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Progressive Path Group Holdings Limited

進昇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1581)

PROFIT WARNING

This announcement is made by Progressive Path Group Holdings Limited (the “**Company**”), and 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).

Reference is made to the profit warning announcement of the Company dated 18 November 2022 (the “**Previous Profit Warning Announcement**”). The purpose of this announcement is to provide an update on the Previous Profit Warning Announcement while the Group is still in the process of finalising its audited consolidated financial results for the year ended 31 March 2023.

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 financial information currently available, the Group is expected to record a net loss attributable to owners of the Company ranging from approximately HK\$18.8 million to HK\$24.8 million for the year ended 31 March 2023 (the “**Year**”) as compared to a net profit attributable to owners of the Company of approximately HK\$12.1 million for the year ended 31 March 2022.

The Board considers that such change from profit to loss are mainly attributable to the following reasons:

- (i) the depreciation cost of property, plant and equipment substantially increased from approximately HK\$71.7 million for the year ended 31 March 2022 to approximately HK\$98.2 million for the Year, which was mainly due to the acquisition of motor vehicles and machinery;

- (ii) increase in finance costs during the Year, which was mainly due to the increase in amount and interest rate of the interest-bearing liabilities; and
- (iii) increase in provision for loss allowance on trade receivable for the Year, which was mainly due to the increase in expected credit loss provision made under individual assessment for some customers working for projects on the third runway of Hong Kong International Airport.

As the final results of the Group for the Year have not yet been finalised, the information contained in this announcement represents only a preliminary assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group and other information currently available, which neither have been audited or reviewed by the auditor of the Company, nor have been confirmed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the annual results announcement which is expected to be published on 28 June 2023.

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

By order of the Board
Progressive Path Group Holdings Limited
Wu Wing Hang
Chairman and Executive Director

Hong Kong, 20 June 2023

As at the date of this announcement, the executive directors are Mr. Wu Wing Hang and Mr. Chan Tak Ming; and the independent non-executive directors are Mr. Wong Yiu Kit Ernest, Mr. Lee Man Tai and Mr. Leung Ka Fai.