

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by Migao Group Holdings Limited (the “**Company**”, and its subsidiaries, collectively the “**Group**”) pursuant to the requirements under Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2024 (“**FY2024**”) and the information currently available to the Board, the net profit of the Group for FY2024 is estimated to range from RMB256 million to RMB280 million, representing a year-on-year decrease of approximately 34% to 39% as compared to that for the year ended 31 March 2023 (“**FY2023**”). Despite the Group’s sales volume of the potash fertiliser products in FY2024 recorded an increase comparing to FY2023, the Group’s net profit for FY2024 is expected to decrease due to the following reasons:

- i) as disclosed in the prospectus of the Company dated 13 March 2024, 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 potassium chloride (“**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.

Facing the steady growth in the demand for potash fertiliser products in the PRC market, the Group believes that its ability to consistently provide a stable supply of a diversified portfolio of high quality potash fertiliser products has enabled the Group to compete with other potash fertiliser suppliers in China. Looking ahead, the Group will continue to pay close attention to the changes in the potash fertiliser market in China as well as the world, and at the same time continue to implement the Group's strategies to strengthen and develop its existing market and industry position as a leading quality potash fertiliser products supplier in China.

As the Company is still in the process of finalizing its consolidated financial results of the Group for FY2024, the information contained in this announcement is based on the current information available to the Board and the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for FY2024, which have not yet been audited or reviewed by the Company's independent auditors or reviewed by the audit committee of the Company. The Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the FY2024 which is expected to be published by the end of June 2024.

The Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Migao Group Holdings Limited
米高集團控股有限公司
Mr. Liu Guocai
Chairperson and Executive Director

Hong Kong, 31 May 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.

This announcement is available for viewing on the Company's website at www.migaogroup.com and the website of the Stock Exchange at www.hkexnews.hk.