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 2026

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK$841.3 million for the Year, representing a decrease of approximately 7.9% as compared with the same for the year ended 31 March 2025.
- Gross profit was approximately HK$31.6 million for the Year, representing a decrease of approximately HK$31.8 million, as compared to gross profit of approximately HK$63.4 million for the year ended 31 March 2025.
- Gross profit margin decreased to approximately 3.8% for the Year from 6.9% for the year ended 31 March 2025.
- Other income was approximately HK$18.7 million for the Year, representing an increase of approximately HK$12.2 million, as compared to approximately HK$6.5 million for the year ended 31 March 2025.
- Profit attributable to owners of the Company was approximately HK$20.4 million for the Year, representing a decrease of about 40.2% as compared to profit attributable to owners of the Company of approximately HK$34.1 million for the year ended 31 March 2025.
- Earnings per share amounted to approximately 4.91 HK cents for the Year, as compared to earnings per share amounted to approximately 8.22 HK cents for the year ended 31 March 2025.
- 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 2026 (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 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Revenue	3	**841,321**	913,784
Cost of sales		**(809,759)**	(850,349)
Gross profit		**31,562**	63,435
Other income	5	**18,652**	6,478
Administrative expenses		**(22,710)**	(25,328)
Reversal of (provision for) loss allowance on trade receivables, net		**2,003**	(4,084)
Provision for loss allowance on contract assets, net		**(300)**	(284)
Finance costs	6	**(6,185)**	(10,750)
Profit before taxation		**23,022**	29,467
Income tax (expense) credit	7	**(2,635)**	4,632
Profit and total comprehensive income for the year attributable to the owners of the Company	8	**20,387**	34,099
Earnings per share			
– Basic and diluted	10	**4.91 HK cents**	8.22 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**150,399**	178,568
Deposits paid for acquisition of property, plant and equipment		**–**	2,833
		150,399	181,401
Current assets			
Trade receivables	11	**242,342**	257,012
Contract assets		**134,551**	91,270
Deposits, prepayments and other receivables		**34,203**	30,443
Income tax recoverable		**318**	239
Pledged bank deposit		**8,000**	–
Bank balances and cash		**35,991**	30,396
		455,405	409,360
Current liabilities			
Trade and other payables	12	**177,431**	170,941
Amount due to a director		**–**	7,400
Bank borrowings		**69,807**	59,312
Lease liabilities		**21,211**	36,658
		268,449	274,311
Net current assets		**186,956**	135,049
Total assets less current liabilities		**337,355**	316,450
Non-current liabilities			
Lease liabilities		**18,934**	21,051
Deferred tax liabilities		**7,323**	4,688
		26,257	25,739
Net assets		**311,098**	290,711
Capital and reserves			
Share capital	13	**20,750**	20,750
Reserves		**290,348**	269,961
Total equity		**311,098**	290,711

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 2025:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKAS 21 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[2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[2]

1 Effective for annual periods beginning on or after 1 January 2026.
2 Effective for annual periods beginning on or after 1 January 2027.
3 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 results and the 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 statement of profit or loss and other comprehensive income; provides disclosures on management-defined performance measures in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the 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, but is expected to affect the presentation of the financial statement of profit or loss and other comprehensive income.

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:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
– Construction works	**621,679**	632,122
Revenue from provision of machinery rental within the scope of HKFRS 16		
– Construction machinery rental	**219,642**	281,662
	841,321	913,784

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

	2026	2025
	HK$'000	*HK$'000*
Timing of revenue recognition		
– Over time	**621,679**	632,122

Transaction price allocated to the remaining performance obligations

As at 31 March 2026, the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) is approximately HK$867,201,000 (2025: HK$647,375,000). 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 28 (2025: 24) 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 2026

	Construction works *HK$'000*	**Construction machinery rental** *HK$'000*	**Total** *HK$'000*
Revenue			
External revenue	**621,679**	**219,642**	**841,321**
Inter-segment revenue	**–**	**57,482**	**57,482**
Segment revenue	**621,679**	**277,124**	**898,803**
Eliminations			**(57,482)**
Group's revenue			**841,321**
Segment profit	**14,741**	**5,357**	**20,098**
Unallocated income			**18,652**
Unallocated corporate expenses			**(9,543)**
Unallocated finance costs			**(6,185)**
Profit before taxation			**23,022**

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
Segment revenue	632,122	401,413	1,033,535
Eliminations			(119,751)
Group's revenue			913,784
Segment profit	36,380	8,390	44,770
Unallocated income			6,478
Unallocated corporate expenses			(11,031)
Unallocated finance costs			(10,750)
Profit before taxation			29,467

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

	2026	2025
	HK$'000	*HK$'000*
Construction works	**413,392**	290,343
Construction machinery rental	**124,596**	246,703
Total segment assets	**537,988**	537,046
Corporate and other assets	**67,816**	53,715
Total assets	**605,804**	590,761

Segment liabilities

	2026	2025
	HK$'000	*HK$'000*
Construction works	**154,811**	135,371
Construction machinery rental	**60,754**	91,276
Total segment liabilities	**215,565**	226,647
Corporate and other liabilities	**79,141**	73,403
Total liabilities	**294,706**	300,050

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

– All assets are allocated to operating segments, other than pledged bank deposit, 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 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$150,399,000 (2025: HK$178,568,000) and HK$40,145,000 (2025: 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$15,050,000 (2025: HK$1,900,000) and HK$2,820,000 (2025: HK$6,184,000), 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$23,200,000 (2025 HK$33,760,000) and segment profit of construction machinery rental would be approximately HK$9,128,000 (2025: HK$6,726,000) for the year ended 31 March 2026.

Other segment information

For the year ended 31 March 2026

	Construction works	**Construction machinery rental**	**Unallocated**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets *(note)*	**38,392**	**17,095**	**–**	**55,487**
Depreciation of property, plant and equipment	**56,997**	**25,407**	**–**	**82,404**
Reversal of loss allowance on trade receivables, net	**(1,386)**	**(617)**	**–**	**(2,003)**
Provision for loss allowance on other receivables, net	**–**	**–**	**53**	**53**
Provision for loss allowance on contract assets, net	**300**	**–**	**–**	**300**
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	**–**	**–**	**(15,050)**	**(15,050)**
Finance costs	**–**	**–**	**6,185**	**6,185**
Income tax expense	**–**	**–**	**2,635**	**2,635**

For the year ended 31 March 2025

	Construction works *HK$'000*	Construction machinery rental *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets *(note)*	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)

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:

	2026 ***HK$'000***	2025 *HK$'000*
Customer A[1]	**193,897**	198,148
Customer B[2]	**95,898**	93,044
Customer C[1]	**N/A[3]**	147,952

1 Revenue from construction works and construction machinery rental segments

2 Revenue from construction works segment

3 The corresponding revenue did not contribute over 10% of the total revenue of the Group for the year ended 31 March 2026.

Geographical information

During the years ended 31 March 2026 and 2025, 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

	2026	2025
	HK$'000	*HK$'000*
Government grants	**681**	714
Sales of scrap materials	**416**	585
Interest income from life insurance	**1,095**	538
Bank interest income	**3**	33
Insurance claims	**441**	679
Rental income	**450**	847
Auxiliary and other service income	**516**	1,182
Gain on disposal of property, plant and equipment	**15,050**	1,900
	18,652	6,478

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on:		
– bank borrowings	**3,365**	4,566
– lease liabilities	**2,820**	6,184
	6,185	10,750

7. INCOME TAX EXPENSE (CREDIT)

	2026	2025
	HK$'000	*HK$'000*
Deferred taxation	**2,635**	(4,632)
Income tax expense (credit)	**2,635**	(4,632)

8. PROFIT FOR THE YEAR

	2026	2025
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Directors' emoluments	**4,351**	4,209
Other staff:		
– Salaries, wages, allowances and other benefits	**178,101**	201,417
– Retirement benefits scheme contributions	**4,901**	5,324
Total staff costs	**187,353**	210,950
Auditor's remuneration	**888**	880
Depreciation of property, plant and equipment	**82,404**	97,969
Short term lease expense	**7,575**	5,920
Provision for loss allowance on other receivables, net	**53**	–
Prepayments written-off	**–**	1,232

9. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2026 and 2025, 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:

	2026	2025
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share, representing profit for the year attributable to owners of the Company	**20,387**	34,099

	2026	2025
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

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 2026 and 2025.

11. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables, at amortised cost	**273,432**	290,105
Less: loss allowance on trade receivables	**(31,090)**	(33,093)
	242,342	257,012

As at 31 March 2026, the gross amount of trade receivables arising from contracts with customers in respect of construction works amounted to approximately HK$111,074,000 (2025: HK$83,601,000).

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.

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**74,185**	28,443
31 to 60 days	**63,249**	40,158
61 to 90 days	**10,683**	28,724
91 to 180 days	**21,561**	69,560
181 to 365 days	**42,971**	43,272
Over 365 days	**29,693**	46,855
	242,342	257,012

12. TRADE AND OTHER PAYABLES

	2026	2025
	HK$'000	*HK$'000*
Trade payables	**77,710**	73,558
Other payables	**64,008**	65,367
Consideration payables for acquisition of property, plant and equipment	**9,691**	18,009
Accruals	**26,022**	14,007
	177,431	170,941

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

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**48,205**	20,964
31 to 60 days	**8,405**	10,341
61 to 90 days	**3,433**	4,086
91 to 365 days	**15,288**	33,576
Over 365 days	**2,379**	4,591
	77,710	73,558

The average credit period granted is 30 (2025: 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 2025 and 2026	2,000,000,000	100,000
Issued and fully paid		
As at 31 March 2025 and 2026	415,000,000	20,750

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.

During the Year, the Group recorded revenue of approximately HK$841.3 million, representing a decrease of approximately 7.9% as compared with approximately HK$913.8 million for the year ended 31 March 2025. Profit attributable to owners of the Company amounted to approximately HK$20.4 million, as compared with approximately HK$34.1 million in the previous year.

The decrease in revenue was primarily attributable to the gradual completion of major works under the Three-Runway System ("**3RS**") project at Hong Kong International Airport and Kai Tak Sports Park, which had been key contributors to the Group's revenue in recent years. As these projects progressed beyond their peak construction phases, demand for construction works and construction machinery rental services declined during the Year.

Despite a more challenging operating environment, the Group continued to participate in a number of major infrastructure and public sector projects in Hong Kong. During the Year, the Group was involved in projects including Oyster Bay Station, Tung Chung Line Extension, Development of Lok Ma Chau Loop, Kai Tak Sung Wong Toi Station, other public housing developments such as in Kwu Tung North and Tuen Mun, as well as other railway and infrastructure-related projects. These projects continued to provide a stable source of revenue for the Group and partially mitigated the impact of the completion of the major projects mentioned above.

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 2025:

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Construction works	**621,679**	632,122
Construction machinery rental	**219,642**	281,662
	841,321	913,784

Revenue from construction works

During the Year, the revenue derived from our thirty-one projects (2025: twenty-two projects) amounted to approximately HK$621.7 million (2025: HK$632.1 million), accounting for approximately 73.9% (2025: 69.2%) of our total revenue.

Such decrease was primarily attributable to the gradual completion of major projects, particularly certain construction works under the 3RS at Hong Kong International Airport and Kai Tak Sports Park, which had been significant contributors to the Group's revenue in previous years. Nevertheless, the Group continued to secure new contracts and participate in a number of major infrastructure and public sector developments during the Year. Revenue generated from these projects partially offset the decline resulting from the gradual completion of major projects in the previous year.

Below set out a list of major projects undertaken by the Group during the Year:

Project name	**Type of works**	**Revenue recognised during the Year** *(Approximately HK$' million)*	**Status**
Oyster Bay Station and Associated Works	Foundation and site formation works	169.0	In progress
Tung Chung East Station and associated enabling works for track diversions	Foundation and site formation works	96.6	In progress
Kai Tak, Sung Wong Toi Station	Foundation and site formation works	71.7	In progress
Development of Lok Ma Chau Loop	Foundation and site formation works	70.3	In progress
Main Contract for Dedicated Rehousing Estate at Kwu Tung North Area 24	Foundation and site formation works	21.5	In progress
Pedestrian Link Connecting Pak Tai Street and Sung Wong Toi Station	Foundation and site formation works	19.8	In progress
Main Contract for Subsidized Sale Flats Development at Anderson Road Quarry Site R2-4	Foundation and site formation works	17.5	In progress

The Group had awarded twelve new projects during the Year. The Group has been actively participating in tenders for new public and private construction projects.

As at 31 March 2026, there were twenty-eight projects on hand with total outstanding contract sum amounting to approximately HK$867.2 million. The following table sets out the Group's principal ongoing projects with outstanding contract sums exceeding HK$20 million each as at 31 March 2026:

Project name	**Expected completion date**
Automated People Mover (APM) and Baggage Handling System (BHS) – Hong Kong International Airport	Q4 2026
Airportcity Link – Land Viaducts at Hong Kong Port and Airport Island	Q4 2026
Main Contract for Dedicated Rehousing Estate at Kwu Tung North Area 24	Q1 2027
Kai Tak, Sung Wong Toi Station	Q1 2027
Oyster Bay Station and Associated Works	Q1 2028
Hung Shui Kiu Station	Q3 2028

Revenue from construction machinery rental

During the Year, the revenue derived from the construction machinery rental amounted to approximately HK$219.6 million (2025: HK$281.7 million), accounting for approximately 26.1% (2025: 30.8%) of our total revenue. The decrease was primarily attributable to the gradual transition of the 3RS project at Hong Kong International Airport into a more mature stage of development. As one of the Group's major sources of machinery rental income in previous years, the project had generated substantial demand for construction machinery and related equipment.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's total gross profit decreased by approximately HK$31.8 million, from gross profit of approximately HK$63.4 million for the year ended 31 March 2025 to approximately HK$31.6 million for the Year. Gross profit margin also decreased from approximately 6.9% to 3.8%.

The decrease in gross profit was primarily attributable to the decline in gross profit margin during the Year. Gross profit margin decreased as a result of lower margins achieved on newly awarded contracts due to intense market competition. In addition, certain projects incurred additional extra costs towards their final stages, which further compressed the profitability of the construction works segment. The profitability of construction machinery rental segment was also impacted by increasingly competitive market conditions, together with rising, repair and maintenance costs. The decrease in revenue following the gradual completion of several major projects further reduced the Group's gross profit during the year.

Below set out the breakdowns of the gross profit and gross profit margin of the Group:

	Year ended 31 March			
	2026		2025	
	Gross Profit *HK$'000*	**Gross Profit Margin**	Gross Profit *HK$'000*	Gross Profit Margin
Construction works	**21,704**	**3.5%**	43,563	6.9%
Construction machinery rental	**9,858**	**4.5%**	19,872	7.1%
	31,562	**3.8%**	63,435	6.9%

OTHER INCOME

The other income of the Group for the Year amounted to approximately HK$18.7 million, representing an increase of approximately HK$12.2 million compared with approximately HK$6.5 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$22.7 million, representing a decrease of approximately HK$2.6 million or 10.3%, compared with approximately HK$25.3 million for the previous year. Such decrease is mainly attributable to the stringent cost control over general administrative overheads and internal discretionary expenditures, as well as the absence of a one-off write-off of an unrecoverable prepayment recognized in the previous year.

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

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
(Reversal of) provision for loss allowance on trade receivables, net	**(2,003)**	4,084
Provision for loss allowance on contract assets, net	**300**	284

During the Year, the Group recorded a net reversal of impairment loss allowance under the Expected Credit Loss ("**ECL**") model of approximately HK$1.7 million on trade receivables and contract assets, compared with a net provision of approximately HK$4.4 million in the previous year.

The reversal was mainly attributable to substantial settlements received from certain major customers during the Year and the continued improvement in collection status of long-outstanding receivables. Accordingly, the expected recoverability of the relevant receivables improved, resulting in a reversal of impairment loss allowance under the ECL model.

The Group assesses the ECL of its trade receivables and contract assets in accordance with HKFRS 9, taking into account factors including ageing profile, historical credit loss experience, customers' repayment records, current market conditions and forward-looking information. An independent professional valuer was engaged to assist management in assessing the ECL allowance as at 31 March 2026.

FINANCE COSTS

The Group's finance costs decreased by 42.5% from approximately HK$10.8 million for the previous year to approximately HK$6.2 million for the Year. The decrease was mainly attributable to the lower average outstanding balance of the Group's interest-bearing liabilities, together with the reduction in prevailing interest rates during the Year.

INCOME TAX (EXPENSES) CREDIT

The Group recorded an income tax expense of approximately HK$2.6 million for the Year, as compared to an income tax credit of approximately HK$4.6 million in the previous year. This was primarily attributable to the absence of one-off deferred tax credit arising from the recognition of previously unrecognised tax losses recorded in the previous year.

NET PROFIT

As a result of the abovementioned, the Group recorded a net profit of approximately HK$20.4 million for the Year, representing a decrease of 40.2%, or HK$13.7 million, compared to HK$34.1 million in the previous year.

TRADE RECEIVABLES

As at 31 March 2026, trade receivables amounted to HK$242.3 million, representing a decrease of 5.7% as compared with HK$257.0 million as at 31 March 2025. Certain balances remained outstanding for a longer period due to the extended certification and approval procedures associated with large-scale infrastructure projects. Subsequent to the reporting date and up to the date of this announcement, approximately HK$132.0 million of trade receivables had been settled. The Group continues to closely monitor overdue balances through regular reviews of ageing profiles and maintains ongoing communication with customers to facilitate timely settlement. Appropriate recovery actions, including legal action where considered necessary, are taken in respect of long-outstanding receivables.

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 2026, the Group had bank balances of approximately HK$36.0 million (2025: HK$30.4 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$245.8 million (2025: HK$266.2 million). The total interest-bearing liabilities of the Group including bank borrowings and lease liabilities as at 31 March 2026 was approximately HK$110.0 million (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 31 March 2026 was approximately 35.3% (2025: 40.3%).

PLEDGE OF ASSETS

As at 31 March 2026, 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$50.3 million (2025: HK$90.2 million), deposits and prepayments for life insurances with an aggregate net book value of approximately HK$23.6 million (2025: HK$22.9 million) and pledged bank deposit with an aggregate net book value of approximately HK$8.0 million (2025: nil).

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 2026, the Group employed 613 (2025: 421) staffs. The increase in headcount was mainly attributable to the recruitment of project personnel for newly commenced and expanding construction projects towards the second half of the year. As the increase occurred towards the latter part of the year, it did not have a corresponding full-year impact on the Group's staff cost. Total staff costs including Directors' emoluments for the Year amounted to approximately HK$187.4 million (2025: HK$211.0 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	
	2026	2025
	HK$'000	*HK$'000*
Motor vehicles	**639**	12,714
Machinery	**44,223**	32,993
Others	**10,625**	56
	55,487	45,763

As at 31 March 2026, the Group had no material capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2026, three subsidiaries of the Group were involved in five ongoing employees' compensation and personal injury claims (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.

EVENTS AFTER THE YEAR

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2026 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

Looking ahead, the Group expects the operating environment of Hong Kong's construction industry to remain competitive in the near term. Following the substantial completion of several large-scale infrastructure projects, including the Three-Runway System at Hong Kong International Airport and the Kai Tak Sports Park, the market has entered a transitional period as contractors compete for new project opportunities. While the private property market has shown signs of gradual improvement, supported by easing interest rates and improved market sentiment, the pace of new project launches remains measured and competition for construction contracts continues to be keen.

At the same time, contractors continue to face various challenges, including rising operating costs, increasingly stringent safety and environmental requirements, and uncertainties surrounding project award timing. These factors are expected to continue placing pressure on tender prices and profit margins across the industry.

Notwithstanding these challenges, the Group remains cautiously optimistic about the long-term prospects of Hong Kong's construction industry. The HKSAR Government continues to promote infrastructure-led growth through major initiatives such as the Northern Metropolis Development Strategy, railway expansion projects, public housing developments and Development of the Lok Ma Chau Loop. According to the 2025–26 Budget, the Government expects average annual capital works expenditure to reach approximately HK$120 billion over the coming five years, providing a stable pipeline of public sector opportunities for the construction industry. In addition, the Government has proposed transferring HK$150 billion from the Exchange Fund to the Capital Works Reserve Fund over two years to support the Northern Metropolis and other major infrastructure projects, further demonstrating its commitment to long-term infrastructure development in Hong Kong.

The Group is well positioned to benefit from these long-term opportunities through its participation in a number of ongoing infrastructure projects, including Oyster Bay Station, the Tung Chung Line Extension and Development of the Lok Ma Chau Loop. Leveraging its established track record, technical expertise, experienced management team and strong industry relationships, the Group will continue to pursue suitable opportunities in its core foundation and site formation works and construction machinery rental businesses.

Going forward, the Group will maintain a prudent approach to project selection and tendering, strengthen cost control and operational efficiency, and preserve financial flexibility. The Group remains committed to enhancing its competitiveness and delivering sustainable value to its shareholders over the long term.

ANNUAL GENERAL MEETING ("AGM")

The 2026 AGM will be held on Thursday, 20 August 2026. 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 record date for the AGM will be Thursday, 20 August 2026. The Hong Kong branch register of members of the Company will be closed from Monday, 17 August 2026 to Thursday, 20 August 2026 (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 Friday, 14 August 2026.

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.

Due to the passing away of Mr. Wong Yiu Kit Ernest on 24 January 2026, the Board has temporarily become non-compliant with the requirement of Rules 3.10(1), 3.21, 3.25 and 3.27A of the Listing Rules. However, following the appointment of Mr. Du Hanzhi as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee on 2 March 2026, the Company has re-complied with all Listing Rules.

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. Du Hanzhi 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, 29 June 2026

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. Du Hanzhi, Mr. Lee Man Tai and Ms. Tong Sze Sze Cecilia.