



AFC GROUP HOLDINGS LIMITED

(Listed on the NZAX: AFC)

Level 15, Tower 2, 205 Queen Street

Auckland CBD, 1010

Ph: +64 (09) 930-0245

AFC Group Holdings Limited (AFC) Releases Interim Results

AFC Group Holdings Limited (AFC Group) reports its financial results for the six months ended 30 September 2022. The interim financial statements for the period have not been audited.

2022 Half-Year Summary

The net assets of AFC Group were NZ\$618 thousand, with a 12% increase from the annual position as at 31 March 2022. This is mainly due to positive net profit from the revenue increase. Total revenue was NZ\$671 thousand for the six months ended 30 September 2022, a growth of 602% compared to the previous corresponding period. The mitigation of COVID-19 controls and the measures taken by management improved operational efficiency. AFC Group achieved a net profit of NZ\$65 thousand for this period.

Outlook

In the first half of the financial year 2023, AFC continued its efforts in cost control and development of markets and sales channels to get through the difficult situation, to enable future revenue growth and return value to our shareholders:

AFC Longview Limited (“AFCLV” and “Longview Estate”)

1. AFCLV is stepping up its efforts to develop overseas markets by launching marketing campaigns and increasing online sales channels in China. Total overseas sales in the first half of the financial year tripled compared to last year.

2. AFCLV is developing new distributors in New Zealand. A new domestic sales contract was signed in October 2022, which will significantly boost revenues.

3. Longview Estate will continue participating in wine exhibitions and awards to increase brand recognition. One of our wine products, Malbec, obtained the highest 5-star awards, and another, Merlot, got 4½ stars in the 2022 Winestate tasting.

4. Longview Estate has taken actions to cut costs, such as better work schedules,

organisation and
people management.

AFC Biotechnology Manufacture Co Ltd (“AFCBIO”)

1. AFCBIO has outsourced its inventory storage to a third party. This cuts down the rental fee of the warehouse and other ancillary costs, such as electricity and monitoring fees.
2. AFCBIO is developing new distributors in New Zealand and cooperating with all distributors to carry out product promotions to increase sales. These include increasing online promotional channels and restoring some products.

AFC Group Holdings Limited (“AFC”)

1. Independent directors of AFC will continue to take a 30% reduction in remuneration. Other directors will voluntarily receive no director fees.
2. AFC has cut down its costs through office space integration. The depreciation of the lease of office and rental fees has decreased considerably.
3. AFC actively participates in product exhibitions and expands China's online and offline distribution channels to enhance brand awareness and promote sales.
4. AFC is helping and providing more opportunities for New Zealand small and medium enterprises to enter the Chinese market. AFC Group has actively participated in the China International Import Expo (CIIE), China (Anhui) 5G International Food City and the "EFOODLINE" global e-commerce platform.

In summary, by taking various measures to increase sales and save costs, the AFC Group will continue to work hard to return value to our shareholders. We shall expect to improve the revenue in the next half year.

On behalf of the Board of Directors

Hao Long
CFO
AFC Group Holdings Limited