



AFC GROUP HOLDINGS LIMITED

(Listed on the NZAX: AFC)

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

### **Financial Results**

The financial statements of AFC Group Holdings Limited (“AFC Group”) are still in the process of being audited for the year ended 31 March 2021. The Company reports an unaudited net loss attributable to shareholders of \$1,268,851 for the year. This compares with a net loss attributable to shareholders of \$1,170,553 for the previous year. The loss for the year was mainly due to reduced sales due to COVID-19, the impairment of stock and fixed assets of AFC Biotechnology Manufacture Co Ltd.

For the year ended 31 March 2021, the net assets were NZ\$1.29 million, Cash and cash equivalent products were NZ\$ 0.003 million, and fixed assets were NZ\$1.49 million. The annual sales revenue for the year ended 31 March 2021 was NZ\$0.65 million. The market capitalisation value was NZ\$3.66 million.

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

### **Outlook**

In the 2021 financial year, AFC was aware of how uncertain of the future was. With the COVID-19 spread, NZ boarder closure and slow recover of overseas sale, AFC was facing some challenges. However, AFC has developed a list of actions to get thought the current difficult situation, to enable future revenue growth and return value to our shareholders:

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

1. AFCLV has updated its pricing strategy and launched the marketing campaign “White Diamond is back to the community”. The pricing strategy and marketing campaign was allowing more people to gain access to the White Diamond Wine.
2. Longview Estate has also participated in different wine exhibitions, such as Winetopia and NZWINE Roadshows, to promote wine and increase sales.
3. Longview Estate has taken actions to cut costs, such as better work schedules organisation and people management.
4. Longview Estate intends to reevaluate its land. It will be a change of accounting policies from historical value to fair value.

#### AFC Biotechnology Manufacture Co Ltd (“AFCBIO”)

1. AFCBIO has restructured successfully that cut down more than \$150,000 costs.
2. AFCBIO continuously reduced costs by preparing to sublease its premises.
3. AFCBIO will enhance the “Shoppertainment” in the future to increase sales.

#### 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 prepared to lease its office which can cut down more than 120,000 expenses.
3. AFC engaged with “China (Anhui) 5G food city” and “EFOODLINE” to promote its products.

4. AFC attended the 3<sup>rd</sup> China International Import Expo (CIIE) to promote the group and products.
5. AFC employed more senior personnel who can bring sales and profit to the group.

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 expect to release our Annual Report before the end of June, and we are planning to hold our Annual Meeting in early October 2021.

On behalf of the Board of Directors

HAO LONG  
CFO  
28/05/2021

For Further Information  
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