



AFC GROUP HOLDINGS LIMITED
(Listed on the NZX: AFC)
Suite A, Level 15, Tower 2, 205 Queen Street
Auckland CBD
Auckland
Ph: +64 (09) 930-0245

Preliminary Announcement of AFC Group Holdings Limited

Unaudited Financial Results Summary

The financial statements of AFC Group Holdings Limited (“AFC Group”) are still in the process of being audited for the year ended 31 March 2022, and the company is not aware of any likely qualification. The Company’s dividend policy is not to pay dividends, and the company is accordingly not proposing to pay any dividends for the period ended 31 March 2022. The Group reports an unaudited net loss attributable to shareholders of \$0.74 million for the year. This compares with a net loss attributable to shareholders of \$1.27 million for the previous year. The loss for the year was mainly due to reduced sales affected by COVID-19 and the border closures. Salaries and depreciation of AFC Group and its subsidiaries comprised the majority of unaudited Administration expenses in 2022 financial statements.

For the year ended 31 March 2022, the net assets were NZ\$0.56 million, cash and cash equivalent products were NZ\$ 0.01 million, and fixed assets were NZ\$1.87 million. The annual sales revenue for the year ended 31 March 2021 was NZ\$0.42 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 2022 financial year, AFC Group was aware of how uncertain the future was. With the COVID-19 spread, NZ border closure and the slow recovery of overseas sales, AFC Group faced some challenges. However, the Group has developed a list of actions to get through the current difficult situation, enable future revenue growth and return value to our shareholders:

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

1. AFCLV continues to maintain its pricing strategy, allowing more people to gain access to the White Diamond Wine. AFCLV will launch a series of marketing campaigns to increase New Zealand's domestic market sales.
2. Longview Estate actively participated in different wine exhibitions, such as Winetopia and NZ WINE Roadshows, to promote brand awareness and increase sales.
3. AFCLV is committed to developing export markets by launching marketing campaigns and increasing online sales channels in China.
4. Longview Estate has cut costs, such as better work schedules, organisation and people management.
5. AFCLV had around \$0.588 millions of sales in April 2022.

AFC Biotechnology Manufacture Co Ltd (“AFCBIO”)

1. AFCBIO has temporally ceased its production and outsourced its inventory storage to a third party. This will cut down the rental cost of the warehouse and other ancillary costs, such as electricity and monitoring fees.
2. AFCBIO will increase the use of online distribution channels in the 2023 fiscal year, which includes continuously using Shoppertainment to promote masks, Jingdong, Wei Pin Hui and Staff Live Stream on Tmall.

-
3. The re-opening of borders will bring more customers to New Zealand domestic market. AFCBIO will take this opportunity to work with its distributors to increase sales. However, the management cannot predict sales trends after the border re-opening.

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 rent costs by renting a lower-cost office.
3. AFC attended the 4th China International Import Expo (CIIE) to promote the group and products.
4. AFC continues to help and provide more opportunities for New Zealand small and medium enterprises to enter the Chinese market. AFC Group has actively participated in the China (Anhui) 5G International Food City and the "EFOODLINE" global e-commerce platform.

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 September 2022.

On behalf of the Board of Directors.

HAO LONG
CFO
30/05/2022

For Further Information
Please contact Mr Howard Long

howard.long@afcuz.com
+64- 21- 244-8000