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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026 AND CHANGE IN USE OF PROCEEDS

FINANCIAL HIGHLIGHTS

- Total revenue for 6MFY2027 of approximately RMB2,256.7 million (6MFY2026: approximately RMB2,352.0 million), period-on-period decrease of approximately 4.1%
- Profit for 6MFY2027 of approximately RMB93.6 million (6MFY2026: approximately RMB92.0 million), period-on-period increase of approximately 1.8%
- Basic earnings per Share for 6MFY2027 of approximately RMB0.11 (6MFY2026: approximately RMB0.10), period-on-period increase of approximately 10.0%

The Board is pleased to announce the interim results and the interim condensed consolidated financial statements of the Group for 6MFY2027, together with the comparative figures for 6MFY2026, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

		Six months ended 30 September	
	NOTES	**2026**	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Revenue	*4*	**2,256,728**	2,352,022
Cost of goods sold		**(2,008,413)**	(2,118,395)
Gross profit		**248,315**	233,627
Other income	*5*	**2,440**	7,210
Other gains and losses		**(6,228)**	(4,449)
Impairment losses under expected credit loss ("ECL") model, net of reversal		**772**	(7,813)
Distribution and selling expenses		**(12,201)**	(9,955)
General and administrative expenses		**(74,427)**	(73,669)
Research and development expenses		**(15,980)**	(19,037)
Share of result of an associate		**122**	–
Share of result of a joint venture		**(8,329)**	(2,391)
Finance costs	*6*	**(10,225)**	(12,139)
Profit before tax		**124,259**	111,384
Income tax expense	*7*	**(30,621)**	(19,372)
Profit for the period	*8*	**93,638**	92,012
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
– Exchange difference arising on translation of foreign operations		**3,264**	1,579
– Share of other comprehensive expense of a joint venture		**(1,433)**	–
Other comprehensive income for the period, net of income tax		**1,831**	1,579
Total comprehensive income for the period		**95,469**	93,591
Profit (loss) for the period attributable to:			
– Owners of the Company		**101,634**	94,842
– Non-controlling interests		**(7,996)**	(2,830)
		93,638	92,012

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

		Six months ended 30 September	
	NOTE	**2026**	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Total comprehensive income (expense) for the period attributable to:			
– Owners of the Company		**103,465**	96,421
– Non-controlling interests		**(7,996)**	(2,830)
		95,469	93,591
Earnings per share	*10*		
– Basic (RMB)		**0.11**	0.10

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2026

	NOTES	**30 September 2026** ***RMB'000*** **(unaudited)**	31 March 2026 *RMB'000* (audited)
Non-current assets			
Plant and equipment		**455,480**	474,147
Right-of-use assets		**260,418**	254,945
Prepayments and deposits	*11*	**69,413**	69,991
Goodwill		**12,069**	12,069
Intangible asset		**–**	792
Interest in a joint venture		**76,946**	86,708
Interest in an associate		**16,119**	15,997
Deferred tax assets		**7,464**	4,429
		897,909	919,078
Current assets			
Inventories		**762,001**	409,851
Trade and other receivables and prepayments	*11*	**3,293,296**	3,209,529
Amounts due from a joint venture		**10,928**	10,462
Loan to a joint venture		**–**	39,910
Restricted cash		**221,817**	229,392
Bank balances and cash		**701,249**	1,158,340
		4,989,291	5,057,484
Assets classified as held for sale		**8,356**	8,356
		4,997,647	5,065,840
Current liabilities			
Trade and other payables	*12*	**719,311**	924,894
Contract liabilities		**1,100,437**	674,549
Tax liabilities		**281,073**	269,895
Borrowings		**403,830**	671,860
Lease liabilities		**19,089**	52,875
		2,523,740	2,594,073
Net current assets		**2,473,907**	2,471,767
Total assets less current liabilities		**3,371,816**	3,390,845

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued
AS AT 30 SEPTEMBER 2026

	30 September 2026 ***RMB'000*** **(unaudited)**	31 March 2026 *RMB'000* (audited)
Capital and reserves		
Share capital	**64,496**	64,496
Reserves	**3,001,260**	2,973,237
Equity attributable to owners of the Company	**3,065,756**	3,037,733
Non-controlling interests	**167,451**	177,407
Total equity	**3,233,207**	3,215,140
Non-current liabilities		
Deferred tax liabilities	**1,791**	1,994
Borrowings	**84,921**	128,608
Lease liabilities	**51,897**	45,103
	138,609	175,705
	3,371,816	3,390,845

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 Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Mr. Liu Guocai, Migao International Holding Limited, MGO Familia International Limited, MGO Familia Holding Limited and Migao Holding Limited are a group of controlling shareholders of the Company. The shares of the Company have been listed on the Main Board of the Stock Exchange since 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 fertilizers in the PRC. In the current interim period, the Group also expanded its trading of specialty potash-based fertilizers to market outside the PRC.

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

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 March 2026.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKAS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKAS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group primarily recognizes revenue from sales of specialty potash-based fertilizers and recognizes 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. Besides, part of the KCL, together with other raw materials, are used to manufacture SOP and compound fertilizers for sales to customers. In addition, the Group also sources and resells KCL, SOP, NOP and compound fertilizers 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 fertilizers in accordance with their product specifications. Revenue from provision of production services is recognized over time.

(i) Disaggregation of revenue from contracts with customers

Revenue by types of products or service

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Sales of products		
KCL	**2,092,424**	2,170,456
SOP	**145,713**	157,175
Compound fertilizer	**3,520**	8,825
Others	**15,071**	14,011
	2,256,728	2,350,467
Provision of production services	**–**	1,555
Total	**2,256,728**	2,352,022

Timing of revenue recognition

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
At a point in time	**2,256,728**	2,350,467
Over-time	**–**	1,555
Total	**2,256,728**	2,352,022

4. REVENUE AND SEGMENT INFORMATION – continued

(ii) Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker, 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 of the Company consider there is only one operating segment under the requirements of HKFRS 8 *Operating Segments*. In this regard, only entity-wide disclosures are presented.

5. OTHER INCOME

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Extra deduction of input value-added tax	**–**	3,342
Bank interest income	**1,243**	1,622
Rental income	**248**	329
Government grants *(Note)*	**804**	1,527
Others	**145**	390
	2,440	7,210

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 recognized the grants upon receipts.

6. FINANCE COSTS

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest expenses on borrowings	**8,370**	11,830
Interest expenses on lease liabilities	**1,855**	309
	10,225	12,139

7. INCOME TAX EXPENSE

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Income tax expense comprised of:		
Current tax:		
Hong Kong Profits Tax	**14,008**	1,147
PRC Enterprise Income Tax ("EIT")	**19,851**	21,949
Total Current tax	**33,859**	23,096
Deferred tax	**(3,238)**	(3,724)
	30,621	19,372

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.

Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million for both periods.

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 and new-technology enterprises (under the PRC EIT law), the subsidiaries would be 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 periods.

8. PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Cost of inventories recognized as an expense	**2,008,413**	2,117,251
Amortization of intangible asset	**792**	792
Depreciation of plant and equipment	**22,807**	21,441
Depreciation of right-of-use assets	**10,674**	3,300
Total depreciation and amortization	**34,273**	25,533
Less: capitalized as cost of inventories	**(18,748)**	(17,907)
	15,525	7,626
Staff costs (including directors' emoluments)		
– Directors' emoluments	**4,949**	5,085
– Salaries and other benefits	**30,169**	25,370
– Retirement benefit scheme contributions (excluding directors)	**2,127**	1,756
	37,245	32,211
Less: capitalized as cost of inventories	**(5,348)**	(5,581)
	31,897	26,630

9. DIVIDENDS

During the current interim period, a final dividend of RMB0.083 per ordinary share in respect of the year ended 31 March 2026 (six months ended 30 September 2025: a final dividend of RMB0.075 per ordinary share in respect of the year ended 31 March 2025) was declared to owners of the Company. The aggregate amount of the final dividend declared in the interim period amounted to RMB75,442,000 (six months ended 30 September 2025: RMB68,171,000) and was paid to the shareholders of the Company in October 2026.

The directors of the Company have determined that no dividend will be declared in respect of the current interim period.

10. EARNINGS PER SHARE

	Six months ended 30 September	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings for the purpose of calculating basic earnings per share for the period attributable to the owners of the Company	**101,634**	94,842
	No. of Shares	No. of Shares
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**908,940,000**	908,940,000

No diluted earnings per share for both periods was presented as there was no potential dilutive ordinary shares in issue.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 September 2026	As at 31 March 2026
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade receivables	**51,650**	86,557
Unbilled receivables *(Note a)*	**27,380**	10,533
Less: allowance for credit losses	**(13,480)**	(14,252)
	65,550	82,838
Bills receivables	**85,163**	401,871
	150,713	484,709
Inventories prepayment *(Note b)* – third parties	**3,048,613**	2,621,514
Value-added tax receivables	**24,306**	21,271
Prepayments for plant and equipment	**50,477**	49,413
Other receivables, deposits and prepayments *(Note c)*	**88,600**	102,613
	3,211,996	2,794,811
	3,362,709	3,279,520

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS – continued

	As at 30 September 2026 ***RMB'000*** **(unaudited)**	As at 31 March 2026 *RMB'000* (audited)
Analyzed as:		
Current	**3,293,296**	3,209,529
Non-current	**69,413**	69,991
	3,362,709	3,279,520

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 the reporting period.

(b) As at 30 September 2026, the Group made inventory prepayment to various suppliers of approximately RMB159,000 (31 March 2026: RMB35,951,000) by endorsed bills for which the maturity dates of the bills receivables have not yet fallen due.

(c) Included in the balance as at 30 September 2026, nil (31 March 2026: RMB45,062,000) represented payment to suppliers by the Group on behalf of the buyers under an agency arrangement for sourcing potassium chloride by the Group on behalf of the buyers.

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.

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 30 September 2026 ***RMB'000*** **(unaudited)**	As at 31 March 2026 *RMB'000* (audited)
Trade receivables		
Within 90 days	**4,905**	25,586
91-180 days	**2,453**	39,302
181-365 days	**30,828**	7,017
Over 1 year	**333**	605
	38,519	72,510

As at 30 September 2026, total bills received amounting to approximately RMB18,882,000 (31 March 2026: RMB374,666,000), was further discounted or endorsed by the Group. The Group continues to recognize their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year (31 March 2026: less than one year).

12. TRADE AND OTHER PAYABLES

	As at 30 September 2026 ***RMB'000*** **(unaudited)**	As at 31 March 2026 *RMB'000* (audited)
Trade payables	**55,168**	168,251
Bills payables	**406,600**	410,170
Other tax payables	**140,430**	243,314
Payables for plant and equipment	**339**	745
Amount due to a related company	**6,653**	8,362
Accrued employee expense	**2,384**	2,705
Payables for transportation costs	**7,828**	3,387
Dividend payables	**75,442**	–
Amount due to a non-controlling interest	**1,960**	–
Received in advance	**–**	66,759
Others	**22,507**	21,201
	719,311	924,894

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 or bills issue date at the end of the reporting period:

	As at 30 September 2026 ***RMB'000*** **(unaudited)**	As at 31 March 2026 *RMB'000* (audited)
Trade payables		
0 – 90 days	**46,581**	154,648
91 – 180 days	**3,413**	7,860
181 – 360 days	**3,150**	522
Over 1 year	**2,024**	5,221
	55,168	168,251
Bills payables		
0 – 90 days	**91,600**	102,252
91 – 180 days	**140,000**	257,918
181-360 days	**175,000**	50,000
	406,600	410,170

Included in the trade and other payables, are RMB7,323,000 (31 March 2026: RMB15,971,000) 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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In 6MFY2027, the Group continued to consolidate its position as a leading potash fertilizer company in China. In line with the Group's international expansion strategy, the Group commenced and recorded material overseas sales in 6MFY2027. During the period, the Group's revenue remained relatively stable, decreasing slightly by approximately 4.1% to RMB2,256.7 million from RMB2,352.0 million in 6MFY2026. This was primarily attributable to a decrease of approximately 10.4% in the aggregate volume of the Group's products and production services, from approximately 881,000 tonnes in 6MFY2026 to approximately 789,000 tonnes in 6MFY2027, which was partially offset by higher average selling prices of the Group's potash fertilizer products in the overseas markets.

With over 20 years of experience in the potash fertilizer industry, the Group has established comprehensive KCL procurement channels, ensuring a stable and cost-competitive supply from major overseas potash fertilizer producers. The Group continues to optimize its procurement, production, and market strategies to strengthen its leadership position and respond effectively to market dynamics.

In 6MFY2027, the Group's profit for the period increased by approximately 1.8% to approximately RMB93.6 million as compared to 6MFY2026. This increase was mainly attributable to the sales growth associated with the overseas market. In 6MFY2027, the Group's profit associated with overseas market exceeded that associated with the PRC domestic market, primarily driven by higher average selling price of potash fertilizer products associated with the overseas market.

Business Updates and 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 overseas markets to support the increasing global demand for high-efficiency fertilizers, 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 line with these goals, the Group will continue to explore different investment opportunities, improve production capacity and expand our markets in Asia, the Middle East, South America and Europe.

The Group established a subsidiary in Vietnam, Migao Agri-Nutrition Technology (Vietnam) Limited Company ("**Vietnam Migao**"), in December 2025 which will operate a new production facility in Vietnam (the "**Vietnam Facility**") and is expected to cover the aforesaid emerging Asian markets. As at the date of this announcement, Vietnam Migao has commenced the construction of the Vietnam Facility.

To streamline its corporate structure in view of its focus on expanding into Vietnam for the emerging Asian market, as disclosed in the interim results announcement of the Company dated 27 November 2025 and the annual results announcement of the Company dated 25 June 2026, Migao International (Malaysia) Sdn. Bhd., a subsidiary of the Group in Malaysia, was dissolved as of August 2025; and the Group was preparing to apply for the dissolution of Migao Holding (Malaysia) Sdn. Bhd. ("**Malaysia Migao**"), another subsidiary of the Group in Malaysia, which had not carried out any substantive operations since its incorporation and did not possess any material assets or liabilities in Malaysia. On 1 July 2026, Malaysia Migao applied for striking off under Section 550 of the Malaysian Companies Act 2016, and was accordingly dissolved as of September 2026. As a result, Mr. Liu Guocai and Mr. Sun Pingfu, both executive Directors, have ceased to act as directors of Malaysia Migao. Each of Mr. Liu and Mr. Sun has confirmed that there was no misconduct leading to the dissolution of Malaysia Migao, and he is not aware of any actual or potential claims arising from such dissolution.

As part of the Group's ongoing evaluation of strategic business development opportunities in the Middle East and surrounding regions, the Group had previously established Migao Agri-Nutrition Technology Duqm SPC ("**Oman Migao**"), a wholly-owned subsidiary of the Group in Oman, with the original intention of exploring and laying the groundwork for potential investment opportunities in the region. However, following a comprehensive feasibility assessment and taking into account, among other factors, geopolitical considerations, the Group decided not to proceed with the proposed investment further in Oman. As of the date of this announcement, Oman Migao has not commenced any business operations since its establishment and has not held any material assets or incurred any material liabilities. Accordingly, the Group has initiated preparations for the voluntary liquidation of Oman Migao in accordance with the applicable laws and regulations of Oman. In connection with the proposed voluntary liquidation, Mr. Sun Pingfu, an executive Director, will cease to act as its authorized manager. Mr. Sun has confirmed that he has not engaged in any misconduct leading to or contributing to the proposed voluntary liquidation and is not aware of any actual or potential claims arising therefrom.

The Group remains committed to its international expansion strategy and continues to actively evaluate strategic business development and investment opportunities in the Middle East and its surrounding regions, with a view to extending its footprint into new and complementary markets.

Financial Review

Revenue

The Group's revenue for 6MFY2027 consisted of sales of products and provision of production services. The following table sets forth a breakdown of the Group's revenue by sales of each type of products and the provision of production services, for each period indicated:

	For the six months ended 30 September		Period-on-period change
	2026	2025	
	RMB'000	*RMB'000*	
Sales of products			
KCL	**2,092,424**	2,170,456	(3.6%)
SOP	**145,713**	157,175	(7.3%)
Compound fertilizer	**3,520**	8,825	(60.1%)
Others[(1)]	**15,071**	14,011	7.6%
	2,256,728	2,350,467	(4.0%)
Provision of production services	**–**	1,555	(100.0%)
Total	**2,256,728**	2,352,022	(4.1%)

Note:

(1) Others mainly consist of HCL, NOP and fertilizer additives.

During 6MFY2027, the sales of KCL and SOP contributed the top two portions of the revenue of the Group, accounting for approximately 92.7% and 6.5%, respectively, of the total revenue of the Group. The Group's revenue for 6MFY2027 was approximately RMB2,256.7 million, representing a decrease of approximately 4.1% from approximately RMB2,352.0 million for 6MFY2026. The decrease in revenue was primarily attributable to a decrease in the overall sales volume while partially offset by higher average selling prices of the Group's potash fertilizer products in the overseas markets.

Cost of Goods Sold

For 6MFY2027, the cost of goods sold was approximately RMB2,008.4 million, representing a decrease of approximately 5.2% from approximately RMB2,118.4 million for 6MFY2026, which was consistent with the decrease in overall sales amounts.

Gross Profit and Gross Profit Margin

The Group's gross profit increased to approximately RMB248.3 million in 6MFY2027, compared to approximately RMB233.6 million in 6MFY2026. The gross profit margin increased from approximately 9.9% in 6MFY2026 to approximately 11.0% in 6MFY2027, primarily due to the higher average selling price of KCL in the overseas markets. In 6MFY2027, the average gross profit margin from sales associated with the overseas markets was approximately 15.9%.

Other Income

The Group's other income decreased by approximately 66.2% from approximately RMB7.2 million for 6MFY2026 to approximately RMB2.4 million for 6MFY2027, primarily due to a decrease in input VAT deductions recognized during the period.

Other Gains and Losses

The Group recorded an increase in other gains and losses from a loss of approximately RMB4.4 million in 6MFY2026 to a loss of approximately RMB6.2 million in 6MFY2027. This increase was primarily attributable to the increase in net foreign exchange loss during 6MFY2027.

Impairment Losses under ECL model, Net of Reversal

The Group recognized approximately RMB0.8 million impairment gain in 6MFY2027, as compared to a net reversal of impairment losses of approximately RMB7.8 million in 6MFY2026. This decrease in net reversal of impairment loss under ECL model was attributable to lower balances of trade receivables when comparing to the end of 6MFY2026.

Distribution and Selling Expenses

The Group's distribution and selling expenses increased from approximately RMB10.0 million for 6MFY2026 to approximately RMB12.2 million in 6MFY2027, primarily attributable to higher distribution and selling expenses incurred for certain customers.

General and Administrative Expenses

The Group's general and administrative expenses remained relatively stable, increasing slightly by approximately 1.0% from RMB73.7 million for 6MFY2026 to approximately RMB74.4 million for 6MFY2027, primarily attributable to increase in payroll and welfare.

Research and Development Expenses

The Group's research and development expenses decreased from approximately RMB19.0 million for 6MFY2026 to approximately RMB16.0 million for 6MFY2027, representing a decrease of approximately 16.1%, primarily attributable to a decrease in one-off expenses when comparing to 6MFY2026.

Share of Result of An Associate

The Group recorded an insignificant share of profit from an associate in 6MFY2027 while the associate was incorporated in late 2025 and had immaterial operations.

Share of Result of A Joint Venture

The Group's share of result of a joint venture increased from a loss of approximately RMB2.4 million in 6MFY2026 to a loss of approximately RMB8.3 million in 6MFY2027 due to a decrease in sales and gross profit of the joint venture.

Finance Costs

The Group's finance costs decreased by approximately 15.8% from approximately RMB12.1 million in 6MFY2026 to approximately RMB10.2 million in 6MFY2027, primarily due to lower interest expenses on borrowings as a result of the decrease in the Group's overall borrowings, partially offset by an increase in interest expenses on lease liabilities.

Income Tax Expense

The Group's income tax expenses increased by approximately 58.1% from approximately RMB19.4 million in 6MFY2026 to approximately RMB30.6 million in 6MFY2027, primarily due to the change from 15% reduced income tax rate to 25% standard income tax rate for certain group entities in the PRC.

Profit for 6MFY2027

The Group's net profit for 6MFY2027 was approximately RMB93.6 million, representing an increase of approximately 1.8% compared to approximately RMB92.0 million in 6MFY2026, primarily due to higher gross profit from sales associated with the overseas markets, partially offset by higher income tax expense, increase in share of loss from a joint venture and other adverse movements. In 6MFY2027, our profit associated with overseas markets exceeded that associated with the PRC domestic markets.

Liquidity and Capital Resources

The Group's total cash and restricted cash balances were approximately RMB923.1 million and RMB1,387.7 million as at 30 September 2026 and 31 March 2026, respectively. The decrease in bank balances was primarily due to the increase in inventories prepayment as at 30 September 2026 for upcoming purchases of raw materials in peak season. While the Group maintained sufficient bank balances and cash to meet its operational needs.

As at 30 September 2026, the Group's current assets amounted to approximately RMB4,997.6 million, mainly consisting of trade and other receivables and prepayments of approximately RMB3,293.3 million, and cash and restricted cash balances of approximately RMB923.1 million. The Group's current liabilities were approximately RMB2,523.7 million, mainly consisting of trade and other payables of approximately RMB719.3 million and contract liabilities of approximately RMB1,100.4 million. As at 30 September 2026, the current ratio (the current assets to current liabilities ratio) of the Group was 2.0 (31 March 2026: 2.0).

As at 30 September 2026, the borrowings of the Group amounted to approximately RMB488.8 million (31 March 2026: approximately RMB800.5 million). The decrease in borrowings was mainly attributable to a decrease in advance from banks on discounted bills receivables with full recourse of approximately RMB311.3 million. During 6MFY2027, the Group newly obtained and repaid bank loans and other loans of approximately RMB142.3 million and approximately RMB131.3 million, respectively (6MFY2026: approximately RMB336.2 million and approximately RMB197.4 million, respectively). For details (including the interest rates and maturity profile) of the Group's bank loans newly obtained during 6MFY2027, please refer to the condensed consolidated financial statements in the interim report of the Company for 6MFY2027 to be published in due course.

As at 30 September 2026, the Group's gearing ratio, which was calculated on the basis of the amount of total debt as a percentage of the total equity attributable to the Company's owners, was approximately 15.9% (31 March 2026: 26.4%). The Group maintained a prudent gearing ratio to balance its financial leverage and business development.

Capital Expenditures

For 6MFY2027, the Group's capital expenditures amounted to approximately RMB40.2 million, which were primarily used for payment for acquisition of right-of-use assets for the Vietnam Facility.

Contingent Liabilities

The Group had no material contingent liabilities as at 30 September 2026.

Pledge of Assets

As at 30 September 2026, 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 sale and leaseback transactions was approximately RMB389.5 million (31 March 2026: approximately RMB403.9 million). The decrease was mainly due to decrease in carrying value of plant and equipment and right-of-use assets as a result of depreciation.

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 that will add value, with future plans focused on enhancing 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, Material Acquisitions and Disposals

Save as disclosed in this announcement, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions of capital assets during 6MFY2027.

Foreign Exchange Risk Management

The Company's functional currency is RMB, with most revenues and expenses denominated in RMB. The Group also has certain cash and bank balances and financial assets at FVTPL denominated in United States 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 REPORTING PERIOD

Save as disclosed in this announcement, the Group did not have any significant events after 30 September 2026 and up to the date of this announcement.

USE OF PROCEEDS AND CHANGE IN USE OF PROCEEDS

On 21 March 2024, the Shares were listed on the Stock Exchange, with 225,000,000 Shares issued at an offer price of HK$4.08 per Share. An additional 8,940,000 Shares were issued at the same price pursuant to the partial exercise of the over-allotment option on 17 April 2024. The net proceeds from the listing of the Shares on the Stock Exchange and the partial exercise of the over-allotment option (after deducting underwriting fees and other related expenses) amounted to approximately HK$798.6 million (the "**Net Proceeds**").

As disclosed in the Company's announcement dated 22 October 2024 and the supplemental announcement dated 8 November 2024, to utilize the Net Proceeds more efficiently and facilitate the Group's development, the Board resolved on 22 October 2024 to change the use of the Net Proceeds, considering the infeasibility of the original plan to establish a new potash fertiliser manufacturing facility (the "**New Sichuan Production Facility**") in Mianyang City, Sichuan Province, the PRC, the Group's need and strategy to expand in Asia and the industrialization of the Group's research achievements. In particular, the funds originally designated for the "New Sichuan Production Facility" were allocated to the proposed establishment of a production facility in Phy My Town, Ba Ria – Vung Tau Province, Vietnam (the "**Vietnam Expansion**"), and the scope of the "Upgrading and Replacement of Equipment and Machinery" was broadened to cover upgrades of and for all production facilities of the Group other than the Vietnam Facility.

As disclosed in the Company's interim results announcement dated 27 November 2025 and the interim report published on 22 December 2025, the Board resolved to extend the expected timeline for the utilization of the Net Proceeds relating to the Heilongjiang Warehousing and Production Centre, the Research and Development Centre, and the Upgrading and Replacement of Equipment and Machinery. The original expected timeline for utilization of the Net Proceeds in these areas was on or before 31 March 2026. The revised expected timeline for the application of unutilized Net Proceeds is set out below.

The following table sets forth a summary of the utilization of the Net Proceeds as at 30 September 2026:

Intended Use of Net Proceeds	Purpose for Which They Are Used	Revised Allocation of Net Proceeds *HK$'000*	Approximate Percentage of Net Proceeds *%*	Unutilized Amount as of 1 April 2026 *HK$'000*	Utilized Amount during 6MFY2027 *HK$'000*	Utilized Amount up to 30 September 2026 *HK$'000*	Unutilized Amount as at 30 September 2026 *HK$'000*	Expected Timeline for Utilization
Heilongjiang Warehousing and Production Centre	Construction of the Heilongjiang Warehousing and Production Centre, including land acquisition, railway connecting lines construction, facilities construction, equipment and machinery acquisition and installation, and miscellaneous costs	360,975	45.2	218,460	273	142,788	218,187	By 31 March 2028
Vietnam Expansion	Construction and development of the Vietnam Facility, including land acquisition, facilities construction, and equipment and machinery acquisition and installation	196,459	24.6	142,835	44,058	97,682	98,777	By 31 March 2027
Research and Development Centre	Funding for establishing the Group's R&D Centre in Sichuan Province, including land acquisition, construction costs and equipment and machinery acquisition	113,403	14.2	113,403	–	–	113,403	By 31 March 2027
Upgrading and Replacement of Equipment and Machinery	Upgrading of and for all production facilities of the Group other than the Vietnam Facility	47,917	6.0	2,504	2,504	47,917	–	By 31 March 2027
General Working Capital	Allocation for additional working capital and other general corporate purposes	79,862	10.0	–	–	79,862	–	Not applicable
Total	**–**	**798,616**	**100.0**	**477,202**	**46,835**	**368,249**	**430,367**	**–**

Change in Use of Proceeds for Research and Development

As at 30 September 2026, the entire Net Proceeds of approximately HK$113.4 million allocated to the establishment of the Group's Research and Development Centre in Sichuan Province remained unutilized.

Having considered the Group's evolving business development and research and development strategy, the Board has resolved on 26 November 2026 to change the intended use of such unutilized Net Proceeds from the establishment of a dedicated Research and Development Centre in Sichuan Province to funding the Group's research and development activities generally (the "**R&D Purposes**"), and to extend the expected timeline for utilization of such unutilized Net Proceeds from 31 March 2027 to 31 March 2029.

Under the revised plan, the Net Proceeds will be applied towards the Group's research and development activities in the PRC and overseas, including (i) recurring research and development expenses, such as raw materials consumed, salaries of research and development personnel and other research and development-related expenses; (ii) the procurement of dedicated research and development equipment for the Vietnam Facility; and (iii) research and development expenses for potential overseas projects, including the optimization of production technologies and processes at the Vietnam Facility and research and development in relation to potential overseas projects and product formulations to cater for the requirements of customers in different geographical markets.

Revised Use of Proceeds for Research and Development

The allocation of Net Proceeds for the R&D Purposes will remain unchanged at approximately HK$113.4 million, representing approximately 14.2% of the Net Proceeds. The Group expects to fully utilize the relevant unutilized Net Proceeds by 31 March 2029. The revised intended use and expected timeline for utilization of the relevant Net Proceeds are set out below.

	Original Plan	**Revised Plan**
Intended Use of Net Proceeds	Research and Development Centre	Research and Development
Purpose for Which They Are Used[(1)]	Funding for establishing the Group's R&D Centre in Sichuan Province, including land acquisition, construction costs and equipment and machinery acquisition	Funding the Group's research and development activities, including recurring research and development expenses, procurement of dedicated research and development equipment for the Vietnam Facility and research and development expenses for potential overseas projects
Revised Allocation of Net Proceeds (HK$'000)	113,403	113,403
Approximate Percentage of Net Proceeds (%)	14.2	14.2
Expected Timeline for Utilization	By 31 March 2027	By 31 March 2029

Note:

(1). For the avoidance of doubt, the research and development equipment to be procured for the Vietnam Facility under the R&D Purposes is dedicated to research and development activities, whereas the equipment and machinery allocated under the Vietnam Expansion is intended for the construction, development and production operations of the Vietnam Facility.

Reasons for and Benefits of the Change in Use of Net Proceeds

The change in the use of Net Proceeds is primarily driven by the Group's evolving research and development strategy in line with its business expansion and international development. As the Group expands its production footprint overseas, its research and development needs have become increasingly diversified and are no longer confined to a single geographical location. The Group therefore considers that adopting a more flexible and geographically diversified approach to research and development, under which research and development activities may be conducted at or near the relevant production facilities and project locations, would better address its operational needs.

In particular, following the development of the Vietnam Facility, the Group anticipates increasing local research and development needs to address the more sophisticated production processes and technical requirements of its overseas operations, including the optimization of production technologies and processes and the adaptation of product formulations to local operational conditions and customer requirements. Accordingly, the Group intends to procure dedicated research and development equipment for the Vietnam Facility and allocate research and development resources to its local operations. In addition, the Group anticipates further research and development needs in connection with other potential overseas projects, including projects involving upstream resource development technologies, and product development for customers in different geographical markets.

The Group also incurs recurring research and development expenses, including raw materials consumed, salaries of research and development personnel and other related expenses, in the ordinary course of its business. The Group's research and development expenses for the years ended 31 March 2024, 2025 and 2026 amounted to approximately RMB30.9 million, RMB34.8 million and RMB35.7 million, respectively, demonstrating its continued investment in research and development. The proposed change will allow the Group to utilize the Net Proceeds to support both its ongoing and project-specific research and development activities, thereby enhancing the flexibility and efficiency of its research and development resource allocation and supporting its long-term business development and international expansion.

The Board believes that the change in the use of Net Proceeds and the extension of the expected timeline for utilization will allow the Group to better align its research and development resources with its evolving business and operational needs, maintain operational flexibility and enhance the efficiency of its resource allocation. The Board considers that the change is in line with the Group's long-term development strategy and is in the best interests of the Company and its Shareholders as a whole.

The Board confirms that the change in the use of Net Proceeds will not result in any material change in the nature of the Group's business and will not have any material adverse impact on the Group's existing operations or financial position. The Board will continue to monitor the progress of the relevant research and development activities and review the plans for utilization of the unutilized Net Proceeds.

The expected timeline to use Net Proceeds is based on the Directors' best estimation, barring any unforeseen circumstances, and it may be subject to change based on the future development of market conditions.

Save as disclosed above, there have been no other changes to the intended use or expected timeline for the use of the Net Proceeds as of the date of this announcement.

EMPLOYEE REMUNERATION AND RELATIONS

As at 30 September 2026, the Group had a total of 411 employees (414 as at 31 March 2026). The total staff cost for 6MFY2027 was approximately RMB37.2 million, compared to approximately RMB32.2 million for 6MFY2026. 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 various training programmes tailored to different job functions and covering a range of responsibilities, with a view to enhancing their 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.

INTERIM DIVIDEND

The Board did not resolve to declare any interim dividend for 6MFY2027 (for 6MFY2026: Nil).

At the Board meeting held on 26 June 2026, the Board proposed the payment of a final dividend of RMB0.083 per Share for the year ended 31 March 2026. The aforesaid final dividend was approved by the Shareholders at the annual general meeting of the Company held on 31 August 2026 and was paid on 9 October 2026.

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 its own code of corporate governance practices.

In the opinion of the Directors, the Company has complied with the relevant code provisions contained in the Corporate Governance Code during 6MFY2027, 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 the 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 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. Having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout 6MFY2027.

AUDIT COMMITTEE AND REVIEW OF INTERIM 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 unaudited condensed consolidated interim results for 6MFY2027 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

The interim results for 6MFY2027 are unaudited, but have been reviewed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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 (including the sale of treasury shares (as defined under the Listing Rules), if any) for 6MFY2027. As at 30 September 2026, the Company did not hold any treasury shares (as defined under the Listing Rules).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For 6MFY2027, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

SHARE SCHEMES

The Company conditionally adopted a Pre-IPO Share Option Scheme on 23 March 2022, and it was subsequently terminated pursuant to the written resolution of the Directors on 18 April 2023. No option had been granted or agreed to be granted by the Company pursuant to the Pre-IPO Share Option Scheme. No other share schemes have been adopted by the Company as at the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.migaogroup.com). The interim report of the Company for 6MFY2027 containing all the information required by the Listing Rules will be available on the same websites in due course and will be despatched to the Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

DEFINITIONS

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

"Audit Committee"	the audit committee of the Board
"Board"	the Board of Directors as constituted from time to time or as the context may require the majority of Directors to present and voting at a meeting of the Directors at which a quorum is present
"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 fertilizer"	a kind of fertilizer with three components, providing nitrogen, phosphorus and potassium. Compound fertilizer can be used for balanced fertilization and can increase the utilization rate of fertilizers
"Corporate Governance Code"	corporate governance code contained in Appendix C1 to the Listing Rules
"Director(s)"	any director(s) of the Company from time to time
"FVTPL"	fair value through profit or loss

"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
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"HKFRS"	Hong Kong Financial Reporting Standards
"KCL"	potassium chloride, a compound with the chemical formula KCl containing around 60% potassium oxide equivalent, which can be used as a fertilizer
"Listing Rules"	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Macau"	Macau Special Administrative Region of the PRC
"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 KNO3 containing potassium, oxygen, and nitrogen, which can be used as a fertilizer
"overseas"	any country, region or jurisdiction outside mainland China for purpose of this announcement, including Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus of the Company dated 13 March 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of a par value 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 K2SO4 containing around 50% potassium oxide equivalent, which can be used as a fertilizer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules

"6MFY2026"	six months ended 30 September 2025
"6MFY2027"	six months ended 30 September 2026
"%"	per cent

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

Hong Kong, 26 November 2026

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.