



AFC GROUP HOLDINGS LIMITED

(Listed on the NZAX: AFC)

Level 15, Tower 2

205 Queen Street

Auckland

Ph: +64 (09) 930-0245

## **Preliminary Announcement of AFC Group Holdings Limited**

### **Unaudited Financial Results Summary**

AFC Group Holdings Limited ("AFC Group") is currently undergoing the audit process for the financial year ending 31 March 2024. There are no anticipated significant audit qualifications.

This financial year showcased a turnaround for AFC Group, with an unaudited net profit of \$54 thousand. The unaudited net loss attributable to shareholders was \$7 thousand, which is a significant improvement compared to last year's attributable net loss of \$145 thousand. Revenue for FY2024 was approximately \$1,324 thousand, marking a 23% increase from the previous year. The majority of expenses were salaries and sales commissions. Consistent with its dividend policy, AFC Group will not distribute dividends for this period.

As at the end of the financial year, the unaudited net assets were NZ\$428 thousand, cash and cash equivalents were NZ\$26 thousand, and fixed assets totalled NZ\$1,427 thousand. The market capitalisation was reported as NZ\$3.66 million.

Please refer to the attached Unaudited Annual Results Announcement for the detailed results.

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## FY2024 Operation Highlights

Despite the challenges of the economic environment and difficulties encountered in the operation, AFC Group has continued to progress during the 2024 financial year. The Group has developed a list of actions to navigate and adapt to the dynamic market:

- **AFC Longview Limited:** We have revised White Diamond wine marketing strategies to appeal to high-end consumers. A series of marketing campaigns in China have yielded favourable results, and, together with cooperation with the distributor in the New Zealand market, the company has seen sales growth in both domestic and overseas markets.
- **AFC Biotechnology Manufacture Co Ltd:** The company has strengthened its distributor collaboration to boost sales. With a focus on our two leading facial mask products, DDMASK rose water brightening facial mask and DDMASK manuka honey moisturising smoothing facial mask, the company achieved sales growth in FY2024.
- **AFC Group Holdings Limited:** AFC is actively exploring new business opportunities. The company is venturing into the mobile building market in New Zealand, targeting applications in scenic camps, hotels, lodges, domestic dwellings, commercial offices, and mobile trading. If successfully progressed, this business will significantly enhance our revenue stream starting in the 2025 financial year. Serving as a pivotal link for trade and investment between New Zealand and China, the AFC has actively engaged in international arenas. We participated in the 6th China International Import Expo and the "EFOODLINE" global e-commerce platform, promoting our products and facilitating New Zealand SMEs' entry into the Chinese market. We remain dedicated to

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our corporate social responsibilities and improving communities' welfare in both countries.

## **Outlook**

Despite the challenges ahead, AFC is well-positioned for continued growth and enhanced shareholder value in the 2025 financial year. Our strategic priorities include expanding our market footprint, identifying new opportunities for business growth, and enhancing operational efficiencies. The Board remains optimistic that these focused efforts will drive our long-term growth objectives and deliver significant value to our shareholders.

On behalf of the Directors of AFC, the Company extends its thanks to the shareholders for their support of the Company.

## **Annual Report and Annual Meeting**

AFC expects to release our Annual Report before the end of June, and we plan to hold our Annual Meeting in early September 2024.

## **Director Update**

In compliance with NZX Listing Rules 2.6.1 and under the guidance of the NZX Corporate Governance Code recommendation 2.4, the Board of AFC Group Holdings Limited ("AFC Group") has re-evaluated the independence of its directors. As a result of this assessment, the Board announces the following changes:

Mr Jianfeng Chen has transitioned to the role of Non-Executive Director due to his increased collaboration with AFC Group, which may affect his ability to continue to serve as an Independent Director.

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Mrs Jingwei Ma has been appointed as an Independent Director, moving from her previous position as Non-Executive Director. Mrs Ma received no remuneration from the AFC Group, and no conflicts of interest were identified between her and the company.

These changes ensure continued compliance with governance standards and the strategic alignment of AFC Group's leadership.

On behalf of the Board of Directors.

HAO LONG  
CFO  
29/05/2024

For Further Information  
Please contact Mr Howard Long  
[howard.long@afcnz.com](mailto:howard.long@afcnz.com)  
+64- 21- 244-8000