



AFC GROUP HOLDINGS LIMITED

(Listed on the NZX: AFC)

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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 2023. The interim financial statements for the period have not been audited.

Financial Results Summary

AFC Group reports a revenue of NZ\$489 thousand during the six-month period, which was 27% lower than the prior six-month period ended 30 September 2022. This is mainly due to the decline in revenue from overseas wine sales. It's believed that the overseas revenue will increase in the second half year with contracts under negotiation.

The Company produced a net loss of NZ\$126 thousand for this period due to lower revenue. This compares with a net profit of \$65 thousand for the prior comparable period. The net assets of AFC Group were NZ\$249 thousand, with a 34% down from the annual position as at 31 March 2023.

Principal activities

AFC Group engages in a number of businesses in New Zealand, with subsidiaries operating vineyard and winery, manufacture of skin care products, and international marketing and distribution. Through years of efforts, the Group has developed a number of well-known brands and products, such as DD Mask, Longview Estate White Diamond Wine and so on. Meanwhile, AFC Group is committed to helping New Zealand small and medium-sized enterprises (SMEs) gain access to the Chinese market and provide them with more opportunities.

Review of operations and outlook

In the first half of the financial year 2024, 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. Contracts are under negotiation to export considerable wines to China in the second half of the financial year.
2. AFCLV is negotiating a new distributing agreement in New Zealand to boost

domestic sales.

3. Longview Estate employs a new experienced winemaker to develop wine products and ensure operation efficiency, and will continue to participate in wine exhibitions and awards to increase brand recognition.

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.

2. AFCBIO is developing new distributors in New Zealand and cooperating with all distributors to carry out product promotions to increase sales.

3. AFCBIO will focus on the production and sales of its key products. The re-opening of borders will continue to bring in more customers to AFCBIO, thus generate more sales.

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