

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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 12 October 2018 (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 2019.

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 year ended 31 March 2019 (the “**FY2019**”) as compared to the net profit of approximately HK\$5,713,000 for the year ended 31 March 2018.

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

- (a) the substantial decrease in revenue as compared to the year ended 31 March 2018, 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 in FY2019;
  - (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 fewer construction projects available in the market; 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.
- (b) the decline in gross profit margin since the depreciation cost of machinery purchased recently remained significant, despite of the overall decline in the Group's revenue.

As the final results of the Group for FY2019 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 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 annual results announcement which is expected to be published by the end of June 2019.

**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, 23 May 2019

*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.*