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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)

PROFIT WARNING

This announcement is made by Sunray Engineering Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM 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 the information currently available to the Board and a preliminary review of the unaudited consolidated management accounts of the Group for the three months ended 30 June 2022, the Group is expected to record a decrease in net profit from approximately HK\$3.2 million for the three months ended 30 June 2021 to approximately HK\$0.6 million for the three months ended 30 June 2022. The expected decrease in net profit of the Group was mainly attributable to the combined effect of (i) a decrease in gross profit from approximately HK\$15.0 million for the three months ended 30 June 2021 to approximately HK\$12.6 million for the three months ended 30 June 2022 as a result of the increase in material costs and direct staff costs for new projects; (ii) the negative impact arising from the constant spread of COVID-19 pandemic worldwide, leading to postponement and/or slowdown in certain construction projects in Hong Kong and Macau; and (iii) an increase in administrative expenses arising from the increase in staff costs.

The Company is still in the process of finalising its first quarterly results of the Group for the three months ended 30 June 2022. The information contained in this announcement is only based on the preliminary assessment made by the Board on the unaudited consolidated management accounts of the Group for the three months

ended 30 June 2022 with reference to the information currently available, and such information has not been reviewed by the Company's auditors or the audit committee of the Company and may be subject to adjustments where necessary. Shareholders and potential investors are advised to peruse with care the first quarterly results announcement of the Company for the three months ended 30 June 2022, which is expected to be released on 12 August 2022.

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

By order of the Board
Sunray Engineering Group Limited
Lam Ka Wing
Chairman and Executive Director

Hong Kong, 8 August 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Lam Ka Wing and Ms. Wong Pui Yee Edith; and three independent non-executive Directors, namely Ms. Cho Mei Ting, Mr. Ho Ka Kit and Mr. Ng Kwun Wan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.sunray.com.hk.