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MIGAO GROUP HOLDINGS LIMITED

米高集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9879)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- Total revenue for FY2024 of approximately RMB3,770.5 million (FY2023: approximately RMB4,722.7 million), year-on-year decrease of approximately 20.2%
- Profit for FY2024 of approximately RMB276.2 million (FY2023: approximately RMB421.5 million), year-on-year decrease of approximately 34.5%
- Basic earnings per Share for FY2024 of approximately RMB0.37 (FY2023: approximately RMB0.60), year-on-year decrease of approximately 38.3%
- The Board recommended the payment of a final dividend of RMB0.061 per Share

OPERATIONAL HIGHLIGHTS

	For the year ended 31 March		Year-on-year
	2024	2023	change*
	(Tonne '000)	(Tonne '000)	
Sales volume			
KCL	1,251	1,067	17.2%
SOP	143	124	15.3%

* Year-on-year change represents a comparison between the current year and the last year

The Board is pleased to announce its consolidated results of the Group for FY2024 together with the comparative figures for FY2023, as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 March 2024

	<i>NOTES</i>	Year ended 31 March	2023
		2024	2023
		RMB'000	RMB'000
Revenue	3	3,770,543	4,722,749
Cost of goods sold		(3,234,039)	(3,955,216)
Gross profit		536,504	767,533
Other income	4	9,218	6,847
Other gains and losses	5	5,593	(16,908)
Reversal of impairment losses, net		2,600	1,655
Distribution and selling expenses		(30,105)	(61,716)
General and administrative expenses		(93,398)	(105,689)
Research and development expenses		(30,932)	(31,037)
Listing expenses		(40,287)	(20,887)
Share of result of a joint venture		(5,992)	11,267
Finance costs	6	(19,597)	(17,651)
Profit before tax		333,604	533,414
Income tax expense	7	(57,410)	(111,900)
Profit for the year	8	276,194	421,514
Other comprehensive expense			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
– Exchange difference arising on translation of a foreign operation		(4,589)	(10,097)
Total comprehensive income for the year		271,605	411,417
Profit for the year attributable to:			
– Owners of the Company		252,479	405,089
– Non-controlling interests		23,715	16,425
		276,194	421,514
Total comprehensive income for the year attributable to:			
– Owners of the Company		247,890	394,992
– Non-controlling interests		23,715	16,425
		271,605	411,417
Earnings per share			
– Basic (RMB)	10	0.37	0.60
– Diluted (RMB)	10	0.37	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

		As at 31 March	
	NOTES	2024	2023
		RMB'000	RMB'000
Non-current assets			
Plant and equipment		455,092	486,442
Right-of-use assets		144,004	153,077
Prepayments and deposits	11	9,851	4,378
Goodwill		12,069	12,069
Intangible asset		3,962	5,547
Interest in a joint venture		116,307	122,299
Deferred tax assets		3,699	4,451
		<u>744,984</u>	<u>788,263</u>
Current assets			
Inventories		449,326	151,589
Trade and other receivables and prepayments	11	2,428,151	1,730,694
Amounts due from joint ventures		18,520	27,490
Amount due from a shareholder		–	3,535
Tax recoverable		–	1,029
Restricted cash		152,205	170,484
Bank balances and cash		812,343	365,731
		<u>3,860,545</u>	<u>2,450,552</u>
Current liabilities			
Trade and other payables	12	519,515	630,630
Contract liabilities		745,120	335,978
Amount due to a related company		–	175,716
Loan from a related company		–	105,817
Tax liabilities		171,881	155,813
Borrowings	13	380,736	164,738
Lease liabilities		4,841	5,681
		<u>1,822,093</u>	<u>1,574,373</u>
Net current assets		<u>2,038,452</u>	<u>876,179</u>
Total assets less current liabilities		<u><u>2,783,436</u></u>	<u><u>1,664,442</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued*As at 31 March 2024*

		As at 31 March	
	<i>NOTES</i>	2024	2023
		RMB'000	RMB'000
Capital and reserves			
Share capital		63,861	66
Reserves		2,384,415	1,420,746
		<hr/>	<hr/>
Equity attributable to owners of the Company		2,448,276	1,420,812
Non-controlling interests		167,416	155,081
		<hr/>	<hr/>
Total equity		2,615,692	1,575,893
		<hr/>	<hr/>
Non-current liabilities			
Deferred tax liabilities		2,783	3,173
Borrowings	<i>13</i>	164,427	80,000
Lease liabilities		534	5,376
		<hr/>	<hr/>
		167,744	88,549
		<hr/>	<hr/>
		2,783,436	1,664,442
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 November 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its immediate holding company is Migao Holdings Limited, a company incorporated in the British Virgin Islands (the “BVI”) on 17 November 2017. Its ultimate holding company is Migao International Holding Limited, a company incorporated under the laws of the BVI with limited liability on 19 August 2005 and was discontinued as a company under the laws of the BVI and continuing as a company under the laws of Barbados on 25 January 2010. The controlling shareholder of the Company is Mr. Liu Guocai. The shares of the Company had been listed on the Stock Exchange on 21 March 2024.

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and trading of specialty potash-based fertilisers in the PRC.

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has consistently applied HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), including those new and amendments to HKFRSs which are effective for the annual period beginning on 1 April 2023, for the preparation of the consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after 1 January 2025

Except for the amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 Non-current Liabilities with Covenants (the “2022 Amendments”)

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Amendments to HKFRSs in issue but not yet effective – continued

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Borrowings which are subject to meeting certain covenants within 12 months from reporting date

As at 31 March 2024, the Group’s right to defer settlement for borrowings of approximately RMB89,900,000 are subject to compliance with certain financial ratios only after the reporting period. Such borrowings were classified as non-current as the Group met such ratios at 31 March 2024. Upon the application of the 2022 Amendments, such borrowings will still be classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

Except as described above, the application of the 2020 and 2022 Amendments will not affect the classification of the Group’s other liabilities as at 31 March 2024.

3. REVENUE AND SEGMENT INFORMATION

The Group primarily recognises revenue from sales of specialty potash-based fertilisers in the PRC and recognises at a point of time. The Group purchases KCL from both overseas and domestic suppliers. The Group then processes majority of the purchased KCL for sales to its customers or use as raw materials for its manufacturing activities. After that, part of the KCL are sold directly to customers and most of them are arranged for pick up from the ports or the railway stations; and part of the KCL are transported to the Group’s processing facilities for processing into granular form in size as specifically required by customers. Besides, part of the KCL, together with other raw materials, are used to manufacture into SOP and compound fertilisers for sales to customers. In addition, the Group also sources and resells KCL, SOP, NOP and compound fertilisers to customers without further manufacturing or processing.

The Group also provides production services to its customers for processing the principal raw materials provided by customers into compound fertilisers in accordance with their product specifications. Revenue from provision of production services is recognised over time.

3. REVENUE AND SEGMENT INFORMATION – continued

(i) Disaggregation of revenue from contracts with customers

Revenue by types of products or service

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
Sales of products		
KCL	3,166,130	4,024,088
SOP	438,190	476,058
NOP	2,348	15,366
Compound fertilisers	53,446	47,747
Others	86,444	129,449
	<hr/>	<hr/>
	3,746,558	4,692,708
Provision of production services	23,985	30,041
	<hr/>	<hr/>
Total	3,770,543	4,722,749

Timing of revenue recognition

	Year ended 31 March	
	2024 RMB'000	2023 RMB'000
At a point in time	3,746,558	4,692,708
Over-time	23,985	30,041
	<hr/>	<hr/>
Total	3,770,543	4,722,749

(ii) Performance obligations for contracts with customers

The Group sells specialty potash-based fertilisers directly to its customers. Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been collected by customers or delivered from the Group's warehouses.

The Group provides production services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these production services based on the stage of completion of the contract using output method.

The normal credit term is 0 to 180 days upon delivery.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the "CODM"), for the purpose of resources allocation and performance assessment, is the consolidated results of the Group as a whole. No other discrete financial information is provided. Accordingly, the Directors consider there is only one operating segment under the requirements of HKFRS 8 *Operating Segments*. In this regard, only entity-wide disclosures are presented.

No geographic information is presented as the revenue, non-current assets and operations of the Group are primarily derived from its activities located in the PRC.

4. OTHER INCOME

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Bank interest income	4,473	3,539
Government grants (<i>Note</i>)	3,292	2,007
Rental income	844	1,127
Others	609	174
	<u>9,218</u>	<u>6,847</u>

Note: The amounts mainly represented the incentive subsidies provided by the PRC government to encourage business operation in the PRC. There were no unfulfilled conditions attached to these grants and the Group has recognised the grants upon receipts.

5. OTHER GAINS AND LOSSES

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Gain (loss) on disposal of plant and equipment	170	(12)
Net foreign exchange gains (losses)	6,032	(16,357)
Surcharges and others	–	(88)
Others	(609)	(451)
	<u>5,593</u>	<u>(16,908)</u>

6. FINANCE COSTS

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Interest expenses on borrowings	14,262	11,203
Interest expenses on loan from a related company	4,865	5,825
Interest expenses on lease liabilities	470	623
	<u>19,597</u>	<u>17,651</u>

7. INCOME TAX EXPENSE

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Income tax expense comprised of:		
Current tax:		
PRC Enterprise Income Tax (“EIT”)	57,048	111,785
Deferred tax	362	115
	<u>57,410</u>	<u>111,900</u>

7. INCOME TAX EXPENSE – continued

The Group is not subject to any income tax in the Cayman Islands pursuant to the rules and regulations in the jurisdiction.

No provision for Hong Kong Profits Tax as there is no assessable profit subject to Hong Kong Profits Tax for both years.

PRC EIT is calculated at the applicable rates of tax prevailing in the areas in which the Group operates, based on the existing legislation, interpretations and practices.

Pursuant to the PRC EIT law and its detailed implementation rules, the standard income tax rate is 25%. Besides, if the subsidiaries are qualified as high-technology companies (under the PRC EIT law), the subsidiaries are entitled to a reduced income tax rate of 15% and such qualification is subject to renewal every three years. Certain of group entities in the PRC are entitled to the reduced income tax rate of 15% for both years.

8. PROFIT FOR THE YEAR

	Year ended 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year has been arrived at after charging		
Cost of inventories recognised as an expense	3,219,438	3,935,097
Amortisation of intangible asset	1,585	1,585
Depreciation of plant and equipment	44,644	44,815
Depreciation of right-of-use assets	9,073	7,744
	<hr/>	<hr/>
Total depreciation and amortisation	55,302	54,144
Less: capitalised as cost of inventories	(37,235)	(36,390)
	<hr/>	<hr/>
	18,067	17,754
	<hr/> <hr/>	<hr/> <hr/>

8. PROFIT FOR THE YEAR – continued

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Auditor's remuneration		
– Audit services	2,701	288
– Non-audit services	574	–
	<u>3,275</u>	<u>288</u>
Listing expenses	40,287	20,887
Staff costs (including directors' emoluments)		
– Directors' emoluments	6,117	5,137
– Salaries and other benefits	56,538	52,485
– Retirement benefit scheme contributions (excluding directors)	3,666	4,038
	<u>66,321</u>	<u>61,660</u>
Less: capitalised as cost of inventories	(25,363)	(24,254)
	<u><u>40,958</u></u>	<u><u>37,406</u></u>

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2024 (2023: nil).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of RMB0.061 (2023: nil) per ordinary share, in an aggregate amount of approximately RMB55,445,000 (2023: nil), has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting.

10. EARNINGS PER SHARE

	Year ended 31 March	
	2024	2023
	RMB'000	RMB'000
Earnings for the purpose of calculating basic and diluted earnings per share for the year attributable to the owners of the Company	<u>252,479</u>	<u>405,089</u>
	No. of Shares	No. of Shares
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	681,762,295	675,000,000
Effect of dilutive potential ordinary shares:		
Over-allotment options	676,230	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u><u>682,438,525</u></u>	<u><u>675,000,000</u></u>

The weighted average number of ordinary shares for the purpose of calculating basic per share has been determined based on the assumption that the share subdivision and capitalization issue had been effective on 1 April 2022.

No diluted earnings per share for the year ended 31 March 2023 was presented as there was no potential ordinary shares in issue.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 March	
	2024	2023
	RMB'000	RMB'000
Trade receivables	32,878	109,512
Unbilled receivables (<i>Note a</i>)	140,999	90,858
Less: allowance for credit losses	(14,803)	(17,403)
	<u>159,074</u>	<u>182,967</u>
Bills receivables	422,086	140,886
	<u>581,160</u>	<u>323,853</u>
Inventories prepayment (<i>Note b</i>)		
– third parties	1,758,736	1,278,116
– a joint venture	–	30,520
	<u>1,758,736</u>	<u>1,308,636</u>
Deferred issue costs	–	14,739
Value-added tax receivables	50,169	30,016
Other receivables, deposits and prepayments	47,937	57,828
	<u>1,856,842</u>	<u>1,411,219</u>
	<u>2,438,002</u>	<u>1,735,072</u>
Analysed as:		
Current	2,428,151	1,730,694
Non-current	9,851	4,378
	<u>2,438,002</u>	<u>1,735,072</u>

Notes:

- (a) Unbilled receivables represents accrued sales for goods delivered by the Group but yet to bill. The Group has unconditional right to the payment of the unbilled receivables which is expected to be billed within 180 days and received within 12 months from the end of each year.
- (b) As at 31 March 2024, the Group made inventory prepayment to various suppliers of approximately RMB271,448,000 (2023: nil) by endorsed billed for which the maturity dates of the bills receivables have not yet fallen due.

As at 1 April 2022, gross trade receivables and unbilled receivables from contracts with customers amount to RMB308,305,000 in aggregate.

The Group generally allows credit period ranging from 0 to 180 days. The Group will assess the credit quality of each potential customer and define rating and credit limit for each customer.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – continued

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	As at 31 March	
	2024	2023
	RMB'000	RMB'000
Trade receivables		
Within 90 days	17,784	26,129
91-180 days	291	56,203
181-365 days	759	8,893
Over 1 year	1,784	3,302
	<u>20,618</u>	<u>94,527</u>

As at 31 March 2024, total bills received amounting to approximately RMB412,307,000 (2023: RMB130,185,000), was further discounted or endorsed by the Group. The Group continues to recognize their full carrying amounts at the end of both years. All bills received by the Group are with a maturity period of less than one year (2023: one year).

As at 31 March 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB2,834,000 (2023: RMB68,398,000) which is past due as at the reporting date. Out of the past due balances, RMB2,543,000 (2023: RMB12,195,000) has been past due for 90 days or more and is not considered as in default based on good repayment records for those customers. The Group does not hold any collateral over these balances.

12. TRADE AND OTHER PAYABLES

	As at 31 March	
	2024	2023
	RMB'000	RMB'000
Trade payables	129,991	215,153
Bills payables	219,940	281,722
Other tax payables	128,794	97,455
Accrued employee expense	4,252	4,561
Accrued issue costs and listing expenses	18,480	8,043
Payables for transportation costs	1,170	2,798
Payables for construction in progress and plant and equipment	307	–
Others	16,581	20,898
	<u>519,515</u>	<u>630,630</u>

The Group normally receives credit terms of 90 to 180 days from its suppliers. The following is an analysis of the trade and bills payables by age, presented based on the invoice date at the end of the reporting period:

	As at 31 March	
	2024	2023
	RMB'000	RMB'000
Trade payables		
0 – 90 days	104,530	66,221
91 – 180 days	20,924	104,101
181 – 360 days	1,621	41,075
Over 1 year	2,916	3,756
	<u>129,991</u>	<u>215,153</u>

12. TRADE AND OTHER PAYABLES – continued

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bills payables		
0 – 90 days	171,600	88,714
91 – 180 days	48,340	28,728
181 – 360 days	–	164,280
	<u>219,940</u>	<u>281,722</u>

Included in the trade payables, are RMB22,882,000 (2023: RMB97,124,000) which had been settled by endorsed bills for which the maturity dates of the bills receivables have not yet fallen due as at the end of the reporting period.

13. BORROWINGS

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Bank loans	320,800	244,738
Advance from banks on discounted bills receivables with full recourse	116,015	–
Other loans	108,348	–
	<u>545,163</u>	<u>244,738</u>

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Analysed as:		
Current	380,736	164,738
Non-current	164,427	80,000
	<u>545,163</u>	<u>244,738</u>

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Analysed as:		
Secured	465,163	214,738
Unsecured	80,000	30,000
	<u>545,163</u>	<u>244,738</u>

Carrying amount repayable* within one year and shown under current liabilities		
Bank loans	336,915	164,738
Other loans	43,821	–
	<u>380,736</u>	<u>164,738</u>

Carrying amount repayable* within a period of more than one year but not exceeding two years and shown under non-current liabilities		
Bank loans	99,900	80,000
Other loans	64,527	–
	<u>164,427</u>	<u>80,000</u>
	<u>545,163</u>	<u>244,738</u>

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

13. BORROWINGS – continued

The Group had pledged the following assets to banks or a financial institution as securities against the banking facilities granted to the Group or the sales and leaseback transactions at the end of the reporting period:

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Plant and equipment	85,037	30,484
Right-of-use assets	21,682	18,278
	<u>106,719</u>	<u>48,762</u>

The ranges of effective interest rates per annum (which are also equal to contractual interest rates) on the Group's borrowings and their carrying values are as follow:

	As at 31 March	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Fixed-rate borrowings:		
Denominated in RMB (ranging from 3.90% to 7.33 % as at 31 March 2024 (2023: 3.40% to 5.00%))	365,363	90,000
Denominated in United States Dollar (nil as at 31 March 2024 (2023: 4.05%))	–	24,738
	<u>365,363</u>	114,738
Variable-rate borrowings:		
Denominated in RMB (ranging from 3.05% to 4.75% as at 31 March 2024 (2023: 3.25% to 4.95%)) (Note)	179,800	130,000
	<u>545,163</u>	<u>244,738</u>

Note: For variable-rate borrowings denominated in RMB, the variable rates at range from 88% of Prime to 138% of Prime as at 31 March 2024 (2023: range from 89% of Prime to 136% of Prime). Prime is the prime rate in China, which is determined and announced by the People Bank of China.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In FY2024, the Group continued to solidify its position as a leading potash fertiliser company in China, with the overall sales volume of the products of the Group and the provision of production services increased by 20.1%, from approximately 1,444,000 tonnes in FY2023 to approximately 1,734,000 tonnes in FY2024. This growth is primarily attributable to the Group's unwavering commitment to product quality and a profound understanding of its customers' needs. In FY2024, the Group recorded a sales volume of approximately 1,403,000 tonnes of products sold to customers from FY2023, representing an increase of approximately 237,000 tonnes or approximately 20.3% compared to approximately 1,166,000 tonnes sold to these customers in FY2023. Furthermore, the Group successfully expanded its customer base, achieving a sales volume of approximately 151,000 tonnes to three new customers during FY2024.

In line with the increase in sales volume, the Group's purchase volume of major raw material of KCL reached a new record high of approximately 1,524,000 tonnes in FY2024. The Group, having operated in the potash fertiliser business in China for more than 20 years, has established comprehensive procurement channels for KCL, which enable the Group to secure a stable supply of KCL from major overseas potash fertiliser producers at competitive costs. Moreover, to further enhance the reliability and stability of the supply chain, the Group has actively negotiated and entered into several memoranda of understanding to ensure the future supply of KCL, and also explored cooperation opportunities with other suppliers to source high-quality KCL from diverse origins.

The listing of the Shares in March 2024 marked a significant milestone in the Group's history. This accomplishment is expected to provide access to different capital markets, thereby diversifying our financing options for business expansion and facilitating the expansion of our customer base.

Future Prospects

Looking ahead, the Group aims to navigate market fluctuations by driving growth through innovation and expanding the Group's product offerings. The Group will continue exploring new markets to support the increasing global demand for high-efficiency fertilisers, while maintaining its focus on operational efficiency and customer satisfaction. The Group's strategic investments in new facilities and technologies are expected to enhance its supply capacity and bolster its position as a reliable partner in the agricultural industry. In light of the above, the Group will continue to explore different investment opportunities, improve production capacity and bring values to the Group in the PRC as well as in Southeast Asia.

Financial Review

Revenue

The Group's revenue for FY2024 consisted of sales of products and provision of production services. The following tables set forth a breakdown of the Group's revenue by (i) sales of each type of products and the provision of production services; (ii) types of customers; (iii) sales volume; and (iv) average selling price, respectively, for the years indicated:

	For the year ended 31 March		Year-on-year change
	2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	
Sales of products			
KCL	3,166,130	4,024,088	(21.3)%
SOP	438,190	476,058	(8.0)%
NOP	2,348	15,366	(84.7)%
Compound fertiliser	53,446	47,747	11.9%
Others ⁽¹⁾	86,444	129,449	(33.2)%
	<u>3,746,558</u>	<u>4,692,708</u>	
Provision of production services	<u>23,985</u>	<u>30,041</u>	(20.2)%
Total	<u><u>3,770,543</u></u>	<u><u>4,722,749</u></u>	(20.2)%
	For the year ended 31 March		Year-on-year change
	2024	2023	
	<i>RMB'000</i>	<i>RMB'000</i>	
Types of customers			
State-owned enterprise (SOE)	2,017,636	2,660,983	(24.2)%
Non-SOE	1,752,907	2,061,766	(15.0)%
Total	<u><u>3,770,543</u></u>	<u><u>4,722,749</u></u>	
	For the year ended 31 March		Year-on-year change
	2024	2023	
	<i>(Tonne '000)</i>	<i>(Tonne '000)</i>	
Sales volume			
KCL	1,251	1,067	17.2%
SOP	143	124	15.3%
NOP	1	3	(66.7)%
Compound fertilisers	22	19	15.8%
Others ⁽¹⁾	256	173	48.0%
	<u>1,673</u>	<u>1,386</u>	
Provision of production services	<u>61</u>	<u>58</u>	5.2%
Total	<u><u>1,734</u></u>	<u><u>1,444</u></u>	20.1%

	For the year ended 31 March		Year-on-year change
	2024	2023	
	RMB	RMB	
Average selling price			
KCL	2,530	3,772	(32.9)%
SOP	3,072	3,850	(20.2)%
NOP	6,043	6,097	(0.9)%
Compound fertilisers	2,407	2,502	(3.8)%
Others ⁽¹⁾	337	743	(54.6)%
Provision of production services	392	520	(24.6)%

Note:

(1) Others mainly consist of HCL and fertiliser additive.

During FY2024, the sales of KCL and SOP contributed the top two portions of the revenue of the Group, accounting for approximately 84.0% and 11.6% respectively of the total revenue of the Group. During FY2024, the sales to agribusiness companies and agricultural reclamation companies contributed approximately 78% and 17% respectively to the total revenue of the Group (FY2023: approximately 68% and 27% respectively). The Group's revenue for FY2024 was approximately RMB3,770.5 million, representing a decrease of approximately 20.2% from approximately RMB4,722.7 million for FY2023. The decrease in revenue was primarily attributable to the decrease in the average selling price of KCL and SOP. The high market selling price of potash fertiliser products during FY2023 was due to global supply uncertainty of KCL and the market selling price has returned to a lower level during FY2024.

Cost of Goods Sold

For FY2024, the cost of goods sold was approximately RMB3,234.0 million, representing a decrease of approximately 18.2% from approximately RMB3,955.2 million for FY2023. This decrease was primarily attributable to the decrease in the purchase price of KCL, the major raw material of the Group's products.

Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 30.1% from approximately RMB767.5 million for FY2023 to approximately RMB536.5 million for FY2024. Gross profit margin decreased from approximately 16.3% for FY2023 to approximately 14.2% for FY2024. The decrease in gross profit was primarily due to the decrease in the gross profit margin of KCL from approximately 17.1% in FY2023 to approximately 12.8% in FY2024 which was partially offset by the increase in the gross profit margin of SOP from approximately 10.5% in FY2023 to approximately 22.8% in FY2024.

The following table sets forth a breakdown of the gross profit margin of the Group by products and provision of production services for the years indicated:

	For the year ended 31 March		Year-on-year
	2024	2023	change
Gross profit margin			
KCL	12.8%	17.1%	(4.3)%
SOP	22.8%	10.5%	12.3%
NOP	7.5%	8.5%	(1.0)%
Compound fertilisers	25.0%	15.2%	9.8%
Others ⁽¹⁾	9.8%	8.2%	1.6%
Provision of production services	39.1%	33.0%	6.1%
Overall	14.2%	16.3%	(2.1)%

Note:

(1) Others mainly consist of HCL and fertiliser additive.

Other Income

Other income of the Group increased by approximately 34.6% from approximately RMB6.8 million for FY2023 to approximately RMB9.2 million for FY2024. This increase was primarily due to (i) increase in bank interest income, driven by an increase in average bank balances and cash in FY2024; and (ii) increase in government grants as a result in a one-off government grant received by the Group during FY2024.

Other Gains and Losses

Other gains and losses, net of reversal of the Group amounted to a gain of approximately RMB5.6 million for FY2024 compared to a loss of approximately RMB16.9 million for FY2023. A significant foreign exchange loss of approximately RMB16.4 million was recorded for FY2023 as a result of the foreign exchange losses deriving from the Group's settlement of monetary liabilities denominated in US dollars while the Group recorded an exchange gain in FY2024 deriving from monetary assets of the Group denominated in US dollars during FY2024.

Reversal of Impairment Losses, Net

Reversal of impairment losses, net, of the Group increased by approximately 57.1% from approximately RMB1.7 million for FY2023 to approximately RMB2.6 million for FY2024, primarily attributable to the improvement in the recoverability of the trade receivables of the Group and decrease in trade receivables balances.

Distribution and Selling Expenses

Distribution and selling expenses of the Group decreased by approximately 51.2% from approximately RMB61.7 million for FY2023 to approximately RMB30.1 million for FY2024, primarily attributable to the decrease in transportation charge in FY2024 as a result of the decrease in inventory management activities between the subsidiaries of the Company during FY2024.

General and Administrative Expenses

General and administrative expenses of the Group decreased by approximately 11.6% from approximately RMB105.7 million for FY2023 to approximately RMB93.4 million for FY2024, primarily due to better cost control implemented by the Group.

Research and Development Expenses

Research and development expenses of the Group remained relatively stable from approximately RMB31.0 million for FY2023 to approximately RMB30.9 million for FY2024 as the Group maintained constant research and development activities.

Listing Expenses

Listing expenses of the Group increased by approximately 92.9% from approximately RMB20.9 million for FY2023 to approximately RMB40.3 million for FY2024 due to an increase in professional fees incurred in connection with the completion of the initial public offering and listing of the Shares on the Stock Exchange.

Share of Result of A Joint Venture

The share of result of a joint venture of the Group decreased by approximately 153.2% from a gain of approximately RMB11.3 million for FY2023 to a loss of approximately RMB6.0 million for FY2024, primarily due to the decrease in sales volume and gross profit margin of NOP of the joint venture of the Group during FY2024.

Finance Costs

Finance costs of the Group increased by approximately 11.0% from approximately RMB17.7 million for FY2023 to approximately RMB19.6 million for FY2024, primarily due to increase in borrowings of the Group.

Income Tax Expense

The income tax expense of the Group decreased by approximately 48.7% from approximately RMB111.9 million for FY2023 to approximately RMB57.4 million for FY2024, mainly attributable to the decrease in profit before tax.

Profit for FY2024

The net profit of the Group for FY2024 was approximately RMB276.2 million, representing a decrease of approximately 34.5% as compared with approximately RMB421.5 million for FY2023. This decrease was mainly due to the following reasons: (i) as disclosed in the Prospectus, the Group's net profit for the eight months ended 30 November 2023 decreased by approximately 32% comparing to the same period of FY2023, primarily due to the high market selling price of potash fertiliser products during FY2023 as a result of global supply uncertainty of KCL; and (ii) during the last quarter of FY2024 which was the peak season of the Group's business, the net profit of the Group did not rebound along with the sales volume of potash fertiliser products as the market selling price of potash fertiliser products remained weak. According to the General Administration of Customs of the People's Republic of China, the import volume of KCL has increased by

approximately 49% during the period from January 2024 to March 2024 comparing to the same period of last year. Such significant increase in the supply of KCL in the domestic market has adversely affected the market selling price of potash fertiliser products during the last quarter of FY2024, and thus affecting the net profit of the Group.

Liquidity and Capital Resources

The Group's total bank balances and cash increased from approximately RMB365.7 million as at 31 March 2023 to approximately RMB812.3 million as at 31 March 2024. This increase in total bank balances and cash during FY2024 was primarily resulted from the proceeds from the initial public offering.

As at 31 March 2024, the current assets of the Group amounted to approximately RMB3,860.5 million, primarily consisting of trade and other receivables and prepayments of approximately RMB2,428.2 million, and bank balances and cash of approximately RMB812.3 million. Current liabilities of the Group amounted to approximately RMB1,822.1 million, primarily consisting of contract liabilities of approximately RMB745.1 million and trade and other payables of approximately RMB519.5 million. As at 31 March 2024, the current ratio (the current assets to current liabilities ratio) of the Group was 2.1 (31 March 2023: 1.6).

As at 31 March 2024, the borrowings of the Group amounted to approximately RMB545.2 million (31 March 2023: RMB244.7 million). The increase in borrowings was mainly attributable to the increase in bank borrowings to meet the business needs and the increase in other borrowings from sale and leaseback arrangements in relation to machinery leases.

As at 31 March 2024, the gearing ratio of the Group, which was calculated on the basis of the amount of total debt as a percentage of the total equity attributable to owners of the Company, was approximately 22.3% (31 March 2023: 24.7%). The decrease in gearing ratio was mainly attributable to the increase in total equity attributable to owners of the Company by the proceeds from the initial public offering.

Capital Expenditures

For FY2024, the capital expenditures of the Group amounted to approximately RMB10.7 million, which were primarily used for the construction and development of a warehousing and production centre of the Group in Heilongjiang Province, the PRC.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 March 2024.

Pledge of Assets

As at 31 March 2024, the aggregate carrying value of the plant and equipment, right-of-use assets and restricted cash of the Group pledged for the Group's bills payables and/or deposits for letter of credits and/or the sales and leaseback transactions was approximately RMB258.9 million (31 March 2023: RMB219.2 million).

Future Plan for Material Investments and Capital Assets

Save as disclosed in the Prospectus and this announcement, the Group did not have other plans for material investments and capital assets.

The Group will continue to explore different investment opportunities bringing values to the Group. The Company's future plan in the coming year for material investments and additions of capital assets is primarily related to the improvement of production capacity and operational efficiency. In the event that the Group makes material investments in the future, further announcement(s) will be made by the Company as and when appropriate and necessary.

Significant Investments, Acquisitions and Disposals

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2024.

Foreign Exchange Risk Management

The functional currency of the Company is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. The Group also has certain cash and bank balances denominated in United State dollars and Hong Kong dollars, which would expose the Group to foreign exchange risk. The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

SIGNIFICANT EVENTS AFTER THE YEAR END

On 17 April 2024, the Over-allotment Option (as defined in the Prospectus) was partially exercised by GF Securities (Hong Kong) Brokerage Limited (for itself and on behalf of the International Underwriters (as defined in the Prospectus)) pursuant to which the Company raised additional capital. Further details of the exercise of the Over-allotment Option are set out in the announcement of the Company dated 17 April 2024.

Save as disclosed in this announcement, the Group did not have any other significant events after 31 March 2024 and up to the date of this announcement.

USE OF PROCEEDS

The net proceeds from the listing of the Shares on the Stock Exchange and the net proceeds from the partial exercise of the over-allotment option (after deducting underwriting fees and other related expenses) amounted to approximately HK\$798.6 million. As at 31 March 2024, the Group has not utilized any proceeds. The proceeds will be used in accordance with the intended purposes as set out in the Prospectus.

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 March 2024, the Group had a total of 423 employees. The total staff cost for FY2024 was approximately RMB66.3 million, as compared to approximately RMB61.7 million for FY2023. The remuneration packages of the Group's employees are determined with reference to individual qualification, experience, performance, contribution to the Group and prevailing market rate. The Group remunerates its employees with basic salaries as well as performance-based bonuses. The Group participates in a variety of social security plans for its employees that are administered by PRC local governments, including housing, pension, medical insurance and unemployment insurance, and the Group made contributions to employee benefit plans for its employees as required by local authorities in accordance with applicable PRC laws and regulations in all material respects.

To ensure equal opportunities for all the Group's employees, the Group has implemented merit-based promotion mechanism. The Group examines its employees' performance regularly and promotes its employees based on their job performance. The Group also provides its employees with a variety of trainings, which are tailored to each job functions and a set of responsibilities to enhance performance. Furthermore, the Group has established a labor union for its employees, and each production facility has a labor union head to collect feedback from local employees.

PAYMENT OF FINAL DIVIDEND

Having taken into account the performance of the Group for FY2024, the Board has resolved to recommend the payment of a final dividend of RMB0.061 per Share for FY2024 to the Shareholders whose names appear on the register of members of the Company on Thursday, 12 September 2024. The total amount is approximately RMB55.4 million. The proposed final dividend, subject to the approval of the Shareholders at the AGM, is expected to be paid on or before Friday, 11 October 2024.

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Any amount of dividends the Company pays will be at the discretion of the Directors and will depend on the Group's future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and any other factors that the Board may deem relevant.

ANNUAL GENERAL MEETING

The AGM will be held on Monday, 2 September 2024. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

In order to ascertain the Shareholders' entitlements to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 28 August 2024 to Monday, 2 September 2024, both days inclusive, during which period no transfer of Shares will be registered. All Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on Tuesday, 27 August 2024.

In order to ascertain the Shareholders' entitlements to the proposed final dividend (subject to approval by the Shareholders at the AGM), the register of members of the Company will be closed from Monday, 9 September 2024 to Thursday, 12 September 2024, both days inclusive, during which period no transfer of Shares will be registered. All Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 September 2024.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules on the Stock Exchange as its own code of corporate governance practices.

Since the Shares were listed on the Main Board of the Stock Exchange on 21 March 2024, the Corporate Governance Code were not applicable to the Company before the Listing Date. Throughout the period from the Listing Date to the date of this announcement, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code, save for deviation from code provision C.2.1 of the Corporate Governance Code. The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the responsibilities between the chairperson and the chief executive officer should be segregated and should not be performed by the same individual. The Group does not have a separate chairperson and chief executive officer as Mr. Liu Guocai currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively given that (i) decisions to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of six Directors and the Group believes there is sufficient check and balance on the Board; (ii) Mr. Liu Guocai and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of the Company and will make decisions of the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Group. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Since the Shares were listed on the Main Board of the Stock Exchange on 21 March 2024, the Model Code was not applicable to the Company before the Listing Date. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the period from the Listing Date up to the date of this announcement.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three members, namely, Mr. Chen Guofu, Ms. Huang Shasha and Ms. Qing Meyerson, all of whom are independent non-executive Directors. Ms. Qing Meyerson is the chairperson of the Audit Committee. The Audit Committee has reviewed the Company's consolidated annual results for FY2024 and has met with the independent Auditor, Deloitte Touche Tohmatsu. The Audit Committee confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters. The annual results for FY2024 have been prepared in accordance with HKFRS.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

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 FY2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 21 June 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date up to 31 March 2024.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.migaogroup.com). The annual report of the Company for the year ended 31 March 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company proposed to be held on Monday, 2 September 2024
“Audit Committee”	the audit committee of the Board
“Board”	the Board of Directors of the Company
“China” or “PRC”	the People’s Republic of China excluding for the purpose of this announcement, Hong Kong, Macau and Taiwan
“Company”	Migao Group Holdings Limited (米高集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 21 November 2017
“compound fertiliser”	a kind of fertiliser with three-components, providing nitrogen, phosphorus and potassium. Compound fertiliser can be used for balanced fertilization and can increase the utilization rate of fertilisers
“Corporate Governance Code”	code on corporate governance practices contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“FY2023”	the Company’s financial year ended 31 March 2023
“FY2024”	the Company’s financial year ended 31 March 2024
“Group”	collectively, the Company and its subsidiaries
“HCL”	hydrochloric acid, an aqueous solution of hydrogen chloride, belonging to one-component inorganic strong acid, which is an important part of the chlor-alkali industry and is widely used in industrial fields
“HK\$”, and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“KCL”	potassium chloride, a compound with the chemical formula KCl containing around 60% potassium oxide equivalent, which can be used as a fertiliser
“Listing Date”	21 March 2024

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
“NOP”	potassium nitrate, a compound with the chemical formula KNO ₃ containing potassium, oxygen, and nitrogen, which can be used as a fertiliser
“Prospectus”	the prospectus of the Company dated 13 March 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“SOP”	potassium sulphate, a compound with the chemical formula K ₂ SO ₄ containing around 50% potassium oxide equivalent, which can be used as a fertiliser
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By Order of the Board
Migao Group Holdings Limited
Mr. Liu Guocai
Chairperson and Executive Director

Hong Kong, 21 June 2024

As at the date of this announcement, the Board comprises Mr. Liu Guocai, Mr. Sun Pingfu and Mr. Dong Benzi as executive Directors; and Mr. Chen Guofu, Ms. Huang Shasha and Ms. Qing Meyerson as independent non-executive Directors.