from the provision of building protection works increased from approximately HK$70.4 million for the six months ended 30 September 2025 to approximately HK$79.7 million for the six months ended 30 September 2026, representing an increase of approximately HK$9.3 million, or 13.2%. Such increase was primarily attributable to the increase in revenue derived from relatively large projects undertaken by the Group during the six months ended 30 September 2026.

Supply of building protection products

The following table sets forth the breakdown of the Group's revenue by types of building protection products for the period indicated:

	Six months ended 30 September			
	2026		2025	
	HK$'000	**%**	HK$'000	%
Waterproofing products	**10,929**	**58.7**	11,274	65.3
Tiling products	**7,574**	**40.7**	5,064	29.4
Flooring and other products	**123**	**0.6**	909	5.3
Total	**18,626**	**100.0**	17,247	100.0

The Group's revenue recognised from the supply of building protection products increased from approximately HK$17.2 million for the six months ended 30 September 2025 to approximately HK$18.6 million for the six months ended 30 September 2026, representing an increase of approximately HK$1.4 million, or 8.1% . Such increase was mainly due to the increase in demand from customers for tiling products.

Cost of Sales and Services

Cost of sales and services increased from approximately HK61.5 million for the six months ended 30 September 2025 to approximately HK$70.5 million for the six months ended 30 September 2026, representing an increase of approximately HK$9.0 million, or 14.6%. Such increase in cost of sales and services was mainly due to the increase in material costs and subcontracting costs arising from the increase in number of the Group's projects for the six months ended 30 September 2026.

Gross Profit and Gross Profit Margin

Gross profit increased from approximately HK$26.1 million for the six months ended 30 September 2025 to approximately HK$27.8 million for the six months ended 30 September 2026, representing an increase of approximately HK$1.7 million, or 6.5%. Gross profit margin decreased from approximately 29.8% for the six months ended 30 September 2025 to approximately 28.3% for the six months ended 30 September 2026, which was mainly attributable to the decrease in gross profit margin from both the provision of building protection works and the supply of building protection products.

Other Income, Gains and Losses

Other income increased from approximately HK$86,000 for the six months ended 30 September 2025 to approximately HK$190,000 for the six months ended 30 September 2026, which was mainly due to the increase in bank interest income. Other gains and losses, on a net basis, decreased from a gain of approximately HK$26,000 for the six months ended 30 September 2025 to a loss of approximately HK$221,000 for the six months ended 30 September 2026. Such change in other gains and losses was mainly due to the increase in loss on disposal of property and equipment and exchange loss during the six months ended 30 September 2026.

Selling and Distribution Costs

Selling and distribution costs decreased from approximately HK$3.4 million for the six months ended 30 September 2025 to approximately HK$2.7 million for the six months ended 30 September 2026, representing a decrease of approximately HK$0.7 million, or 20.6%. Such decrease in selling and distribution costs was mainly attributable to the decrease in transportation and storage costs.

Administrative Expenses

Administrative expenses increased from approximately HK$19.6 million for the six months ended 30 September 2025 to approximately HK$20.1 million for the six months ended 30 September 2026, representing an increase of approximately HK$0.5 million, or 2.6%. Such increase in administrative expenses was mainly attributable to the increase in general staff costs.

Finance Costs

Finance costs decreased from approximately HK$391,000 for the six months ended 30 September 2025 to approximately HK$273,000 for the six months ended 30 September 2026, representing a decrease of approximately HK$118,000, or 30.2%. Such decrease in finance costs was mainly attributable to the decrease in bank borrowings.

Income Tax Expenses

Income tax expenses increased from approximately HK$1.0 million for the six months ended 30 September 2025 to approximately HK$1.3 million for the six months ended 30 September 2026, which was in line with the increase in profit before taxation for the six months ended 30 September 2026.

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group's profit attributable to owners of the Company increased from approximately HK$1.6 million for the six months ended 30 September 2025 to approximately HK$3.4 million for the six months ended 30 September 2026.

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2026, the Group had total assets of approximately HK$252.2 million (31 March 2026: approximately HK$247.0 million), including bank balances and cash of approximately HK$64.2 million (31 March 2026: approximately HK$74.7 million). As at 30 September 2026, the Group's current assets amounted to approximately HK$206.9 million (31 March 2026: approximately HK$201.6 million) and the Group's current liabilities amounted to approximately HK$70.6 million (31 March 2026: approximately HK$68.8 million).

The Group's gearing ratio (dividing the total interest-bearing borrowings and lease liabilities by equity attributable to equity holders of the Company at the end of the reporting period) was approximately 9.5% as at 30 September 2026 (31 March 2026: approximately 10.3%).

As at 30 September 2026, the Group had net current assets of approximately HK$136.3 million (31 March 2026: approximately HK$132.7 million). As at 30 September 2026, the Group's current ratio was approximately 2.9 times (31 March 2026: approximately 2.9 times) which was calculated based on the total current assets divided by total current liabilities at the end of the reporting period.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position throughout the reporting period. The management of the Group regularly reviews the recoverable amounts of contract assets and trade receivables by performing ongoing credit assessments and monitoring prompt recovery and if necessary to make adequate impairment losses for irrecoverable amounts. In order to achieve better cost control and minimise the cost of funds, the Group's treasury activities are centralised and cash is generally deposited with leading licensed banks in Hong Kong and denominated in Hong Kong dollars.

FOREIGN CURRENCY FLUCTUATION

The revenue of the Group is mainly denominated in Hong Kong dollars. However, some of our waterproofing products are sourced from overseas countries and the Mainland China and settled in currencies including Euro, US Dollars, Hong Kong dollars and Renminbi. Therefore, the Group is subject to risks associated with foreign exchange rate fluctuations, particularly the Hong Kong dollars against Renminbi or Euro. The Group currently has no foreign currency hedging policy and the management will monitor the foreign exchange exposure by closely monitoring the movements of foreign currency rates. The Group will consider hedging significant foreign currency exposure should the need arise.

CAPITAL STRUCTURE

As at 30 September 2026 and 31 March 2026, the share capital of the Group comprised only ordinary shares. The capital structure of the Group is solely equity attributable to equity holders of the Group, which comprises share capital and reserves. Since the shares of the Company were listed an GEM on 23 April 2020, there has been no change in the capital structure of the Group.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 September 2026, the Company did not have any significant acquisition or disposal of subsidiaries, associates or joint ventures.

CAPITAL EXPENDITURE

During the six months ended 30 September 2026, the Group had no significant capital expenditure.

SIGNIFICANT INVESTMENT HELD

As at 30 September 2026, the Group did not have any significant investment held (31 March 2026: Nil).

CHARGES ON ASSETS

Save for the mortgaged property held as disclosed elsewhere in this report, as at 30 September 2026, the Group had no charges on assets (31 March 2026: Nil).

CONTINGENT LIABILITIES

As at 30 September 2026, the Group did not have any contingent liabilities (31 March 2026: Nil).

CAPITAL COMMITMENTS

As at 30 September 2026, the Group had no significant capital commitments (31 March 2026: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any plan for material investments and capital assets as at the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2026, the Group had 131 employees excluding the Directors. Total staff costs incurred excluding Directors' remuneration during the six months ended 30 September 2026 were approximately HK$19.5 million (six months ended 30 September 2025: approximately HK$17.4 million). The remuneration package offered to the Group's employees includes salary, commission and discretionary bonus. The Group's remuneration policies are in line with the prevailing market practices and the staff remuneration is determined on the basis of the performance and experience of each individual employee.

CONSTITUTIONAL DOCUMENTS

For (i) aligning the existing second amended and restated memorandum and articles of association with the latest regulatory requirements, including the relevant provisions of the GEM Listing Rules in relation to the treasury share regime and the further expansion of the paperless listing regime; (ii) making necessary provisions for the uncertificated securities market regime; and (iii) making necessary and consequential and housekeeping updates to align with applicable laws of the Cayman Islands and the GEM Listing Rules (the "**Amendments of Constitutional Documents**"), the Shareholders at the annual general meeting held on 11 September 2026 approved the Amendments of Constitutional Documents and to adopt the third amended and restated memorandum and articles of association.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this report, after 30 September 2026 and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that comes to the attention of the Directors.

PROSPECTS

The external environment in Hong Kong remains complicated. The Group anticipates that intense competition in tenders, driven by aggressive pricing strategies from competitors, along with stringent customer budgets, persistent global economic uncertainty, increased material costs, subcontracting charges and labour costs, will continue to impact the Group's operations and financial performance in the near term.

Given the current economic uncertainties and difficulties, the Group will regularly review its existing asset structure and business strategies and may make necessary adjustments to remain agile and resilient for any future challenges. With the aim of optimising resource utilisation, the Group will strictly adhere to its cost control policy and will take necessary actions to control costs and drive efficiency to sustain profitability and competitiveness in the market. On the other hand, the Group will also consider prudent investment opportunities to diversify the Group's business horizons which will support its overall business development.

Going forward, the Group will stay vigilant and continue to strengthen its market position by optimising its workforce capabilities and competing for more building protection work projects in Hong Kong. The Directors remain committed to navigating these challenges and creating long-term, sustainable value for the Company and its shareholders.

ENVIRONMENT POLICIES AND PERFORMANCE

The Group is committed to enhancing environmental protection to minimise the impact of its activities on the environment. It is the policy of the Group to promote clean operation and strive to make the most efficient use of resources in its operations, and minimising wastes and emission.

As a building protection solution provider, the Group will continue to monitor its business operations in order to ensure that it does not have any significant adverse effect on the environment and that the Group's environment protection measures are adequate to ensure compliance with all applicable laws or regulations in Hong Kong.

As at the date of this report, no prosecution, penalty or punishment has been imposed upon the Group for the violation of any applicable environmental laws or regulations.

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks that could adversely affect the Group's operations and financial results. The major uncertainties may include:

(i) the Group derives revenue from projects and purchase orders of a non-recurrent nature, where there is no guarantee that customers will provide the Group with new business or that the Group will secure new contracts;

(ii) the Group determines the contract price based on estimated time and costs involved in the project. An under-estimation or ineffective cost management may adversely affect the Group's financial results;

(iii) the slow economic recovery may significantly and adversely impact the Group's business operation and financial performance;

(iv) the timing of the Group's payment to suppliers may not match the receipt of payment from customers;

(v) the Group relies on its major subcontractors to help complete the building protection works projects. Any material surges of their charges or any substandard work by subcontractors will affect the Group to a large extent;

(vi) the Group relies on independent third party suppliers for production of all its own-brand building protection products; and

(vii) the Group relies on brand owners and manufacturers for the supply of building protection products to satisfy its business operation needs. Failure to secure a steady supply of these products to the Group may adversely affect its results of business operations.

The Group will continue to use its best effort to ensure it has sufficiently mitigated the risks present in its operations and financial position as efficiently and effectively as possible.

OTHER INFORMATION

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the six months ended 30 September 2026 and up to the date of this report, none of the Directors, the controlling shareholders and the substantial shareholders of the Company or their respective close associates (as defined under the GEM Listing Rules) had any business or interests in a business that competes or may compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 September 2026, the interests or short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("**SFO**")) which (a) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) would be required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the shares of the Company (the "Shares")

Name of Directors	Nature of interest/holding capacity	Number of Shares held	Percentage of shareholding
Mr. Lam[1]	Interest in a controlled corporation	750,000,000	75%
Ms. Wong Pui Yee Edith ("**Mrs. Lam**")[2]	Interest of spouse	750,000,000	75%

Notes:

1. These Shares are registered in the name of Ultra Success, a company which is wholly-owned by Mr. Lam. Mr. Lam is deemed to be interested in all Shares registered in the name of Ultra Success under the SFO.

2. These Shares represent the Shares held indirectly by Mr. Lam, the spouse of Mrs. Lam, as ultimate beneficial owner. Mrs. Lam is therefore deemed to be interested in all Shares held by Mr. Lam under the SFO.

Long positions in the shares of associated corporation

Name of Directors	Name of associated corporation	Nature of interest/ holding capacity	Number of ordinary share held	Percentage of shareholding
Mr. Lam	Ultra Success	Beneficial owner	1	100%

Save as disclosed above, as at 30 September 2026, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be recorded into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 30 September 2026, so far as it is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed to have interests in shares or underlying shares of the Company which (i) were recorded in the register required to be kept by the Company under Section 336 of the SFO, or (ii) which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules, or (iii) who were deemed to be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position in the Shares

Name of shareholder	Nature of interest/holding capacity	Number of Shares held	Percentage of shareholding
Ultra Success	Beneficial owner	750,000,000 *(Note)*	75%

Note: Ultra Success is a company incorporated in the BVI and is wholly-owned by Mr. Lam. Mr. Lam is deemed to be interested in all Shares held by Ultra Success under the SFO. Mrs. Lam, the spouse of Mr. Lam, is therefore also deemed to be interested in all Shares held by Mr. Lam under the SFO.

Save as disclosed above, as at 30 September 2026, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") has been conditionally adopted by the Company on 18 March 2020 and became effective on the Listing Date. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

There were no outstanding options as at 30 September 2026. No options had been granted, agreed to be granted, exercised or cancelled or lapsed under the Share Option Scheme since the Listing Date and up to the date of this report.

As at 1 April 2026 and 30 September 2026, the number of share options available for grant under the Share Option Scheme was 100,000,000 on each date. No service provider sublimit was set under the Share Option Scheme.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme was 100,000,000 Shares, representing approximately 10% of the issued shares of the Company (i.e. 1,000,000,000 Shares).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the GEM Listing Rules)) during the six months ended 30 September 2026.

As at 30 September 2026, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Directors recognise the importance of good corporate governance in management and internal procedures to promote and ensure accountability. The Company's corporate governance practices are based on principles and code provisions of the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules (the "**CG Code**"). Since the Listing Date and up to the date of this report, the Company's corporate governance practices have been complied, except for the following code provision C.2.1 of the CG Code.

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the six months ended 30 September 2026, Mr. Lam was the chairman of the Board and the chief executive officer of the Group. In view of the fact that Mr. Lam has been operating and managing the Group since its establishment, the Directors believe that it is in the best interest of the Group to have Mr. Lam taking up both roles for effective management and business development. Therefore, the Board considers that deviation from code provision C.2.1 of the CG Code is appropriate in such circumstance.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they had been in compliance with the required standard of dealings and the code of conduct regarding securities transactions by Directors during the six months ended 30 September 2026 and up to the date of this report.

AUDIT COMMITTEE

Pursuant to Rules 5.28 to 5.29 of the GEM Listing Rules and code provision D.3.3 and D.3.7 of the CG code, the Company established the Audit Committee on 18 March 2020, with written terms of reference aligned with the provision of the CG Code. The Audit Committee is responsible for reviewing and providing supervision over the Group's financial reporting process, risk management and internal control system, and providing advice to the Board.

This report and the Interim Financial Statements have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2026 have been prepared in compliance with the applicable accounting standards and the GEM Listing Rules and that adequate disclosure have been made.

By Order of the Board
Sunray Engineering Group Limited
Lam Ka Wing
Chairman

Hong Kong, 20 November 2026