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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).

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 anticipates to report a net loss for the six months ending 30 September 2018 (the “**Period**”) as compared to the profit for the six months ending 30 September 2017.

The Board considers that such change from profit to loss are mainly attributable to, among other factors:

- (a) the substantial decrease in revenue for the Period as compared to the six months ending 30 September 2017, which is mainly a result of
 - (i) substantial decrease in revenue from construction work as most of the construction projects were substantially completed and keen competition faced by the Group in obtaining new businesses during the Period;
 - (ii) substantial decrease in revenue from construction machinery rental income, mainly caused by the substantial completion of the Hong Kong Section of the Express Rail Link and the artificial island of the Hong Kong-Zhuhai-Macao Bridge and the temporary suspension of excavation works for Exhibition Centre Station of the Shatin to Central Link; and
 - (iii) substantial decrease in revenue from trading of construction machinery as the demand of those machines decrease, which is mainly due to the reason mentioned under (ii) above and less new construction projects available to the market.

- (b) the decline in gross profit margin since the depreciation cost of machinery remained significant, despite of the overall decline in the Group's revenue.

As the Company is still in the process of finalising the unaudited consolidated interim results of the Group for the Period, 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 have not been audited or reviewed by the auditors of the Company, nor have been confirmed by the audit committee of the Company. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Period which is expected to be published by the end of November 2018.

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, 12 October 2018

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.