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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK\$359.2 million for the six months ended 30 September 2025, representing a decrease of approximately 25.2% as compared with the six months ended 30 September 2024.
- Gross profit was approximately HK\$14.5 million for the six months ended 30 September 2025 as compared with approximately HK\$34.1 million for the six months ended 30 September 2024.
- Gross profit margin decreased to approximately 4.0% for the six months ended 30 September 2025 from approximately 7.1% for the six months ended 30 September 2024.
- Profit attributable to owners of the Company was approximately HK\$3.0 million for the six months ended 30 September 2025 as compared with approximately HK\$12.2 million for the six months ended 30 September 2024.
- Earnings per share amounted to approximately HK0.73 cent for the six months ended 30 September 2025 as compared with approximately HK2.94 cent for the six months ended 30 September 2024.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Progressive Path Group Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2025 (the “**Period**”) together with the comparative figures for corresponding period ended 30 September 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

		Six months ended 30 September	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue	4	359,216	479,970
Cost of sales		(344,744)	(445,852)
Gross profit		14,472	34,118
Other income	5	3,737	3,943
Administrative expenses		(10,493)	(11,607)
Provision for loss allowance on trade receivables, net		(350)	(3,956)
Provision for loss allowance on deposits and other receivables, net		–	(1,232)
Provision for loss allowance on contract assets, net		(177)	(11)
Finance costs	6	(3,124)	(6,183)
Profit before taxation	8	4,065	15,072
Income tax expense	7	(1,052)	(2,890)
Profit and total comprehensive income for the period		3,013	12,182
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
– Owners of the Company		3,013	12,183
– Non-controlling interest		–	(1)
		3,013	12,182
EARNINGS PER SHARE	10		
– Basic and diluted		0.73 HK cent	2.94 HK cent

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

		At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		140,007	178,568
Deposits paid for acquisition of property, plant and equipment		3,230	2,833
		<u>143,237</u>	<u>181,401</u>
Current assets			
Trade receivables	11	207,245	257,012
Contract assets		129,157	91,270
Deposits, prepayments and other receivables		32,397	30,443
Income tax recoverable		318	239
Bank balances and cash		29,840	30,396
		<u>398,957</u>	<u>409,360</u>
Current liabilities			
Trade and other payables	12	145,669	170,941
Amount due to a director		–	7,400
Bank borrowings	13	56,497	59,312
Lease liabilities		28,102	36,658
		<u>230,268</u>	<u>274,311</u>
Net current assets		<u>168,689</u>	<u>135,049</u>
Total assets less current liabilities		<u>311,926</u>	<u>316,450</u>

		At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
	<i>Note</i>		
Non-current liabilities			
Lease liabilities		12,462	21,051
Deferred tax liabilities		5,740	4,688
		<u>18,202</u>	<u>25,739</u>
Net assets		<u><u>293,724</u></u>	<u><u>290,711</u></u>
Capital and reserves			
Share capital	14	20,750	20,750
Reserves		272,974	269,961
		<u>293,724</u>	<u>290,711</u>
Equity attributable to owners of the Company		293,724	290,711
Non-controlling interest		–	–
		<u>–</u>	<u>–</u>
Total equity		<u><u>293,724</u></u>	<u><u>290,711</u></u>

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

1. GENERAL INFORMATION

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. Its immediate holding company and ultimate holding company is Profit Gold Global Limited, a limited company incorporated in the British Virgin Islands (the “**BVI**”). The address of the registered office and the 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, No. 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 condensed consolidated interim financial information 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. BASIS OF PREPARATION

The condensed consolidated interim financial information of the Group for the six months ended 30 September 2025 have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

3. ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 March 2025, except as described below.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for its first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group’s financial year beginning 1 April 2025:

Amendments to HKFRS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in the consolidated interim financial statements.

4. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 September 2025 HK\$'000 (unaudited)		2024 HK\$'000 (unaudited)
Revenue from contracts with customers within the scope of HKFRS 15			
– Construction works	244,779		330,662
Revenue from provision of machinery rental within the scope of HKFRS 16			
– Construction machinery rental	114,437		149,308
	<u>359,216</u>		<u>479,970</u>

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

	Six months ended 30 September 2025 HK\$'000 (unaudited)		2024 HK\$'000 (unaudited)
Time of revenue recognition			
– Over time	244,779		330,662

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 revenue and results

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

For the six months ended 30 September 2025 (unaudited)

	Construction works HK\$'000	Construction machinery rental HK\$'000	Total HK\$'000
Revenue			
External revenue	244,779	114,437	359,216
Inter-segment revenue	–	30,372	30,372
Segment revenue	<u>244,779</u>	<u>144,809</u>	<u>389,588</u>
Eliminations			<u>(30,372)</u>
Group's revenue			<u>359,216</u>
Segment profit	<u>6,073</u>	<u>2,025</u>	<u>8,098</u>
Unallocated income			3,737
Unallocated corporate expenses			(4,646)
Unallocated finance costs			<u>(3,124)</u>
Profit before taxation			<u>4,065</u>

For the six months ended 30 September 2024 (unaudited)

	Construction works HK\$'000	Construction machinery rental HK\$'000	Total HK\$'000
Revenue			
External revenue	330,662	149,308	479,970
Inter-segment revenue	–	67,023	67,023
Segment revenue	<u>330,662</u>	<u>216,331</u>	<u>546,993</u>
Eliminations			<u>(67,023)</u>
Group's revenue			<u>479,970</u>
Segment profit	<u>15,204</u>	<u>6,835</u>	<u>22,039</u>
Unallocated income			3,943
Unallocated corporate expenses			(4,727)
Unallocated finance costs			<u>(6,183)</u>
Profit before taxation			<u>15,072</u>

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 conducted with terms 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

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Construction works	310,890	290,343
Construction machinery rental	177,996	246,703
	<hr/>	<hr/>
Total segment assets	488,886	537,046
Corporate and other assets	53,308	53,715
	<hr/>	<hr/>
Total assets	542,194	590,761

Segment liabilities

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Construction works	121,889	135,371
Construction machinery rental	62,555	91,276
	<hr/>	<hr/>
Total segment liabilities	184,444	226,647
Corporate and other liabilities	64,026	73,403
	<hr/>	<hr/>
Total liabilities	248,470	300,050

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

- All assets are allocated to operating segments, other than deposits and prepayments for life insurances, income tax recoverable, 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 and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

In measuring the Group's segment assets and liabilities, property, plant and equipment and lease liabilities of approximately HK\$140,007,000 and HK\$40,564,000 (31 March 2025: HK\$178,568,000 and HK\$57,709,000) 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\$1,040,000 (2024: HK\$5,000) and HK\$1,486,000 (2024: HK\$3,675,000) respectively were not included in the measurement of segment results for the six months ended 30 September 2025. 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 and construction machinery rental for the six months ended 30 September 2025 would be approximately HK\$5,759,000 (2024: HK\$13,033,000) and HK\$1,893,000 (2024: HK\$5,336,000) respectively.

5. OTHER INCOME

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Government grant (<i>note</i>)	1,755	164
Gain on disposal of property, plant and equipment	1,040	5
Auxiliary and other service income	321	2,745
Interest income from life insurance	243	343
Rental income	195	637
Bank interest income	183	22
Insurance claims	–	27
	<u>3,737</u>	<u>3,943</u>

Note: Government grant has been recognised as other income upon receipt for grant with no unfulfilled condition or contingency.

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
– bank borrowings	1,638	2,508
– lease liabilities	1,486	3,675
	<u>3,124</u>	<u>6,183</u>

7. INCOME TAX EXPENSE

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Deferred taxation	<u>1,052</u>	<u>2,890</u>
Income tax expense	<u><u>1,052</u></u>	<u><u>2,890</u></u>

8. PROFIT BEFORE TAXATION

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	<u><u>41,942</u></u>	<u><u>49,638</u></u>

9. DIVIDEND

No dividend was paid or proposed during the six months ended 30 September 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 owners of the Company is based on the following:

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the period attributable to owners of the Company	3,013	12,183
	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	415,000	415,000

The diluted earnings per share is equal to the basic earnings per share as there were no dilutive potential ordinary shares outstanding during the six months ended 30 September 2025 and 2024.

11. TRADE RECEIVABLES

The following is an analysis of trade receivables at the end of each reporting period:

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Trade receivables	240,688	290,105
Less: loss allowance on trade receivables	<u>(33,443)</u>	<u>(33,093)</u>
	<u>207,245</u>	<u>257,012</u>

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

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Within 30 days	26,154	28,443
31 to 60 days	17,967	40,158
61 to 90 days	22,138	28,724
91 to 180 days	40,457	69,560
181 to 365 days	67,551	43,272
Over 365 days	<u>32,978</u>	<u>46,855</u>
	<u>207,245</u>	<u>257,012</u>

12. TRADE AND OTHER PAYABLES

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Trade payables	51,459	73,558
Other payables	69,471	65,367
Consideration payables for acquisition of property, plant and equipment	11,052	18,009
Accruals	13,687	14,007
	<u>145,669</u>	<u>170,941</u>

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

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Within 30 days	13,852	20,964
31 to 60 days	5,534	10,341
61 to 90 days	8,176	4,086
91 to 365 days	19,434	33,576
Over 365 days	4,463	4,591
	<u>51,459</u>	<u>73,558</u>

13. BANK BORROWINGS

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Secured	46,267	48,194
Unsecured	10,230	11,118
	<u>56,497</u>	<u>59,312</u>

Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):

	At 30 September 2025 <i>HK\$'000</i> (unaudited)	At 31 March 2025 <i>HK\$'000</i> (audited)
Within one year	48,003	46,917
After one year but within two years	5,403	7,031
After two years but within five years	3,044	5,036
After five years	47	328
	<u>56,497</u>	<u>59,312</u>

Carrying amount of bank borrowings that is not repayable within one year from the end of the reporting period but contains a repayment on demand clause (shown under current liabilities)

	8,494	12,395
Carrying amount repayable within one year	<u>48,003</u>	<u>46,917</u>
Amount shown under current liabilities	<u>56,497</u>	<u>59,312</u>

14. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Ordinary shares of HK\$0.05 each		
<i>Authorised</i>		
At 31 March 2025 (audited) and 30 September 2025 (unaudited)	<u>2,000,000</u>	<u>100,000</u>
<i>Issued and fully paid</i>		
At 31 March 2025 (audited) and 30 September 2025 (unaudited)	<u>415,000</u>	<u>20,750</u>

BUSINESS AND FINANCIAL REVIEW

The Company and its subsidiaries (collectively, the “**Group**”) is principally engaged in (i) construction works and (ii) the provision of construction machinery rental services. Our construction works represent the construction projects undertaken in foundation and site formation works. 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.

The Group recorded revenue of approximately HK\$359.2 million for the six months ended 30 September 2025 (the “**Period**”), representing a decrease of approximately 25.2% from approximately HK\$480.0 million for the six months ended 30 September 2024. Net profit was decreased from approximately HK\$12.2 million for the six months ended 30 September 2024 to approximately HK\$3.0 million for the Period, was mainly attributable of the decline in revenue, primarily due to a reduction in construction works and construction machinery rental activities, particularly those relating to the Three-Runway System (“**3RS**”) and the Kai Tak Sports Park, as well as a generally subdued construction market during the Period and decline in gross profit margin during the Period as a result of keen market competition, which exerted pressure on pricing and reduced overall profitability.

During the Period, Hong Kong’s property market remained subdued, with residential prices under pressure and cautious consumer sentiment. This weakness continued to dampen private-sector construction activity, resulting in fewer new project starts and intensified industry competition.

While the public-sector construction pipeline continued to be substantial, the overall pace of project rollout remained slower than anticipated. Major initiatives progressing during the Period included the Northern Metropolis Development Strategy, the Development of the Lok Ma Chau Loop, the Siu Ho Wan Depot Property Development, the Development of the Anderson Road Quarry Site and various railway projects including Tung Chung Line Extension.

Despite the challenging market conditions, the medium-term outlook for public capital works remains supportive. The 2025 Policy Address puts infrastructure and public works squarely into the growth agenda. For example, the Hong Kong Special Administrative Region (“**HKSAR**”) Government will inject an additional HK\$30 billion into infrastructure and housing projects over the next three years. This continued investment commitment by the HKSAR Government provides a stable source of underlying demand for the construction industry.

The Group will continue to monitor market conditions closely and adopt a prudent approach in evaluating business opportunities, with the aim of supporting sustainable growth and enhancing shareholder value.

Revenue

During the Period, the Group generated revenue from construction works and construction machinery rental. Set out below is the breakdown of revenue of the Group during the six months ended 30 September 2025 and 2024.

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
Construction works	244,779	330,662
Construction machinery rental	114,437	149,308
	<u>359,216</u>	<u>479,970</u>

Revenue from construction works

During the Period, the revenue derived from our construction works amounted to approximately HK\$244.8 million (six months ended 30 September 2024: HK\$330.7 million), accounting for approximately 68.1% (six months ended 30 September 2024: 68.9%) of our total revenue, and contributed by twenty-four projects (six months ended 30 September 2024: thirteen projects). Such decrease in revenue from construction works was mainly attributable to lower contributions from projects related to the 3RS and the Kai Tak Sports Park during the Period. On the other hand, revenue from projects related to the Tung Chung Line Extension, the Development of the Lok Ma Chau Loop and the Siu Ho Wan Depot Property Development recorded an increase and partially offset the decline.

As at 30 September 2025, there were twenty-two projects on hand with total outstanding contract sum amounting to approximately HK\$943.1 million. Fourteen projects are expected to be completed in the year ending 31 March 2026, six projects are expected to be completed in the year ending 31 March 2027, two project is expected to be completed in the year ending 31 March 2028 and none of them is expected to have any material interruption.

Below set out a list of projects during the Period:

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 Sale 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 Tai Sports Park	Foundation and site formation works	Completed
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
Central Kowloon Route		
– Kai Tak West Section	Foundation and site formation works	Completed
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
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

Site Location/Project	Type of Works	Status
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	Completed
Siu Ho Wan Depot Property Development – Oyster Bay Station	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
Airportcity Link – Land Viaducts at Hong Kong Port and Airport Island	Foundation and site formation works	Work in progress
Fanling North New Development Area	Foundation and site formation works	Work in progress
Caroline Hill Road Development Project	Foundation and site formation works	Work in progress
Hong Kong Golf Club	Foundation and site formation works	Work in progress
Hong Kong Baptist Hospital	Foundation and site formation works	Work in progress
Relocation of Sha Tin Sewage Treatment Works to Caverns	Builder's work and general building 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 Period, the revenue derived from our construction machinery rental amounted to approximately HK\$114.4 million (six months ended 30 September 2024: HK\$149.3 million), accounting for approximately 31.9% (six months ended 30 September 2024: 31.1%) of our total revenue. The decrease in revenue from construction machinery rental was mainly attributable to lower rental demand arising from the 3RS project.

Gross Profit and Gross Profit Margin

The Group's total gross profit decreased by approximately HK\$19.6 million, from approximately HK\$34.1 million for the six months ended 30 September 2024 to approximately HK\$14.5 million for the Period while our gross profit margin decreased from approximately 7.1% for the six months ended 30 September 2024 to approximately 4.0% for the Period.

The decrease in gross profit and gross profit margin was mainly attributable to the decrease in revenue combined with intense market competition, which put considerable pressure on pricing and resulted in reduced overall profitability during the Period.

Other Income

The Group's other income decreased from approximately HK\$3.9 million during the six months ended 30 September 2024 to approximately HK\$3.7 million during the Period. Such decrease was mainly attributable to a reduction in other non-operating income, including maintenance and other service income, partially offset by the government grant recognised during the Period.

Administrative Expenses

The administrative expenses of the Group for the Period amounted to approximately HK\$10.5 million, representing a decrease of approximately HK\$1.1 million as compared to approximately HK\$11.6 million for the six months ended 30 September 2024. Such decrease was mainly attributable to lower staff-related expenses driven by a reduction in headcount during the Period.

Finance Costs

The finance costs of the Group for the Period amounted to approximately HK\$3.1 million, representing a decrease of approximately 49.5% as compared to approximately HK\$6.2 million for the six months ended 30 September 2024. Such decrease was mainly attributable to the lower outstanding balance of interest-bearing liabilities and the reduction in applicable interest rates during the Period.

Net Profit

Net profit decreased by approximately HK\$9.2 million to approximately HK\$3.0 million for the Period as compared to approximately HK\$12.2 million for the six months ended 30 September 2024. The decrease in net profit was mainly attributable to the decrease in revenue during the Period.

Liquidity, Financial Resources and Capital Structure

The Group has funded the liquidity and capital requirements primarily through cash inflows from operating activities and bank borrowings.

As at 30 September 2025, the Group had bank balances of approximately HK\$29.8 million (31 March 2025: HK\$30.4 million). The interest-bearing liabilities of the Group as at 30 September 2025 was approximately HK\$97.1 million (31 March 2025: HK\$117.0 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 30 September 2025 was approximately 33.0% (31 March 2025: 40.3%), representing a decrease of approximately 7.3%.

Interim Dividend

The board (the “**Board**”) of directors of the Company (the “**Directors**”) has resolved not to declare any interim dividend for the Period.

Prospects

With major projects such as the Kai Tak Sports Park and the 3RS having largely transitioned out of their peak construction phases, overall market demand related to these projects is expected to moderate in the near term. This may continue to exert pressure on certain construction activities and related machinery rental.

Nevertheless, the HKSAR Government continues to regard infrastructure and land development as key long-term priorities. Ongoing initiatives, including the Northern Metropolis developments, the Kwu Tung North and Fanling North New Development Areas, the Development of Lok Ma Chau Loop, the Siu Ho Wan Depot Property Development, the Tung Chung Line Extension and the Development of the Anderson Road Quarry Site, together with various housing supply measures, are expected to provide a stable pipeline of public-sector works over the medium term.

While the industry continues to face challenges such as an ageing workforce, increasing construction costs, weaker private-sector demand and continued focus on site safety and environmental requirements, the Group will continue to manage its resources prudently.

The Directors remain cautiously optimistic about the Group’s long-term development and will maintain a disciplined approach in responding to market conditions and forthcoming opportunities.

Pledge of Assets

As at 30 September 2025, certain of the Group's bank borrowings and lease liabilities were secured by the property, plant and equipment with an aggregate net carrying value of approximately HK\$74.1 million (31 March 2025: HK\$90.2 million) and deposits and prepayments for life insurances with an aggregate carrying value of approximately HK\$23.1 million (31 March 2025: HK\$22.9 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 ("HK\$"). 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 Period.

Employees and Remuneration Policy

As at 30 September 2025, the Group employed 349 staff (30 September 2024: 467). Total staff costs including directors' emoluments for the Period, amounted to approximately HK\$81.5 million (six months ended 30 September 2024: HK\$123.9 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 performance of each employee.

During the Period, 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 Commitments

As at 30 September 2025, the Group had no material capital commitments (31 March 2025: nil).

Contingent Liabilities

As at 30 September 2025, three subsidiaries of the Group were involved in six ongoing employees' compensation claims and personal injury claims (31 March 2025: three subsidiaries of the Group were involved in six ongoing employees' compensation and personal injury claims). 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.

Material Acquisitions and Disposals

During the Period, the Group did not have any material acquisitions and disposals.

Significant Investment

During the Period, the Group has no significant investment held.

Future Plans for Material Investments or Capital Assets

The Group did not have any plans for material investments and capital assets during the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company strives to attain and maintain a high standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholders' value and safeguarding interests of shareholders and other stakeholders. Accordingly, the Board attributes a high priority to identifying and implementing appropriate corporate governance practices to ensure transparency, accountability and effective internal controls.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). During the Period, the Company has complied with the code provisions under the CG Code, except for the deviation from code provisions C.2.1 of the CG Code as explained below. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of the business of the Group. 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 Period 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.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. In response to a specific enquiry by the Company, all Directors have confirmed, that they have complied with the required standards as set out in the Model Code during the Period and up to the date of this announcement.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 15 November 2016. The principal terms of the Share Option Scheme is summarised in Appendix IV to the prospectus of the Company dated 28 November 2016. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide incentive to employees (full- time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption on 15 November 2016.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

During the Period and up to the date of this announcement, the Directors are not aware of any change in the information of Directors and chief executives of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”), with its terms of reference established in compliance with the Listing Rules, comprises three independent non-executive Directors, namely Mr. Lee Man Tai (the chairman of the Audit Committee), Mr. Wong Yiu Kit Ernest and Ms. Tong Sze Sze Cecilia.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated interim financial information for the Period. The Audit Committee was satisfied that the unaudited condensed consolidated interim financial information were prepared in accordance with applicable accounting standards and requirements as well as the Listing Rules and relevant adequate disclosures have been made.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company's website at www.ppgh.com.hk. The interim report of the Company for the six months ended 30 September 2025 containing all information required by the Listing Rules will be dispatched to shareholders and published on above websites in due course.

APPRECIATION

The Board would like to express its sincere thanks to the management of the Group and all the staff for their hard work and commitment, as well as its shareholders, business partners and other professional parties for their continuous support.

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

Hong Kong, 27 November 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.