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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$913.8 million for the Year, representing an increase of approximately 25.4% as compared with the same for the year ended 31 March 2024.
- Gross profit was approximately HK\$63.4 million for the Year, representing an increase of approximately HK\$5.6 million, as compared to gross profit of approximately HK\$57.8 million for the year ended 31 March 2024.
- Gross profit margin decreased to approximately 6.9% for the Year from 7.9% for the year ended 31 March 2024.
- Income tax credit was approximately HK\$4.6 million for the Year as compared to income tax expense of approximately HK\$1.7 million for the year ended 31 March 2024.
- Profit attributable to owners of the Company was approximately HK\$34.1 million for the Year, representing an increase of about 53.4% as compared to profit attributable to owners of the Company of approximately HK\$22.2 million for the year ended 31 March 2024.
- Earnings per share amounted to approximately 8.22 HK cents for the Year, as compared to earnings per share amounted to approximately 5.36 HK cents for the year ended 31 March 2024.
- The Board does not recommend the payment of final dividend for the Year.

The board (the “**Board**”) of directors (the “**Directors**”) of Progressive Path Group Holdings Limited (the “**Company**”) hereby announces the consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2025 (the “**Year**”) together with the comparative figures for the prior year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	3	913,784	728,528
Cost of sales		<u>(850,349)</u>	<u>(670,757)</u>
Gross profit		63,435	57,771
Other income	5	6,478	4,528
Administrative expenses		(25,328)	(22,226)
Provision for loss allowance on trade receivables, net		(4,084)	(1,562)
(Provision for) reversal of loss allowance on contract assets, net		(284)	35
Finance costs	6	<u>(10,750)</u>	<u>(14,654)</u>
Profit before taxation		29,467	23,892
Income tax credit (expense)	7	<u>4,632</u>	<u>(1,669)</u>
Profit and total comprehensive income for the year	8	<u>34,099</u>	<u>22,223</u>
Profit and total comprehensive income (expense) for the year attributable to:			
– Owners of the Company		34,099	22,224
– Non-controlling interest		<u>–</u>	<u>(1)</u>
		<u>34,099</u>	<u>22,223</u>
EARNINGS PER SHARE	10		
– Basic and diluted		<u>8.22 HK cents</u>	<u>5.36 HK cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		178,568	233,264
Deposits paid for acquisition of property, plant and equipment		2,833	1,996
		181,401	235,260
Current assets			
Trade receivables	11	257,012	252,459
Contract assets		91,270	47,420
Deposits, prepayments and other receivables		30,443	27,842
Pledged rental deposits		–	799
Pledged bank deposits		–	5,027
Income tax recoverable		239	–
Bank balances and cash		30,396	28,459
		409,360	362,006
Current liabilities			
Trade and other payables	12	170,941	144,492
Amount due to a director		7,400	–
Bank borrowings		59,312	74,788
Income tax payable		–	184
Lease liabilities		36,658	58,819
		274,311	278,283
Net current assets		135,049	83,723
Total assets less current liabilities		316,450	318,983
Non-current liabilities			
Lease liabilities		21,051	53,051
Deferred tax liabilities		4,688	9,320
		25,739	62,371
Net assets		290,711	256,612
Capital and reserves			
Share capital	13	20,750	20,750
Reserves		269,961	235,879
Equity attributable to owners of the Company		290,711	256,629
Non-controlling interest		–	(17)
Total equity		290,711	256,612

NOTES

1. GENERAL INFORMATION

Progressive Path Group Holdings Limited (the “**Company**”) is a limited company incorporated in the Cayman Islands under the Companies Law (Chapter 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 December 2016. The immediate holding company and ultimate holding company of the Company is Profit Gold Global Limited (“**Profit Gold**”), a limited company incorporated in the British Virgin Islands (the “**BVI**”). The ultimate beneficial owner of the Company is Mr. Wu Wing Hang (“**Mr. Wu**”), the executive director of the Company. The address of the registered office and principal place of business of the Company are Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and Unit 1108, 11/F., Tuen Mun Central Square, 22 Hoi Wing Road, Tuen Mun, New Territories, Hong Kong, respectively.

The Company is an investment holding company while the principal subsidiaries of the Company are principally engaged in the construction works and provision of construction machinery rental.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the “**Group**”).

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for its first time, the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) which are effective for the Group’s financial year beginning 1 April 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the above amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined

Except as described below, the directors of the Company anticipate that the application of the above new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated results and the consolidated financial position of the Group in the foreseeable future.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 Presentation of Financial Statements. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provides disclosures on management-defined performance measures in the notes to the consolidated financial statements and improves aggregation and disaggregation of information to be disclosed in the consolidated financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the HKFRS 18 is not expected to have material impact on the financial position of the Group. The directors are in the process of making an assessment of the impact of HKFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures in the consolidated financial statements of the Group in the foreseeable future.

3. REVENUE

Revenue represents revenue arising on construction works and construction machinery rental. An analysis of the Group's revenue for the year is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
– Construction works	632,122	408,405
Revenue from provision of machinery rental within the scope of HKFRS 16		
– Construction machinery rental	281,662	320,123
	<u>913,784</u>	<u>728,528</u>

Set out below is the disaggregation of the Group's revenue from contracts with customers by timing of recognition:

	2025 HK\$'000	2024 HK\$'000
Timing of revenue recognition		
– Over time	632,122	408,405

Transaction price allocated to the remaining performance obligations

As at 31 March 2025, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK\$647,375,000 (2024: HK\$143,046,000). The amount represents revenue expected to be recognised in the future from construction contracts. The Group will recognise this revenue as the service is completed, which is expected to occur over the next 24 (2024: 27) months.

4. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments are as follows:

- Construction works; and
- Construction machinery rental

Segment revenues and results

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

For the year ended 31 March 2025

	Construction works HK\$'000	Construction machinery rental HK\$'000	Total HK\$'000
Revenue			
External revenue	632,122	281,662	913,784
Inter-segment revenue	–	119,751	119,751
	<hr/>	<hr/>	<hr/>
Segment revenue	632,122	401,413	1,033,535
	<hr/>	<hr/>	
Eliminations			(119,751)
			<hr/>
Group's revenue			913,784
			<hr/>
Segment profit	36,380	8,390	44,770
	<hr/>	<hr/>	
Unallocated income			6,478
Unallocated corporate expenses			(11,031)
Unallocated finance costs			(10,750)
			<hr/>
Profit before taxation			29,467
			<hr/>

For the year ended 31 March 2024

	Construction works HK\$'000	Construction machinery rental HK\$'000	Total HK\$'000
Revenue			
External revenue	408,405	320,123	728,528
Inter-segment revenue	–	133,111	133,111
	<hr/>	<hr/>	<hr/>
Segment revenue	408,405	453,234	861,639
	<hr/>	<hr/>	
Eliminations			(133,111)
			<hr/>
Group's revenue			728,528
			<hr/>
Segment profit	27,968	16,382	44,350
	<hr/>	<hr/>	
Unallocated income			4,528
Unallocated corporate expenses			(10,332)
Unallocated finance costs			(14,654)
			<hr/>
Profit before taxation			23,892
			<hr/>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, other income and finance costs. This is the measure reported to the chief operating decision maker with respect to the resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates and mutually agreed by both contract parties.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

Segment assets

	2025 HK\$'000	2024 <i>HK\$'000</i>
Construction works	290,343	199,689
Construction machinery rental	246,703	344,319
	<hr/>	<hr/>
Total segment assets	537,046	544,008
Corporate and other assets	53,715	53,258
	<hr/>	<hr/>
Total assets	590,761	597,266
	<hr/> <hr/>	<hr/> <hr/>

Segment liabilities

	2025 HK\$'000	2024 <i>HK\$'000</i>
Construction works	135,371	134,469
Construction machinery rental	91,276	119,871
	<hr/>	<hr/>
Total segment liabilities	226,647	254,340
Corporate and other liabilities	73,403	86,314
	<hr/>	<hr/>
Total liabilities	300,050	340,654
	<hr/> <hr/>	<hr/> <hr/>

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments, other than pledged deposits, deposits and prepayments for life insurances, certain other receivables and bank balances and cash. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segment; and
- All liabilities are allocated to operating segments, other than certain other payables, bank borrowings, income tax payable and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets of respective individual reportable segment.

In measuring the Group's segment assets and liabilities, property, plant and equipment and lease liabilities of approximately HK\$178,568,000 (2024: HK\$233,264,000) and HK\$57,709,000 (2024: HK\$111,870,000), respectively, were allocated to construction works and construction machinery rental segments. However, the relevant gain on disposal of property, plant and equipment and interest on lease liabilities of approximately HK\$1,900,000 (2024: HK\$508,000) and HK\$6,184,000 (2024: HK\$8,837,000), respectively, were not included in the measurement of segment results. Should the gain on disposal of property, plant and equipment and interest on lease liabilities be included in the measurement of segment results, the segment profit of construction works would be approximately HK\$33,760,000 (2024: HK\$24,020,000) and segment profit of construction machinery rental would be approximately HK\$6,726,000 (2024: HK\$12,001,000) for the year ended 31 March 2025.

Other segment information

For the year ended 31 March 2025

	Construction works <i>HK\$'000</i>	Construction machinery rental <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets (<i>note</i>)	28,010	17,753	–	45,763
Deposits paid for acquisition of property, plant and equipment	1,733	1,100	–	2,833
Depreciation of property, plant and equipment	55,068	42,901	–	97,969
Provision for loss allowance on trade receivables, net	2,498	1,586	–	4,084
Prepayments written-off	–	1,232	–	1,232
Provision for loss allowance on contract assets, net	284	–	–	284
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Gain on disposal of property, plant and equipment	–	–	(1,900)	(1,900)
Finance costs	–	–	10,750	10,750
Income tax credit	–	–	(4,632)	(4,632)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31 March 2024

	Construction works <i>HK\$'000</i>	Construction machinery rental <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets (<i>note</i>)	31,563	24,729	–	56,292
Deposits paid for acquisition of property, plant and equipment	1,119	877	–	1,996
Depreciation of property, plant and equipment	57,314	44,925	–	102,239
Provision for loss allowance on trade receivables, net	740	822	–	1,562
Reversal of loss allowance on contract assets, net	(35)	–	–	(35)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Gain on disposal of property, plant and equipment	–	–	(508)	(508)
Finance costs	–	–	14,654	14,654
Income tax expense	–	–	1,669	1,669

Note: Non-current assets excluded deposits paid for acquisition of property, plant and equipment.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A ¹	198,148	135,369
Customer B ¹	147,952	118,850
Customer C ²	93,044	N/A

¹ Revenue from construction works and construction machinery rental segments

² Revenue from construction works segment

Geographical information

During the years ended 31 March 2025 and 2024, the Group is organised into two operating segments as construction works and construction machinery rental primarily in Hong Kong and all revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to these segments. Accordingly, no geographical information is presented.

5. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Government grants	714	224
Sales of scrap materials	585	115
Interest income from life insurance	538	388
Insurance claims	679	783
Rental income	847	2,260
Auxiliary and other service income	1,215	250
Gain on disposal of property, plant and equipment	1,900	508
	<u>6,478</u>	<u>4,528</u>

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on:		
– bank borrowings	4,566	5,817
– lease liabilities	6,184	8,837
	<u>10,750</u>	<u>14,654</u>

7. INCOME TAX (CREDIT) EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax:		
– Hong Kong Profits Tax	–	315
Deferred taxation	(4,632)	1,354
Income tax (credit) expense	<u>(4,632)</u>	<u>1,669</u>

8. PROFIT FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging:		
Directors' emoluments	4,209	4,362
Other staff:		
– Salaries, wages, allowances and other benefits	201,417	211,715
– Retirement benefits scheme contributions	5,324	5,820
	<hr/>	<hr/>
Total staff costs	210,950	221,897
	<hr/>	<hr/>
Auditor's remuneration	880	880
Depreciation of property, plant and equipment	97,969	102,239
Exchange loss	–	11
Prepayments written-off	1,232	–
	<hr/> <hr/>	<hr/> <hr/>

9. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the year attributable to owners of the Company	34,099	22,224
	<hr/> <hr/>	<hr/> <hr/>
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ('000 shares)	415,000	415,000
	<hr/> <hr/>	<hr/> <hr/>

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 March 2025 and 2024.

11. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables, at amortised cost	290,105	285,897
Less: loss allowance on trade receivables	<u>(33,093)</u>	<u>(33,438)</u>
	<u>257,012</u>	<u>252,459</u>

As at 31 March 2025, the gross amount of trade receivables arising from contracts with customers in respect of construction works amounted to approximately HK\$83,601,000 (2024: HK\$57,426,000).

The following is an ageing analysis of trade receivables, net of loss allowance on trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	28,443	78,635
31 to 60 days	40,158	30,262
61 to 90 days	28,724	24,722
91 to 180 days	69,560	35,968
181 to 365 days	43,272	53,633
Over 365 days	<u>46,855</u>	<u>29,239</u>
	<u>257,012</u>	<u>252,459</u>

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	73,558	84,803
Other payables	65,367	24,037
Consideration payables for acquisition of property, plant and equipment	18,009	12,551
Accruals	14,007	23,101
	<u>170,941</u>	<u>144,492</u>

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	20,964	37,074
31 to 60 days	10,341	22,451
61 to 90 days	4,086	2,640
91 to 365 days	33,576	16,004
Over 365 days	4,591	6,634
	<u>73,558</u>	<u>84,803</u>

The average credit period granted is 30 (2024: 30) days. The Group has financial risk management in place to ensure that all payables are settling within the credit timeframe.

13. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.05 each		
Authorised		
As at 31 March 2024 and 2025	<u>2,000,000,000</u>	<u>100,000</u>
Issued and fully paid		
As at 31 March 2024 and 2025	<u>415,000,000</u>	<u>20,750</u>

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in (i) construction works; and (ii) the provision of construction machinery rental services. Our construction machinery rental services represent the rental of construction machines and construction vehicles to our customers, and the provision of machine operators and transportation services as part of our one-stop construction machinery rental services. Our construction works represent the construction projects undertaken by us, the nature of which are broadly classified as foundation and site formation works, and builder's work and general building works.

The Group's profit attributable to owners of the Company is approximately HK\$34.1 million for the Year as compared to approximately HK\$22.2 million for the year ended 31 March 2024. Such an increase was mainly attributable to (i) an income tax credit of approximately HK\$4.6 million recorded for the Year, as compared to an income tax expense of approximately HK\$1.7 million for the year ended 31 March 2024. This was primarily due to the utilisation of tax losses previously not recognised by the Group; and (ii) an increase in gross profit for the Year, primarily driven by a revenue growth of approximately 25%, mainly attributable to additional new contracts and variation orders from existing projects, as well as newly awarded contracts undertaken by the Group during the Year.

During the year, construction progress on the Three-Runway System (the “**3RS**”) remained in full swing, including the North Runway Modification Works, Third Runway Concourse and Apron Works, the new baggage handling system, and the automated people mover system. In addition, ongoing developments such as the Kai Tak Sports Park and the Tung Chung Line Extension Project also contributed to the Group's revenue. The Group continued to support these major infrastructure projects by supplying a wide range of construction machinery and vehicles.

Looking ahead, the Group will continue to focus on expanding its business by actively participating in new construction projects and providing rental services for a broad spectrum of construction equipment and vehicles across Hong Kong.

REVENUE

During the Year, the Group had revenue generated from construction works and construction machinery rental. Set out below is the breakdown of revenue of the Group during the Year and the year ended 31 March 2024:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Construction works	632,122	408,405
Construction machinery rental	281,662	320,123
	<u>913,784</u>	<u>728,528</u>

Revenue from construction works

During the Year, the revenue derived from our twenty-two projects (2024: seventeen projects) amounted to approximately HK\$632.1 million (2024: HK\$408.4 million), accounting for approximately 69.2% (2024: 56.1%) of our total revenue. Such increase in revenue was the results of more new contracts and variation orders from existing projects and newly awarded contracts undertaken by the Group during the Year and increase in revenue in construction works contributed by the construction projects in 3Rs, Kai Tak Sports Peak and Tung Chung Line Extension Project during the Year, despite the revenue from Sze Mei Street project decreased as the project was completed during the Year. The Group had awarded ten new projects and three contracts from existing projects during the Year. The Group has been actively participating in tenders for new public and private construction projects.

As at 31 March 2025, there were nineteen projects on hand with total outstanding contract sum amounting to approximately HK\$647.4 million. Fourteen projects are expected to be completed in the year ending 31 March 2026 and five projects are expected to be completed in the year ending 31 March 2027 and none of them is expected to have any material interruption.

Subsequent to 31 March 2025, the Group has been awarded two contracts from new projects and two contracts from an existing project with contract sum of approximately HK\$94.0 million.

Below set out a list of projects during the Year:

Site location/Project	Type of works	Status
Anderson Road Quarry Site		
– Development of Anderson Road Quarry Site	Foundation and site formation works	Work in progress
– Subsidized Sales Flats Development	Foundation and site formation works	Work in progress
– Joint-user Complex at Site G2	Foundation and site formation works	Work in progress
Kai Tak Sports Park	Foundation and site formation works	Work in progress
Hong Kong International Airport		
– Automatic people mover (APM) and baggage handling system (BHS)	Foundation and site formation works	Work in progress
– North Runway Modification Works – Airfield Pavement Works (Asphalt Pavement)	Builder's work and general building works	Work in progress
– North Runway Modification Works – Airfield Pavement Works (CASB and CABC and Subgrade Preparation)	Builder's work and general building works	Work in progress
– North Runway Modification Works – Eastern Vehicular Tunnel	Foundation and site formation works	Work in progress
Kai Tak Development Area		
– NKIL No. 6591	Foundation and site formation works	Completed
– NKIL No. 6554	Builder's work and general building works	Completed
– NKIL No. 6577	Builder's work and general building works	Completed
Central Kowloon Route – Kai Tak West Section	Foundation and site formation works	Work in progress
Tung Chung Area 100	Foundation and site formation works	Completed

Site location/Project	Type of works	Status
District open space, sports centre cum public vehicle park at Sze Mei Street	Foundation and site formation works	Completed
Fire Station-cum-ambulance depot at Tseung Kwan O	Builder's work and general building works	Work in progress
AIA Urban Campus Redevelopment	Foundation and site formation works	Completed
Tung Chung Line Extension		
– Tung Chung West Station and Tunnels	Foundation and site formation works	Completed
– Tung Chung East Station and associated enabling works for track diversions	Foundation and site formation works	Work in progress
Public Housing Development at Pik Wan Road	Foundation and site formation works	Completed
Public Housing Developments at Tuen Mun Area 54	Foundation and site formation works	Work in progress
Public Housing Development at Kwu Tung North Area 19	Foundation and site formation works	Work in progress
Pedestrian Link Connecting Pak Tai Street and Sung Wong Toi Station	Foundation and site formation works	Work in progress
Six Pacific Place Subway Work	Builder's work and general building works	Work in progress
Development of Lok Ma Chau Loop	Builder's work and general building works	Work in progress
Oyster Bay Station and Associated Works	Foundation and site formation works	Work in progress
Dedicated Rehousing Estate at Kwu Tung North Area 24	Foundation and site formation works	Work in progress
Construct Proposed Residential Development at Kai Tak Sung Wong Toi Station	Foundation and site formation works	Not yet commenced

Revenue from construction machinery rental

During the Year, the revenue derived from the construction machinery rental amounted to approximately HK\$281.7 million (2024: HK\$320.1 million), accounting for approximately 30.8% (2024: 43.9%) of our total revenue. The decrease in construction machinery rental revenue was primarily attributable to the substantial completion of works at the Tung Chung New Town Extension and the Asphalt Batching Plant under the 3RS project at the Hong Kong International Airport during the Year. In the previous year, these projects required a significant deployment of various machinery and extensive overtime work to meet project deadlines, resulting in heightened demand for machinery rental. As the projects neared completion, the corresponding demand for construction machinery rental declined.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's total gross profit increased by approximately HK\$5.6 million, from gross profit of approximately HK\$57.8 million for the year ended 31 March 2024 to approximately HK\$63.4 million for the Year while the gross profit margin decreased by approximately 1.0% as compared with previous year. The increase in gross profit was primarily driven by revenue growth during the Year, which was mainly attributable to additional new contracts and variation orders from existing projects, as well as newly awarded contracts undertaken by the Group. However, the gross profit margin declined due to elevated costs incurred during the Year, reflecting the greater complexity and challenges associated with the projects. Additionally, intensified market competition led to compressed profit margins for both newly secured construction contracts and the construction machinery rental segment. Below set out the breakdowns of the gross profit and gross profit margin of the Group:

	Year ended 31 March			
	2025		2024	
	Gross Profit HK\$'000	Gross Profit Margin	Gross Profit HK\$'000	Gross Profit Margin
Construction works	43,563	6.9%	31,400	7.7%
Construction machinery rental	19,872	7.1%	26,371	8.2%
	<u>63,435</u>	<u>6.9%</u>	<u>57,771</u>	<u>7.9%</u>

OTHER INCOME

The other income of the Group for the Year amounted to approximately HK\$6.5 million, representing an increase of approximately 43.1% compared with approximately HK\$4.5 million for the previous year. Such increase is mainly due to the increase in the gain on disposal of property, plant and equipment for the Year.

ADMINISTRATIVE EXPENSES

The administrative expenses of the Group for the Year amounted to approximately HK\$25.3 million, representing an increase of approximately HK\$3.1 million or 14.0%, compare with approximately HK\$22.2 million for the previous year. Such increase is mainly attributable to the gradual normalisation of business operations and related activities during the Year, which led to higher administrative expenses compared to the reduced levels during the COVID-19 period and the write-off of a prepayment that was considered unrecoverable.

PROVISION FOR (REVERSAL OF) LOSS ALLOWANCE ON TRADE RECEIVABLES AND CONTRACT ASSETS

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Provision for loss allowance on trade receivables, net	4,084	1,562
Provision for (reversal of) loss allowance on contract assets, net	<u>284</u>	<u>(35)</u>

The net provision for loss allowance on trade receivables and contract assets for the Year amounted to approximately HK\$4.4 million as compared to net provision of loss allowance of HK\$1.5 million for the previous year. The increase in such provision is mainly attributable to higher outstanding balances from certain construction projects and a reassessment of the credit risk associated with customers.

FINANCE COSTS

The Group's finance costs decreased by 26.6% from approximately HK\$14.7 million for the previous year to approximately HK\$10.8 million for the Year. Such decrease is mainly due to the decrease in interest rate and amount of the interest-bearing liabilities during the Year.

INCOME TAX CREDIT (EXPENSES)

The Group recorded an income tax credit of approximately HK\$4.6 million for the Year, as compared to an income tax expense of approximately HK\$1.7 million in the previous year. This was primarily due to the utilisation of tax losses previously not recognised by the Group.

NET PROFIT

As a result of the abovementioned, the Group recorded a net profit of approximately HK\$34.1 million for the Year, representing an increase of 53.4%, or HK\$11.9 million, compared to HK\$22.2 million in the previous year.

TREASURY POLICY

It is the Group's policy to adopt a prudent approach towards its cash management policies and thus maintained a healthy liquidity position throughout the Year. To minimize the exposure to credit risk, the Group would regularly review the timeliness of receivables settlement and evaluate the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments would constantly meet its funding requirements for current and future operations.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded the liquidity and capital requirements primarily through cash generated from the operations and borrowings.

As at 31 March 2025, the Group had bank balances of approximately HK\$30.4 million (2024: HK\$28.5 million). The increase is mainly due to the cash generated from operations during the Year. The new bank borrowings during the Year were approximately HK\$266.2 million (2024: HK\$240.5 million). The total interest-bearing liabilities of the Group including bank borrowings and lease liabilities as at 31 March 2025 was approximately HK\$117.0 million (2024: HK\$186.7 million). The gearing ratio is calculated based on the amount of total interest-bearing liabilities divided by total equity. The gearing ratio of the Group as at 31 March 2025 was approximately 40.3% (2024: 72.7%).

PLEDGE OF ASSETS

As at 31 March 2025, the Group's bank borrowings and lease liabilities were secured by the ownership interest in leasehold land and building and machinery and equipment with an aggregate net carrying value of approximately HK\$90.2 million (2024: HK\$169.4 million), deposits and prepayments for life insurances with an aggregate net book value of approximately HK\$22.9 million (2024: HK\$19.6 million). No deposits were pledged as at 31 March 2025 (2024: HK\$5.8 million).

FOREIGN EXCHANGE RISK

The Group mainly operates in Hong Kong and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars. As such, the Directors are of the view that the Group's risk in foreign exchange is insignificant and that we should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Year.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group employed 421 (2024: 500) staffs. Total staff costs including Directors' emoluments for the Year amounted to approximately HK\$211.0 million (2024: HK\$221.9 million). The salary and benefit levels of the employees of the Group are competitive and individual performance is rewarded through the Group's salary and bonus system. The Group conducts annual review on salary increase, discretionary bonuses and promotions based on the qualification and performance of each employee.

During the Year, the Group has not experienced any significant problems with its employees due to labour disputes nor has it experienced any difficulty in the recruitment and retention of experienced staff.

CAPITAL EXPENDITURE AND COMMITMENTS

Our capital expenditure primarily comprises purchase of machinery and motor vehicles. Our capital expenditure was principally funded by bank borrowings, leases and internal resources. The following table sets forth our Group's capital expenditure during the Year and previous year:

	Year ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
Motor vehicles	12,714	30,035
Machinery	32,993	26,243
Others	56	14
	<u>45,763</u>	<u>56,292</u>

As at 31 March 2025, the Group had no material capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2025, three subsidiaries of the Group were involved in six ongoing employees' compensation and personal injury claims (2024: none of the subsidiaries of the Group was involved in an ongoing employees' compensation and personal injury claim). The Directors considered that the possibility of any outflow in settling the legal claims was remote as these claims were well covered by insurance and subcontractors' indemnity. Accordingly, no provision for the contingent liabilities in respect of the litigations is necessary, after due consideration of each case.

EVENTS AFTER THE YEAR

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this announcement.

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Year, the Group had no significant investment held and did not have any material acquisition and disposal of subsidiaries and associated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets during the Year and as at the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S SECURITIES

During the Year and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of final dividend to shareholders of the Company for the Year.

PROSPECTS

With the phased completion of the Kai Tak Sports Park and the commissioning of the 3RS with all three runway now operating simultaneously at the Hong Kong International Airport, the construction market is expected to face a temporary slowdown. In particular, the overall supply of new projects, especially in the private sector, is anticipated to decline in the near term, leading to intensified competition within the industry.

Despite these short-term challenges, including tightening liquidity, elevated interest rates, and ongoing geopolitical uncertainties such as U.S. trade restrictions, the Group remains cautiously optimistic about the long-term outlook for Hong Kong's construction industry. This confidence is supported by the HKSAR Government's continued emphasis on infrastructure as a key economic driver.

As outlined in the Chief Executive's 2024 Policy Address, major public initiatives, such as the Northern Metropolis development, the Light Public Housing programme, the Development of the Lok Ma Chau Loop, and the Hong Kong Major Transport Infrastructure Development Blueprint, are expected to provide strong momentum for future growth. In addition, the government has committed approximately HK\$90 billion in annual public works spending through 2028, representing a 17% increase over the previous five-year average. These initiatives, alongside the broader target of 30,000 housing units by 2028, form a solid foundation for long-term industry prospects.

In response to these evolving market dynamics, the Group will continue to adopt a prudent and flexible operational strategy. By leveraging its strong technical expertise, solid financial position, and proven track record, the Group aims to maintain its competitiveness, actively pursue opportunities in its core business areas, and explore diversification strategies ensuring sustainable long-term returns for its shareholders.

ANNUAL GENERAL MEETING (“AGM”)

The 2025 AGM will be held on Friday, 22 August 2025. The notice of the AGM will be published and distributed to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange in due course.

Closure of Register of Members

The Hong Kong branch register of members of the Company will be closed from Tuesday, 19 August 2025 to Friday, 22 August 2025 (both dates inclusive) for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. No transfer of shares may be registered on those dates. In order to qualify for the shareholders' entitlement to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates should be lodged with the Company's Branch Registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 18 August 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors are committed to maintaining high standards of corporate governance in performing their obligations to act in the best interests of shareholders of the Company and enhancing long term shareholder value. Save as disclosed below, no Director is aware of any information which would reasonably indicate that the Company is not, or was not at any time during the Year, acting in compliance with code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules.

According to code provision C.2.1 of the CG Code, the role of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. Throughout the Year and up to the date of this announcement, the role of the chairman of the Company is performed by Mr. Wu Wing Hang but the office of the chief executive officer of the Company is vacated. The daily operation and management of the Company is monitored by the executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Company.

MODEL CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”), as set out in Appendix C3 to the Listing Rules, as its own securities code. All Directors have confirmed, following specific enquiries by the Company, that they have fully complied with the required standards set out in the Model Code during the Year and up to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely Mr. Lee Man Tai (Chairman), Mr. Wong Yiu Kit Ernest and Ms. Tong Sze Sze Cecilia. The Company’s annual results for the Year have been reviewed by the Audit Committee, which takes the view that the applicable accounting standards and requirements have been complied with by the Company and that adequate disclosures have been made. The Audit Committee has discussed with the independent auditor of the Company, SHINEWING (HK) CPA Limited (“**SHINEWING**”), and reviewed the Group’s results for the Year.

REVIEW OF ANNOUNCEMENT OF ANNUAL RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the announcement of annual results have been agreed by the Company's auditor, SHINEWING, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by SHINEWING on this announcement of annual results.

GENERAL

A circular containing, inter alia, the information required by the Listing Rules, together with the notice of the upcoming AGM, will be despatched to the shareholders of the Company in due course.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.ppgh.com.hk. The annual report of the Company for the Year containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

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

Hong Kong, 27 June 2025

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 Ms. Tong Sze Sze Cecilia.