



AFC GROUP HOLDINGS LIMITED



ANNUAL REPORT 2025



AFC GROUP HOLDINGS LIMITED

ANNUAL REPORT CONTENTS

FOR THE YEAR ENDED 31 MARCH 2025

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AFC GROUP HOLDINGS LIMITED

DIRECTORS' PROFILES

YANG XIA

Mr Yang Xia is a Chinese National with more than 30 years of experience in commerce and finance. Prior to starting his own business, he held management and leadership roles in the Chinese Government's finance department and in major nationally-owned Chinese companies. He is a former director general of the Anhui Chaohu Foreign Trade and Economic Relations Commission. He currently holds directorships in various Chinese companies spanning a range of industries.

While most of his investments are in China, Mr Xia has expanded his investment activities into Thailand, Australia and New Zealand. He found the NZ Silveray Group Limited in 2014. Mr Xia is now the Chair of the Board of Director of AFC Group.

JINGWEI MA

Ms Jingwei Ma graduated from Japan Aichi University in 2010, major in International Relations. She is a visionary entrepreneur who owns a business in the education sector and operates two female fitness clubs in Xi'an China. Both of her businesses have achieved remarkable results.

Building on her success, Ms Ma now serves as an Independent Director of AFC. She is also a valued member of the Audit and Risk Committee, contributing to the company's governance and risk management.

SHUANG XIA

Mr Xia Shuang was appointed as director of AFC Group Holdings Limited on 16 September 2022. He studied Commerce in the UK and New Zealand for years. After graduating from university in 2016, he has been engaged in the wine, cosmetics, and investment industries. He has participated in mergers and acquisitions and IPOs of listed companies in China and New Zealand and has some experience in venture capital management.

Mr Xia Shuang has been the CEO of AFC Biotechnology Manufacturing Company under the AFC Group Holdings Limited since June 2019.

BO XIAN CAO

Mr Bo Xian Cao is a New Zealand Citizen. He moved to New Zealand from China in 1994 and has over 22 years of business experience in China and New Zealand. He has held various executive positions in export-related sectors, specifically primary industries (including Hydroponics) and the Skin Care industries. Mr Cao has developed skills in trading between New Zealand and Asian countries, specialising in Hong Kong and China.

Mr Cao joined AFC in 2016, and he is currently the director of AFC Group Holdings Limited and Chairman of the Audit and Risk Committee.

ZILEI WANG

Mr Zilei Wang graduated from Shanghai International Studies University, where he obtained a Master's Degree of Arts in English Language and Literature. He is a member of The Chinese Institute of Certified Public Accountants (CICPA) and has business experience in corporate finance, cross-border mergers and acquisitions, corporate governance and financial management in New Zealand. He sits on the Board of several private companies in New Zealand.

Mr Wang joined AFC in 2018 and is an Independent Director of AFC Group Holdings Limited and a member of the Audit and Risk Committee.

JIANFENG CHEN

Mr Jianfeng (David) Chen boasts over 25 years of robust commercial and international trade experience in Australia, New Zealand, and China. Throughout his career, David has held various executive positions at different multinational corporations, which have honed his expertise in strategic trade practices and market expansion.

With his in-depth knowledge and experience, David joined the Board of AFC and successfully drove the market presence of the Group's key products, including Longview Estate White Diamond Wines and DD Mask. David's expertise will continue to drive the growth of the Group.

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DIRECTORS' REPORT

In financial year 2025, AFC Group Holdings Limited ("AFC" or "the Company") failed to sustain the positive momentum achieved in the prior fiscal period. The performance shortfall primarily stemmed from a significant downturn in overseas wines sales due to weakening demand from overseas, as well as slower than expected progress in new business development. These operational challenges, coupled with an unfavourable international trading environment and macroeconomic conditions, impacted the Company's financial performance during the period.

Summary of Financial Results

The Company reported revenues totalling \$741,088 in the financial year 2025, a decrease of 44% from last financial year. Driven by the substantial revenue reduction, combined with the difficulty in adjusting fixed operating costs proportionately, the Company incurred a net loss of \$184,806 for this period, compared to a net profit of \$53,911 in financial year 2024. This financial setback has weakened the Company's equity position, leaving net equity at \$243,574. No dividends have been declared or paid for the 12 months ended 31 March 2025.

As at 31 March 2025, the Company recorded a total asset of \$2,129,822, including cash and cash equivalents of \$3,760. The Company will need to continue raise funds to maintain business operations.

Outlook

AFC is well aware of the high level of uncertainty in the market. Despite the challenges, the Group has developed a series of actions to navigate through the current difficulties, achieve future revenue growth and create value for shareholders:

- AFC Longview Limited ("AFCLV" and "Longview Estate"): AFCLV is actively pursuing enhanced productivity and market presence. To extend market reach and accelerate sales growth, AFCLV plans to expand its current product line to make our wines more accessible to a wider audience. In addition, the company endeavours to strengthen its overseas sales channels in order to increase sales

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DIRECTORS' REPORT (continued)

in China. Domestically, AFCLV is boosting customer engagement through targeted email campaigns, social media activations, and participation in wine exhibitions.

- AFC Biotechnology Manufacture Co Ltd: To drive sales growth, the company will enhance distributor collaboration, refine agency agreements, and extend its secondary distribution footprint.
- AFC Group Holdings Limited: AFC is actively exploring new business opportunities. Serving as a pivotal link for trade and investment between New Zealand and China, the AFC has actively involved in international arenas. We participated in the 7th China International Import Expo and the "EFOODLINE" global e-commerce platform, promoting our products and facilitating the entry of SMEs from both countries to access wider international markets. We remain dedicated to our corporate social responsibilities and improving communities' welfare across New Zealand and China.

Despite the challenges ahead, AFC will focus on aligning strategies to address market volatility, accelerate operational execution. 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 enhance shareholder value and drive our long-term growth objectives.



Director



Chairman

AFC GROUP HOLDINGS LIMITED

CORPORATE GOVERNANCE STATEMENT

AFC Group Holdings Limited ("AFC") recognises the critical importance of sound corporate governance practices. In fulfilment of this commitment, the Board of Directors (the 'Board'), in conjunction with the management team, has adopted a comprehensive set of corporate governance guidelines designed to promote the creation of value for shareholders, the maintenance of the highest ethical standards and the implementation of control systems commensurate with the level of risk involved.

The Board is committed to an ongoing evaluation of AFC's governance structure to ensure compliance with leading industry practices. Recognising the constraints imposed by the current size of the business and limited resources, we have made a conscious effort to balance the development of a financially sound business with the establishment of a structured governance framework. Throughout the fiscal year concluding on 31 March 2025, the Board has placed emphasis on meeting the key requirements of the NZX Listing Rules and the NZX Corporate Governance Code. However, AFC recognises that ongoing work is required to fully comply with each of the recommendations in the Code.

The Code comprises eight (8) fundamental principles, each supported by a series of recommendations. The Board has thoroughly evaluated and hereby reports on AFC's compliance with each of these recommendations. The contents of this report are up-to-date as of the release date and have received the Board's ratification.

The Board report on newest version of the NZX Corporate Governance Code that revised on 1 April 2023.

The NZX Corporate Governance Code can be found on the NZX Website at: www.nzx.com/regulation/nzx-rules-guidance/corporate-governance-code.

Principal 1 –Ethical Standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

RECOMMENDATION 1.1

The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics).

The code of ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy.

The code of ethics should outline internal reporting procedures for any breach of ethics, and describe the issuer's expectations about behaviour, namely that every director and employee:

- (a) acts honestly and with personal integrity in all actions;**
- (b) declares conflicts of interest and proactively advises of any potential conflicts;**
- (c) undertakes proper receipt and use of corporate information, assets and property;**
- (d) in the case of directors, gives proper attention to the matters before them;**
- (e) acts honestly and in the best interests of the issuer, shareholders and stakeholders and as required by law;**
- (f) adheres to any procedures around giving and receiving gifts (for example, where gifts are given that are of value in order to influence employees and directors, such gifts should not be accepted);**
- (g) adheres to any procedures about whistle blowing (for example, where actions of a whistle blower have complied with the issuer's procedures, an issuer should protect and support them, whether or not action is taken); and**
- (h) manages breaches of the code**

Compliance with recommendation during the year ended 31 March 2025:

The Board firmly believes that ethical behaviour is fundamental to sound corporate governance and the protection of AFC's reputation. In line with this principle, the Board has developed ethical standards that are fully consistent with the recommendations above and which are the same standards we expect of our management and employees.

AFC has instituted a Code of Ethics that fulfils the recommendation comprehensively. It is mandatory for all employees to familiarize themselves with the code of ethics. and the Code of Ethics has been published on AFC's website at <https://www.afcnz.com/>.

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CORPORATE GOVERNANCE STATEMENT (continued)

RECOMMENDATION 1.2

An issuer should have a financial product dealing policy which applies to employees and directors.

Compliance with recommendation during the year ended 31 March 2025:

AFC has adopted a Financial Product Dealing Policy for employees and directors. This policy requires prior approval of all transactions in AFC's quoted securities and other restricted securities, specifies blackout periods for trading and defines prohibited trading. The Financial Product Dealing Policy has been published on AFC's website at <https://www.afcnz.com/>.

PRINCIPLE 2 – Board Composition & Performance

“To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.”

The AFC Board of Directors is comprised of individuals with extensive expertise in business, technology and finance. This diverse background enables us to lead the company with acumen and integrity. The Board is confident in its adherence to governance principles, ensuring strong oversight and strategic direction.

Board Composition

The Board provides overall oversight of AFC's operations, guides the strategic direction of the company and ensures compliance with all relevant legal and regulatory frameworks. We are accountable to our shareholders and stakeholders, and AFC endeavours to maintain a Board with a broad range of skills and knowledge relevant to the industries in which we operate. This approach helps us to respond effectively to challenges, capitalise on opportunities and ultimately create value for all stakeholders.

As at 31 March 2025, the Board comprised of the following directors:

Yang Xia	Non-Executive (Chair)
Bo Xian Cao	Independent
Jingwei Ma	Independent
Jianfeng Chen	Non-Executive
Shuang Xia	Non-Executive
Zilei Wang	Independent

All directors have been appointed under the provisions of AFC's constitution. No director has been appointed by equity security holder under the Governing Document applying with NZX listing rule 2.4.

Bo Xian Cao, Jingwei Ma, Zilei Wang serve as independent directors for AFC. The determination of their independence has been made by taking into account the factors outlined in the NZX Corporate Governance Code that could potentially affect a director's independence. Jingwei Ma was assessed as an independent director by the Board as she no longer receives any form of performance-based remuneration from the company or has any conflict of interest that could influence her decisions. None of the independent directors have a material relationship with AFC and none are involved in the day-to-day operation of the company.

Refer to the Directors' Profiles section of this Annual Report for further details.

Board Meetings

The Board met 5 times during the year, which enabled the Board to be provided with accurate timely information on all aspects of AFC's operations and to make informed decisions.

Furthermore, the Board holds additional meetings as necessary to address specific matters that require immediate attention, including discussions on various opportunities. The number of such additional meetings is not reflected in the figures provided below.

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CORPORATE GOVERNANCE STATEMENT (continued)

Board Members	Meetings Attended	Meetings Held
Yang Xia	5	5
Bo Xian Cao	5	5
Zilei Wang	5	5
Jingwei Ma	5	5
Shuang Xia	5	5
Jianfeng Chen	5	5

Gender Diversity

The gender balance of the AFC's Directors and officers was as follows:

	as at 31 March 2025		as at 31 March 2024	
	Directors	Officers*	Directors	Officers*
Female	1	1	1	1
Male	5	1	5	2
Total	6	2	6	3

*Officers excludes any directors of AFC.

RECOMMENDATION 2.1

The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

Compliance with recommendation during the year ended 31 March 2025:

The Board adopted a written Board Charter on listing. The Charter sets out the roles and responsibilities of the Board and Management and complies with the recommendation in full.

The Board Charter has been published on AFC's website at <https://www.afcnz.com/>.

RECOMMENDATION 2.2

Every issuer should have a procedure for the nomination and appointment of directors to the board.

Compliance with recommendation during the year ended 31 March 2025:

AFC has complied with the recommendation during the year to 31 March 2025. The company has a procedure for the Nomination and Appointment of Directors that aligns with the recommendation.

RECOMMENDATION 2.3

An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

Compliance with recommendation during the year ended 31 March 2025:

AFC has entered into a written agreement with each director establishing the terms of their appointment. No new director has been appointed during the financial year ended 31 March 2025.

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CORPORATE GOVERNANCE STATEMENT (continued)

RECOMMENDATION 2.4

Every issuer should disclose information about each director in its annual report or on its website, including:

- a. a profile of experience, length of service, and ownership interests.
- b. the director's attendance at board meetings; and
- c. the board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.

Compliance with recommendation during the year ended 31 March 2025:

All of the information detailed in the recommendation is included in this Annual Report and can be found in the Directors Profiles, Corporate Governance Statement and Shareholder and Statutory Information sections.

RECOMMENDATION 2.5

An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An issuer within the S&P/NZX 20 Index at the commencement of its reporting period should have a measurable objective for achieving gender diversity in relation to the composition of its board, that is to have not less than 30% of its directors being male, and not less than 30% of its directors being female, within a specified period. An issuer should disclose its policy or a summary of it.

Compliance with recommendation during the year ended 31 March 2025:

AFC has not complied with the recommendation during the year ended 31 March 2025 as the company has not yet implemented a formal written diversity policy. However, the Board acknowledges the extensive advantages that diversity brings to an organization. The Company has drafted a diversity policy, which will come into implementation once approved.

The gender composition of AFC's directors and officers is included above.

RECOMMENDATION 2.6

Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

Compliance with recommendation during the year ended 31 March 2025:

The company has not complied with the recommendation during the year ended 31 March 2025, as the board did not engage in any training activities. However, the Board members possess a comprehensive understanding of their responsibilities as Directors of a publicly listed company. They recognise the importance of being constantly updated on the most effective ways of discharging their duties and plan to undergo training as and when necessary to maintain their knowledge and competence.

RECOMMENDATION 2.7

The board should have a procedure to regularly assess director, board and committee performance.

Compliance with recommendation during the year ended 31 March 2025:

Director and Board performance is considered crucial to the success of AFC and its subsidiaries. AFC did not comply with the recommendation during the year ended 31 March 2025. The progress made during the year is that AFC has drafted a procedure for regular review of its performance and the performance of its members. It will be come into implementation once finalised.

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CORPORATE GOVERNANCE STATEMENT (continued)

RECOMMENDATION 2.8

A majority of the board should be independent directors.

Compliance with recommendation during the year ended 31 March 2025:

3 of the 6 Directors of AFC have been identified as Independent Directors of AFC. However, it is not a majority and AFC accordingly has not complied with the recommendation.

The Board of Directors believes that the current composition of the Board of Directors for the year is satisfactory and enables it to make decisions that are in the best interests of the Company and its shareholders. Where a director has a conflict of interest in certain matters, he or she should not be involved in decision-making on those particular matters.

RECOMMENDATION 2.9

An issuer should have an independent chair of the board.

Compliance with recommendation during the year ended 31 March 2025:

AFC has not complied with the recommendation. During the financial year ended 31 March 2025, Yang Xia was chair of AFC. Mr Xia was not an independent director, but throughout that period, he was a non-executive director and did not involve in the day-to-day management.

RECOMMENDATION 2.10

The chair and the CEO should be different people.

Compliance with recommendation during the year ended 31 March 2025:

The chair and the CEO were held by different individuals in AFC. However, the CEO role remained vacant over the past year. Tony Xia temporarily assumed the duties of CEO for the year ended 31 March 2025. The company is still seeking for a qualified candidate to fill the CEO position.

Principle 3 – Board Committees

“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.”

Recommendation 3.1

An issuer’s audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.

Compliance with recommendation during the year ended 31 March 2025:

The AFC Audit Committee was formed with the purpose of emphasizing audit and risk management and assuming responsibilities related to financial reporting and adherence to regulatory requirements. A written charter was adopted for the Audit Committee and has been published on AFC’s website at <https://www.afcnz.com/>.

The Audit Committee holds the responsibility of overseeing the performance and independence of the external auditors and provides recommendations to the Board.

The Audit Committee held 5 meetings during the year. The Audit Committee comprises the following members:

Bo Xian Cao	(Chair of Audit Committee, Independent Director)
Jingwei Ma	(Independent Director)
Zilei Wang	(Independent Director)

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CORPORATE GOVERNANCE STATEMENT (continued)

The audit committee's responsibilities include the following:

1. Ensuring that processes are in place and monitoring those processes to monitor risks associated with the business.
2. Recommending the appointment of the independent auditor and ensuring that the Key Audit partner is changed at least every 5 years.
3. Having direct communication with and unrestricted access to the independent auditor and any internal auditors or accountants.
4. Reviewing the financial reports and advising all Directors whether they comply with the appropriate laws and regulations.

The Audit Committee comprises all independent directors. Zilei Wang is a member of the Chinese Institute of Certified Public Accountants (CICPA) and he has a financial background in accordance with the requirements of NZX Listing Rule 2.13.2.

Recommendation 3.2

Employees should only attend audit committee meetings at the invitation of the audit committee.

Compliance with recommendation during the year ended 31 March 2025:

In AFC, non-committee members, including employees, only attended audit committee meetings at the invitation of the audit committee during the year.

Recommendation 3.3

An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Compliance with recommendation during the year ended 31 March 2025:

Remuneration committee responsibilities were dealt with by the full Board during the year ended 31 March 2025.

Recommendation 3.4

An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

Compliance with recommendation during the year ended 31 March 2025:

Nomination committee responsibilities were dealt with by the full Board during the year ended 31 March 2025.

Recommendation 3.5

An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

Compliance with recommendation during the year ended 31 March 2025:

Considering the relatively restricted size and scope of the company's business, the board determined that it would be more suitable for them to assume these responsibilities throughout the year during the year ended 31 March 2025.

Recommendation 3.6

The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. It should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

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CORPORATE GOVERNANCE STATEMENT (continued)

Compliance with recommendation during the year ended 31 March 2025:

The company was not fully complied with the recommendation during the year to 31 March 2025. However, AFC has established a formal written Takeover Response Procedure during the year.

PRINCIPLE 4 – Reporting & Disclosure

“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

Recommendation 4.1

An issuer’s board should have a written continuous disclosure policy.

Compliance with recommendation during the year ended 31 March 2025:

AFC has a written Continuous Disclosure Policy that complies with the recommendation.

AFC’s Board is committed to keeping investors and the market informed of all material information about AFC and its performance in line with the NZX listing rules and has done so throughout the period.

Recommendation 4.2

An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Compliance with recommendation during the year ended 31 March 2025:

AFC’s Code of Ethics, Governance Code, Board Charter, Audit Finance & Risk Committee Charter, Financial Product Dealing Policy, and Health & Safety Policy are available on AFC’s website at <https://www.afcnz.com/corporate-governance>. Some other governance policies and procedures are under formulation. Once finalised, they will be published to AFC’s website.

Recommendation 4.3

Financial reporting should be balanced, clear and objective.

Compliance with recommendation during the year ended 31 March 2025:

The Board is committed to ensuring that AFC’s financial reporting is transparent, balanced and objective. For the financial year ending 31 March 2025, the directors confirm that the financial statements are presented in a clear and objective manner, providing a full understanding of the company’s performance, business model, strategic direction, risks and accounting standards applied. This financial disclosure adheres to the requirements set forth by the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

Recommendation 4.4

An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.

Compliance with recommendation during the year ended 31 March 2025:

AFC has not complied with the recommendation during the year to 31 March 2025, as non-financial disclosure has not been completed. Due to its current scale, AFC does not currently possess a formal environmental, social, and governance (ESG) reporting framework. However, the Board is considering this matter and intends to report on non-financial aspects in the future.

AFC GROUP HOLDINGS LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

PRINCIPLE 5 – Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

Recommendation 5.1

An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer’s annual report.

Compliance with recommendation during the year ended 31 March 2025:

The Directors’ remuneration package was approved by shareholders in previous year and for the year ended 31 March 2025, the Directors voluntarily accepted no Directors’ fee to support the business. Director remuneration is disclosed in the Shareholder and Statutory Information section of this Annual Report.

Recommendation 5.2

An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.

Compliance with recommendation during the year ended 31 March 2025:

AFC has not complied with the recommendation during the year to 31 March 2025 as it is yet to adopt a formal written Remuneration Policy.

The Board acknowledges the importance of clearly defined responsibilities and performance metrics in determining the compensation for executive directors and senior management. AFC is under the way to develop a formal written remuneration policy. Once established, the policy will be publicly accessible on AFC’s website.

Recommendation 5.3

An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance-based payments.

Compliance with recommendation during the year ended 31 March 2025:

Information in relation to the remuneration arrangements is included in Note 19 of this Annual Report under the section of Key Management Personnel. During the period ended on March 31, 2025, AFC CEO position was vacant. No remuneration was paid to CEO during this period.

PRINCIPLE 6 – Risk Management

“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”

Recommendation 6.1

An issuer should have a risk management framework for its business and the issuer’s board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Compliance with recommendation during the year ended 31 March 2025:

AFC and its subsidiaries maintain a firm commitment to proactive risk management. The entire Board, supported by the Audit Committee, is responsible for overseeing risk management, with the Executive Director managing day-to-day risks. Currently, AFC is developing a formal Risk Management and Compliance framework. This document will detail significant business risks and establish control measures and reporting systems to effectively manage and monitor these risks. Despite these efforts, it is noted that for the fiscal year ending 31 March 2025, the company did not fully comply with this recommended framework.

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CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 6.2

An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.

Compliance with recommendation during the year ended 31 March 2025:

Recognizing the critical importance of health and safety in successful business operations, the Board of AFC is dedicated to mitigating risks and enhancing the welfare of employees, contractors, and customers. AFC has developed a comprehensive health and safety manual that assigns clear responsibilities to both management and employees. Each employee is equipped with a copy of the manual, which aids in recognizing potential hazards and understanding the appropriate responses. The Board ensures the manual's efficacy through an annual review and maintains ongoing communication with management to monitor its implementation. Notably, there were no health and safety incidents reported in the fiscal year ending 31 March 2025.

PRINCIPLE 7 – Auditors

“The board should ensure the quality and independence of the external audit process.”

Recommendation 7.1

The board should establish a framework for the issuer’s relationship with its external auditors. This should include procedures:

- (a) for sustaining communication with the issuer’s external auditors;
- (b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired or could be reasonably be perceived to be impaired;
- (c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer; and
- (d) to provide for the monitoring and approval by the issuer’s audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

Compliance with recommendation during the year ended 31 March 2025:

Under the guidelines established in AFC's Audit Committee Charter, the Audit Committee is tasked with overseeing the relationship with the external auditor and ensuring effective communication channels are in place. The committee rigorously evaluates the quality and cost-effectiveness of the external auditor’s work annually, along with assessing their independence.

For the fiscal year ending 31 March 2025, William Buck served as AFC’s external auditor. To uphold auditor independence, audit services were strictly separated from non-audit services. No other non-audit services was provided by William Buck during this period. Details of the fees paid to auditors are transparently disclosed in the annotations to the consolidated financial statements.

William Buck has issued a written assurance to the Board confirming their ability to maintain independence throughout the fiscal year.

Recommendation 7.2

The external auditor should attend the issuer’s Annual Meeting to answer questions from shareholders in relation to the audit.

Compliance with recommendation during the year ended 31 March 2025:

William Buck did not participate in the 06 September 2024 virtual annual meeting. However, William Buck will be invited to attend the annual meeting in 2025, and it is expected that the lead audit partner will be present to address any queries or concerns raised by shareholders.

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CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 7.3

Internal audit functions should be disclosed.

Compliance with recommendation during the year ended 31 March 2025:

AFC did not have a dedicated internal auditor role during the period to 31 March 2025 due to the relatively restricted size and scope of AFC's operations. The Board, alongside the Audit Committee, has taken on the role of supervising AFC's internal activities. To ensure effective monitoring of financial operations, AFC and its subsidiaries have established robust internal systems and controls.

Principle 8 – Shareholder Rights & Relations

“The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.”

Recommendation 8.1

An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Compliance with recommendation during the year ended 31 March 2025:

Financial statements, NZX announcements, Directors' profiles, and key operational and governance information are available on the website at <https://afcnz.com/>.

Recommendation 8.2

An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing the option to receive communications from the issuer electronically.

Compliance with recommendation during the year ended 31 March 2025:

AFC offers all shareholders the choice to opt for electronic communications, ensuring they stay informed about the company's updates and developments. Shareholders are also encouraged to participate in the annual meeting virtually, with detailed instructions provided to facilitate their online attendance.

Recommendation 8.3

Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

Compliance with recommendation during the year ended 31 March 2025:

Shareholders have been given the right to vote on all major decisions in line with the NZX Rules during the year ended 31 March 2025.

Recommendation 8.4

If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro-rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Compliance with recommendation during the year ended 31 March 2025:

During the year, AFC has not sought additional equity capital from the market. In future capital-raising activities, the Board will consider whether the likely outcome of and the cost of extending offers to all shareholders is in the best interest of the Company or its shareholders.

AFC GROUP HOLDINGS LIMITED

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 8.5

The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Compliance with recommendation during the year ended 31 March 2025:

Notice of the FY2024 annual meeting was delivered to shareholders on 07 August 2024, which was 23 working days prior to the Annual Meeting.

The Board values active shareholder participation in meetings and recognizes the importance of providing shareholders ample time to review meeting materials. Therefore, going forward, notices for future shareholder meetings will be issued at least 20 working days in advance of the meeting dates.

AFC GROUP HOLDINGS LIMITED

AFC LONGVIEW LIMITED

Longview Estate was established by the Vuletich family in 1969. Longview Estate Wines pioneered wine-growing in Whangarei. Longview is the oldest commercially operating vineyard in northern New Zealand with a total area of 4.22 hectares of vines. The Winery produces a series of wines with annual output of 16,000 litres. Varieties include Merlot, Cabernet Franc, Malbec, Syrah, Chardonnay, White Diamond and Gewürztraminer. The major wines are Reserve Gewurztraminer, Chardonnay, White Diamond, Merlot Cabernet Franc Malbec-Syrah and Gumdiggers Port. White Diamond is the unique product in New Zealand. White Diamond grapes produce a sweet fragrant, fruity wine, with an intense grape flavour. "Once tasted never forgotten".

AFC GROUP HOLDINGS LIMITED

AFC INTERNATIONAL TRADING GROUP LIMITED

AFC International Trading Group Limited (AFCIT) was setup to purchase products in New Zealand and to export these to China. The company involves in sourcing food products, health supplement products and cosmetic products in New Zealand and export to China. The Company has not purchased any new products and continued to sell the remaining stocks during the year.

AFC GROUP HOLDINGS LIMITED

NATIONAL DAIRY GROUP LIMITED

National Dairy Group Limited (NDG) is involved in research and development, manufacturing and management. All NDG products pass the qualification of GMP (Good Manufacturing Practice) in New Zealand. NDG is a wholly owned subsidiary of AFC Group Holdings Limited (AFC), NDG owns the “ Morning “ brand plus other brands. Its products are sold across New Zealand, Australia and China. NDG promotes natural health and scientific nutrition so it is able to provide its customers with high quality health food. The company has not traded and has not performed any research and development activities during the year.

AFC GROUP HOLDINGS LIMITED

AFC BIOTECHNOLOGY MANUFACTURE CO. LIMITED

AFC Biotechnology Manufacture Co Limited started production in July 2016. The designed annual capacity of the production line is 7 million sheets of cosmetic facial mask. With the most advanced face mask production line in New Zealand, the company adopts GMP standard and operates in a dust-free work shop. The Company sells both in New Zealand and exports primarily to China.

AFC GROUP HOLDINGS LIMITED

AFC GOGLOBAL ECOMMERCE LIMITED

GoGlobal is designed to be a platform which specialises in the sale of quality New Zealand and Australian products to China. This easy to use international platform allows producers and retailers to access the vast Chinese market with ease. The sellers can control their own prices, inventory, and all other aspects of the marketing and sales process from New Zealand. The company was not trading during the year.

AFC EDUCATION INVESTMENT LIMITED

AFC Education Investment Limited (AFCEI) was established to acquire and reconstruct for educational institutes. It will integrate the educational resources and models of studying abroad between China and New Zealand. The company was not trading during the year.

AFC GROUP HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

AFC GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 NZ\$	2024 NZ\$
Operating revenue	2	741,088	1,324,402
Cost of sales	3	(363,892)	(355,084)
Gross profit		<u>377,196</u>	<u>969,318</u>
Other income	2	328,975	46,723
Expenses			
Selling and distribution expenses	3	(147,786)	(226,255)
Administration expenses	3	(617,632)	(661,651)
Reversal/(impairment loss) on trade receivables	9	14	(6)
Operating profit/(loss)		<u>(59,233)</u>	<u>128,130</u>
Finance income	2	2,409	1,083
Finance expense	3	(127,982)	(75,302)
		<u>(125,573)</u>	<u>(74,218)</u>
Profit/(loss) before income tax		<u>(184,806)</u>	<u>53,911</u>
Income tax expenses	4	-	-
Profit/(loss) for the year		<u>(184,806)</u>	<u>53,911</u>
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		<u><u>(184,806)</u></u>	<u><u>53,911</u></u>
Total comprehensive profit/(loss) attributable to:			
Equity holders of the parent		(163,584)	(7,485)
Non-controlling interest	7	(21,222)	61,396
		<u>(184,806)</u>	<u>53,911</u>
Profit/(loss) per share:			
Basic and diluted earning per share in NZ\$	5	(0.00004)	(0.00000)

AFC GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

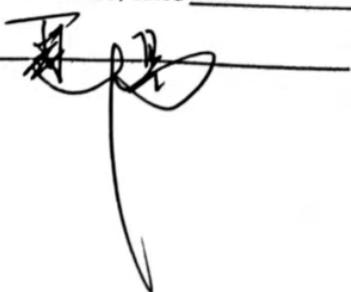
	Notes	Issued Share Capital NZ\$	Accumulated Losses NZ\$	Equity Holders of the Parent NZ\$	Non- Controlling Interests NZ\$	Total NZ\$
Balance as at 1 April 2023		28,679,503	(27,505,871)	1,173,632	(799,163)	374,469
Net loss for the financial year	7	-	(7,485)	(7,485)	61,396	53,911
Other comprehensive income		-	-	-	-	-
Total comprehensive loss		-	(7,485)	(7,485)	61,396	53,911
Balance as at 31 March 2024		28,679,503	(27,513,356)	1,166,147	(737,767)	428,380
Net loss for the financial year	7	-	(163,584)	(163,584)	(21,222)	(184,806)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss		-	(163,584)	(163,584)	(21,222)	(184,806)
Balance as at 31 March 2025		28,679,503	(27,676,940)	1,002,563	(758,989)	243,574

AFC GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 NZ\$	2024 NZ\$
SHAREHOLDERS EQUITY			
Issued share capital	6	28,679,503	28,679,503
Accumulated losses		(27,676,940)	(27,513,356)
Total Equity attributable to shareholders of the company		1,002,563	1,166,147
Non-controlling Interest	7	(758,989)	(737,767)
Total shareholders funds		243,574	428,380
<i>Represented by:</i>			
CURRENT ASSETS			
Cash and cash equivalents	8	3,760	26,181
Trade, other and related party receivables	9	108,294	14,446
Current Investments	10	20,223	-
Inventories	12	303,905	452,556
Prepayments and other current assets	11	79,408	82,849
Total current assets		515,590	576,032
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,455,273	1,382,719
Right-of-use assets	14	158,701	44,049
Intangible assets	16	258	408
Total non-current assets		1,614,232	1,427,176
Total assets		2,129,822	2,003,208
CURRENT LIABILITIES			
Trade, other and related party payables	17	1,659,609	1,457,804
Lease liabilities	14	44,936	45,698
Borrowings	18	56,447	37,447
Total current liabilities		1,760,992	1,540,949
NON-CURRENT LIABILITIES			
Borrowings	18	10,000	29,000
Lease liabilities	14	115,256	4,879
Total non-current liabilities		125,256	33,879
Total liabilities		1,886,248	1,574,828
Net assets		243,574	428,380

For and behalf of the Board, dated 28/06/2025

Yang Xia
Director



Bo Xian Cao
Director



AFC GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 NZ\$	2024 NZ\$
Cash flows from operating activities			
<i>Cash was received from:</i>			
Receipts from customers		62,341	65,960
Receipts from related parties		447,398	710,772
Interest received		2,409	1,083
Other receipts		22,335	11,748
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(730,530)	(805,386)
Payments to related parties		(70,891)	(64,777)
Interest paid		(5,397)	(9,006)
Lease interest	14	(3,363)	(7,643)
Net cash outflow from operating activities	19	(275,697)	(97,249)
Cash flows from investing activities			
<i>Cash was received from:</i>			
Proceeds from disposal of property, plant and equipment		-	-
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment	13	(3,174)	(3,549)
Term Deposit		(20,223)	-
Net cash inflow/(outflow) from investing activities		(23,397)	(3,549)
Cash flows from financing activities			
<i>Cash was received from:</i>			
Proceeds from borrowings	18	-	-
Received from related parties		355,133	378,581
<i>Cash was applied to:</i>			
Payments for lease liabilities principal		(45,698)	(39,990)
Repayments to related parties		(24,074)	(196,841)
Repayment to borrowings		-	(16,962)
Net cash inflow from financing activities		285,361	124,788
Net increase/(decrease) in cash and cash equivalents		(13,733)	23,990
Foreign currency translation adjustment		(8,688)	(2,772)
Cash and cash equivalents at the beginning of the year		26,181	4,963
Cash and cash equivalents at the end of the year	8	3,760	26,181

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES

REPORTING ENTITY

AFC Group Holdings Limited (the "Company") is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Company is listed and its ordinary shares are quoted on the NZX main board equity security market (NZX main market) and the addresses of its registered office and principal place of business are disclosed in the Corporate Information section of this report. The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and its financial statements comply with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

The consolidated financial statements of AFC Group Holdings Limited for the year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the "Group"). For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), the Group is a for-profit entity. As a listed company, the Group is considered a Tier One entity. The principal activity of the Company and the Group is to produce, manufacture and purchase food, health, and cosmetic products for distribution in New Zealand and the Chinese markets. The Group also operates in the winery and vineyard industry which has manufacturing operations. The largest shareholder is NZ Silveray Group Limited, refer to note 20.

1.1 Statement of compliance

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards ("NZ IFRS"), as applicable to the Group as a profit oriented entity. These financial statements also comply with International Financial Reporting Standards ("IFRS").

The consolidated financial statements were approved and authorised for issue by the directors on 28/06/2025. The directors are not able to amend the financial statements after issue.

1.2 Basis of preparation

The consolidated financial statements are prepared on a cost basis except for biological produce which has been measured at fair value. The preparation of financial statements in conformity with NZ IFRS and IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.23.

The consolidated financial statements for the Group are presented in New Zealand dollars (\$), which is the functional currency of all entities within the Group. All financial information has been rounded to the nearest dollar unless otherwise stated.

Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.2 Basis of preparation (continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

1.3 New accounting standards adopted

There are no new standards, amendments to standards, or interpretations to existing standards, that have any impact on the Group for the year ended 31 March 2025.

1.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an investee begins when the Group obtains control over the investee and ceases when the Group loses control of the investee. Assets, liabilities, income and expenses of an investee acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the investee.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the investee is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.5 Intangible assets

Intangible assets comprise of trademarks. Trademarks are carried at cost less any accumulated amortisation. Trademarks have a finite useful life of 10 years and the Group amortises these using the straight-line method over 10 years. Trademarks are recognised in the statement of financial position at cost less accumulated amortisation.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.6 Going concern

The consolidated financial statements have been prepared on a going-concern basis. For the financial year ended 31 March 2025, the Group reported a net loss of \$184,806, contrasting with a net profit of \$53,911 in the prior fiscal year (2024). As of 31 March 2025, the Group's financial position reflected current liabilities exceeding current assets by \$1,245,402 and an equity of \$243,574 (2024: \$428,380). This deterioration was primarily attributed to declining sales.

However, the Directors assessed the going concern assumption as appropriate with consideration of the following key factors:

1. The Group holds significant unencumbered property assets, including three residential units at the Longview vineyard. These assets provide financial stability and, if needed, access to low-rate debt financing through major New Zealand banks.
2. The Group has considerable inventory, which is expected to generate positive cash inflows from sales with only a small additional cash outlay.
3. The Group obtains deferred payment terms for related party payables totalling \$1,180,381, which improves the Group's short-term liquidity position.
4. The Group's major shareholder is committed to provide ongoing financial support to ensure the company's sustained growth and operational stability. In addition to financial support, this is coupled with the integration of the AFC Group into the shareholders' broader business strategy, leveraging shared resources, expertise and market opportunities to drive innovation and long-term value creation.
5. In the 2026 financial year, the Group will enhance its partnership with China and pursue further growth in the Chinese wine market. Contracts are presently under negotiation. In addition, the Group will actively explore new business opportunities in areas such as prepared dishes, tourism and study tours. These strategic initiatives aim to broaden revenue streams, enhance operational resilience and reinforce the foundation for sustainable development. By aligning with evolving market demands and leveraging cross-industry synergies, the Group seeks to strengthen its long-term competitive positioning while advancing its growth trajectory in line with shareholder objectives.
6. Our detailed operational budgets, underpinned by robust strategic initiatives, support the going concern assumption. In June 2025, a sales contract to export \$566,000 of wine was signed. Other contracts are under negotiation. In the financial year 2025, we will continue to explore the Chinese wine market with a broader catalogue of products and expect the overseas wine market to continue expanding.

After a thorough assessment of the key factors mentioned above, the Directors reaffirmed the going concern basis for the preparation of the consolidated financial statements. While acknowledging the uncertainties in forecasting in the current environment, the Board of Directors remains optimistic about the Group's ability to maintain ongoing operations in the future.

As stated above, the Group's current liabilities exceed its current assets by \$1,245,402 and as such the Group relies on the ongoing support of its parent entity and has received commitment to such ongoing support in the form of not calling upon loans due to them. Due to the reliance on this support there exists a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. If the Group did not continue as a going concern, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Also, additional liabilities may need to be recorded, and the Group may not recover the amount recorded for assets.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.7 Revenue

The Group generates revenue primarily from the sale of wine and DD masks to its customers. Other sources of revenue include interest income and rental income.

Sale of goods - Contracts with customers

The Group recognises revenue under NZ IFRS 15 when a customer obtains control of the goods. The Group recognises revenue to depict the transfer of products to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

Revenue from contracts with customers is recognised when the goods are delivered to the port of delivery and have been accepted by the customer.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the revenue recognised will not occur. The amount of revenue recognised is adjusted for expected returns based on historical data and trends for returns. The Group reviews its estimate of expected returns at each reporting date.

Interest income

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental

Rental Income is recognised as income on a straight-line basis over the term of the lease.

Government grant

Grant income is recognised as revenue when it becomes receivable unless the Group has a liability to repay the grant if the requirements of the grant are not fulfilled. A liability is recognized to the extent that such conditions are unfulfilled at the end of the reporting period and is released to revenue as the conditions are fulfilled.

1.8 Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the date. The foreign currency gains or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of year.

1.9 Inventories

The valuation of inventory is determined under the principle of lower of cost or net realisable value. The cost of inventories is based on the first in first out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.9 Inventories (continued)

The Directors' assessment of the value is determined after reviewing and comparing the market price with the cost and as a result of this, the carrying value of some inventories have been written down to estimated net realisable value. The total amount of the provision at 31 March 2025 was \$262,816 (31 March 2024: \$208,748).

Included within the cost of inventory is the fair value of the grapes (agricultural produce) at the time the grapes are harvested. At the point of harvest, the harvest of grapes qualify as agricultural produce under NZ IAS 41: Agriculture and are recorded at fair value at that date. The fair value at point of harvest becomes the basis of cost when accounting for inventories.

Growing Costs: Harvesting of the grape crop is ordinarily performed in late March. Costs incurred in growing the grapes including any applicable harvest costs, are initially allocated into the cost of inventory as part of the total cost to acquire and grow the agricultural produce. At the point of harvest, a fair value adjustment is made so that the cost per tonne is adjusted to fair value in accordance with NZ IAS 41: Agriculture and NZ IFRS 13: Fair Value Measurement. Any difference between cost and fair value is included within the statement of comprehensive income as cost of sales.

1.10 Leases

The Group as a lessee

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.10 Leases (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in the index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group as a lessor

Rental Income from operating leases is recognised as income on a straight-line basis over the period of the lease.

1.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in bank.

1.12 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

1.13 Financial assets

The Group measures debt assets at amortised cost as the Group holds the financial assets for the collection of the contractual cash flows, and the contractual cash flows under the instrument solely represent payments of principal and interest. All other debt and equity instruments including investments in equity investments are recognised at fair value.

Financial assets at amortised cost

Trade, other and related party receivables are amounts due from customers and related parties in the ordinary course of business. The Group holds the trade, other and related party receivables with the objective to collect the contractual cash flows and therefore subsequently measures them at amortised cost using the effective interest method.

Loans and receivables are also measured and classified at amortised cost using the effective interest method less impairment. Interest is not charged on overdue amounts.

1.14 Financial Liabilities

Financial liabilities at amortised cost

Trade and other payables are initially measured at fair value less transaction costs and subsequently carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.14 Financial Liabilities (continued)

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments or component parts of compound instruments.

Related party payables

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

1.15 Equity

Share capital is classified as equity when the amount represents a residual interest. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

1.16 Goods and services tax ("GST")

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except for receivables and payables, which are recognised inclusive of GST.

1.17 Income tax

Taxation expense comprises both current and deferred tax.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Income tax is recognised in the Income Statement except when it relates to items that are recognised directly under other comprehensive income, in which case the income tax is recognised in other comprehensive income.

Deferred tax is accounted for using the balance sheet method, providing for temporary differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax base of these items. Deferred tax is determined using tax rates and regulations enacted at the balance sheet date in New Zealand, which is the jurisdiction the Group operates and generates taxable income in.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.18 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss component of the consolidated statement of comprehensive income as incurred.

Depreciation

Depreciation is recognised in the consolidated statement of comprehensive income to write off the cost of an item of property, plant and equipment over its expected useful life, at the following rates:

Land & Land Improvements	Not Depreciated
Buildings	0% - 6% Diminishing Value
Computer Equipment	50% Diminishing Value
Plant & Equipment	7% - 40% Diminishing Value
Motor Vehicles	10% - 40% Diminishing Value
Fixture and Fittings and Office Equipment	13% - 67% Diminishing Value
Grape Vines / Bearer Plants	7.5% Diminishing Value

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The useful lives and residual values are reviewed annually.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit and loss component of the consolidated statement of comprehensive income.

1.19 Biological assets

Biological assets consist of grape fruit bunches. The Group grows and purchases grapes to use in the production of wine, as part of normal operations. Grapes are normally harvested between February and March each year. The grapes harvested and purchased are adjusted to fair value at the point of harvest after taking into consideration of various market factors, as well as reviewing the district average pricing report for grapes of similar quality and variety. Any adjustment to bring the cost of sales to fair value is recognised in inventory and cost of sales.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.20 Impairment of assets

Financial assets

For trade, other and related party receivables, the group applies the NZ IFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The Group also considers other forward looking economic factors in determining the impairment of trade, other and related party receivables.

When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loan and trade receivables where the carrying amount is reduced through the use of an allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Non-financial assets

At each reporting date the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such impairment exists, the recoverable amount of the asset is estimated to establish the impairment loss, if any.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying value is reduced to the recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

All impairment losses are immediately recognised through profit and loss.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprises of warrants.

1.22 Cash flows

The following are the definitions used in the consolidated statement of cash flows:

- Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
- Operating activities are the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets not included in cash and cash equivalents.
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Group.

1.23 Critical accounting judgments and key sources of estimation uncertainty

The Group prepares its consolidated financial statements in accordance with NZ IFRS, the application of which often requires judgements to be made by management when formulating the Group's financial position and results. Under NZ IFRS, the Directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting a true and fair view of the Group's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in more detail below.

Impairment of trade, other and related party receivables

In determining the impairment of trade, other and related party receivables provision, the Group assesses the balances by applying the expected loss and forward looking approach under NZ IFRS 9. This assessment involves making estimates and judgements regarding the historical data and trends, factors such as economic conditions, external ratings, cash flow projections and other information available that impacts the customers of the Group.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES (continued)

1.23 Critical accounting judgments and key sources of estimation uncertainty (continued)

Recognition of provision for deferred tax assets

The Group has not recognised a deferred tax asset (2024: No deferred tax asset recognised) on its statement of financial position as at reporting date. Significant judgement is required in determining if the utilisation of deferred assets is probable. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest forecasts of future earnings of the Group. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits (refer note 4).

Provision for Inventory

The Group's assessment of provisions for inventory obsolescence and net realisable value involves making estimates and judgements in relation to future selling prices. The Group considers a wide range of factors including historical data, current trends, recent sales data and product information from buyers as part of the process to determine the appropriate value of these provisions.

Impairment of property, plant and equipment

In determining whether an item of property, plant and equipment is impaired, the Group applies NZ IAS 36 Impairment of Assets. This assessment involves the review of the carrying amount of its assets or cash-generating unit and if this exceeds the recoverable amount. This assessment involves estimating the value in use of an asset and estimating the future cash inflows and outflows to be derived from the continued use of the asset and its disposal and applying an appropriate discount rate to those future cash flows.

2. REVENUE

	2025	2024
	NZ\$	NZ\$
Operating revenue		
Sales - wine products	706,361	1,230,449
Sales - cosmetic products	34,727	93,952
Total operating revenue	741,088	1,324,402
Other income	8,540	35,414
Rental income	13,796	11,309
Debt forgiveness income	306,640	-
	328,975	46,723
Total Income	1,070,063	1,371,125
Finance Income:		
Interest received on bank account	2,409	1,083
	2,409	1,083

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

2. REVENUE (continued)

Operating revenue - Geographical locations

Operating revenue is attributed to the following geographical locations on the basis of the country the customer is trading in.

	Sales - Wine products	Sales - Cosmetic products	Sales - Other products	Total
	NZ\$	NZ\$	NZ\$	NZ\$
31 March 2025				
China	276,454	-	-	276,454
New Zealand	429,907	34,727	-	464,634
Operating Revenue	706,361	34,727	-	741,088
31 March 2024				
China	730,100	-	-	730,100
New Zealand	500,349	93,952	-	594,302
Operating Revenue	1,230,449	93,952	-	1,324,402

3. EXPENSES

	Note	2025 NZ\$	2024 NZ\$
Profit/(Loss) before income tax after charging:			
Included in Cost of Sales Expenses			
Cost of goods sold		309,824	403,599
Provision for inventory obsolescence	12	54,068	(48,515)
Included in Selling and Distribution Expenses			
Advertising		78	5,727
Business events		2,730	8,063
Freight and courier		2,959	5,418
Salaries and sales commission		142,020	206,748
Included in Administration Expenses			
Accounting and consulting		56,725	138,825
Amortisation of intangible assets	16	150	150
Depreciation for property, plant and equipment	13	16,505	17,979
Depreciation for right-of-use assets	14	40,661	40,661
Licences & subscriptions		15,586	21,234
Insurance		6,195	17,439
Share registry & listing expenses		32,142	34,437
Management fees		16,667	40,000
Salaries		359,044	246,058
Rent		38,372	31,296

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. EXPENSES (continued)

Auditors' remuneration		
Audit of financial statements	66,323	66,875
Audit of Wine Standard Management Plan	1,928	1,856
Total fees paid to auditors	68,251	68,731

The auditors of the financial statements for 2025 were William Buck Audit (NZ) Limited (2024: William Buck Audit (NZ) Limited).

The auditors of the Wine Standard Management Plan for 2025 were Quality Auditing Specialists Limited (2024: Quality Auditing Specialists Limited).

	Note	2025 NZ\$	2024 NZ\$
Finance costs:			
Interest paid on borrowings from related parties	20	119,211	58,653
Lease interest	14	3,363	7,643
Other interest paid		5,409	9,006
		127,982	75,302

4. INCOME TAX EXPENSE

4.1. Components of Income tax expense

The income tax expense for the year is nil, (2024: \$nil)

The tax rate used for the reconciliation below is the corporate tax rate of 28% (2024: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

	2025 NZ\$	2024 NZ\$
Reconciliation of effective tax rate		
Profit/(loss) before income tax	(184,806)	53,911
Income tax expense/(benefit) calculated at 28%	(51,746)	15,095
Expected income expense/(benefit)	(51,746)	15,095
<u>Adjustments</u>		
Non deductible expenses	4,226	3,007
Losses brought forward	(1,459,508)	(1,462,472)
Losses offset against other deferred tax assets	10,809	(15,138)
Losses not recognised and carried forward	1,496,219	1,459,508
Income tax expense	-	-

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. INCOME TAX EXPENSE (continued)

4.2 Deferred tax assets and liabilities	2025	2024
	NZ\$	NZ\$
Deferred tax assets/(liabilities) arising from the following:		
Unused tax losses	1,496,219	1,459,508
Provisions and accruals	102,837	87,526
Property, plant and equipment	16,268	19,359
Right of use assets and lease liabilities	418	1,828
Tax benefits not recognised	(1,615,742)	(1,568,221)
Deferred tax assets as at 31 March	-	-

	Opening Balance	Movements	Balance
	1 April		as at
	NZ\$	NZ\$	31 March
			NZ\$
31 March 2024			
Unused tax losses	1,462,472	(2,964)	1,459,508
Provisions and accruals	99,173	(11,647)	87,526
Property, plant and equipment	23,039	(3,680)	19,359
Right of use assets and lease liabilities	1,640	188	1,828
Deferred tax not recognised	(1,586,324)	18,103	(1,568,221)
	-	-	-
31 March 2025			
Unused tax losses	1,459,508	36,711	1,496,219
Provisions and accruals	87,526	15,311	102,837
Property, plant and equipment	19,359	(3,091)	16,268
Right of use assets and lease liabilities	1,828	(1,410)	418
Deferred tax not recognised	(1,568,221)	(47,521)	(1,615,742)
	-	-	-

The above amounts are tax effected balances. Obtaining the benefits of the deferred tax assets is dependent upon deriving sufficient assessable income and the Group have assessed that there will not be sufficient taxable income with which to utilise the asset based on the forecasts provided.

Losses can be carried forward indefinitely under New Zealand tax law (assuming shareholder continuity requirements are met and approval of the Inland Revenue Department is obtained).

The Group has not recognised the deferred tax asset of \$1,615,742 on its Statement of Financial Position as at reporting date as the Group has determined that the utilisation of deferred tax assets is not probable. In deciding whether to recognise the deferred tax assets, the Group also considers whether it is likely that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

5. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025	2024
	NZ\$	NZ\$
<u>Basic earnings per share</u>		
Profit/(Loss) after taxation attributable to equity holders of the parent	(163,584)	(7,485)
Weighted average number of ordinary shares on issue	3,664,253,194	3,664,253,194
Basic and Diluted Earning per share in NZ\$	(0.00004)	(0.00000)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

6. AUTHORISED AND ISSUED SHARE CAPITAL

6.1 Ordinary shares

	Shares	Group
	Issued	NZ\$
	No.	
31 March 2024		
Balance at 1 April 2023	3,664,253,194	28,679,577
Movement for 2024 financial year		
Ordinary shares authorised and issued	-	-
Ordinary shares on issue at 31 March 2024	3,664,253,194	28,679,577
Treasury shares	(37,082)	(74)
Ordinary shares on issue at 31 March 2024 excluding treasury shares	3,664,216,112	28,679,503
31 March 2025		
Balance at 1 April 2024	3,664,253,194	28,679,577
Movement for 2025 financial year		
Ordinary shares authorised and issued	-	-
Ordinary shares on issue at 31 March 2025	3,664,253,194	28,679,577
Treasury shares	(37,082)	(74)
Ordinary shares on issue at 31 March 2025 excluding treasury shares	3,664,216,112	28,679,503

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

6. AUTHORISED AND ISSUED SHARE CAPITAL (continued)

All ordinary shares issued are fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share and have equal dividend rights and no par value.

Treasury shares are those shares acquired by the company from shareholders who exercised their minority buy back rights at the time shares were issued to NZ Silveray Group Limited. These shares are held by the company until the directors resolve to reissue the shares or to cancel the shares. At balance date, the company held 37,082 treasury shares which were acquired during 2016.

6.2 Warrants

No warrants were issued during the 2025 year (2024: \$nil).

6.3 Dividend

No dividends have been declared or paid for the year ended 31 March 2025 (2024: \$nil).

7. NON-CONTROLLING INTEREST

The non-controlling interests in both AFC Biotech Manufacturing Limited and AFC Longview Limited for the year ended 31 March 2025 were 49% (2024: 49%).

AFC Biotechnology Manufacture Co Limited

AFC Biotechnology Manufacture Co Limited was incorporated in July 2016 with 100 ordinary shares issued at \$10,000 for each share. For the FY2025 year, AFC Group Holdings Limited held 51% of the shares and non-controlling interest held remaining 49% of the shares (NZ Silveray Group Limited held 24% of the shares, Wei Li held 20% of the shares and others held remaining 5% of the shares).

AFC Longview Limited

On 26 February 2016 AFC Longview Limited was recapitalised by the issue of 2,399,999 shares of \$1 each for cash. 1,223,999 shares were subscribed by AFC Group Holdings Limited (51% shareholding) and NZ Silveray Group Limited (a non-controlling interest) subscribed to the remaining 1,176,000 shares (49% shareholding). During the year ended 31 March 2024 and 31 March 2025, NZ Silveray Group Limited transferred a total of 10% out of its 49% shares to JFC Group Limited. NZ Silveray Group Limited hold 39% share of Longview, and JFC Group Limited hold 10% as at 31 March 2025.

Both entities are incorporated and domiciled in New Zealand.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. NON-CONTROLLING INTEREST (continued)

The non-controlling interest in AFC Biotechnology Manufacture Co Limited and AFC Longview Limited are set out below. The amounts stated are before any inter-company eliminations.

	AFC Biotechnology Manufacture		AFC Longview Limited	
	2025	2024	2025	2024
	NZ\$	NZ\$	NZ\$	NZ\$
<u>Summarised statement of financial position</u>				
Current assets	64,137	111,599	332,748	251,529
Current liabilities	2,618,124	2,511,719	741,046	763,561
Current net assets/(liabilities)	(2,553,987)	(2,400,120)	(408,298)	(512,032)
Non-current assets	7,191	8,830	1,360,255	1,370,794
Non-current liabilities	-	-	-	19,000
Non-current net assets	7,191	8,830	1,360,255	1,351,794
Net assets	(2,546,796)	(2,391,289)	951,957	839,761
Net Assets attributed to non-controlling interest	(1,247,930)	(1,171,732)	466,459	411,483
<u>Summarised statement of comprehensive income</u>				
Revenue	34,727	93,952	706,361	1,230,449
Loss for the year	(155,507)	(383,935)	112,195	509,233
Other comprehensive income	-	-	-	-
Total comprehensive loss	(155,507)	(383,935)	112,195	509,233
Loss allocated to non-controlling interest	(76,198)	(188,128)	54,976	249,524
<u>Summarised cash flows</u>				
Cash flows from operating activities	(305,046)	(325,114)	33,865	388,901
Cash flows from investing activities	-	-	(13,174)	(1,905)
Cash flows from financing activities	304,370	335,640	(40,783)	(385,911)
Net increase/(decrease) in cash and cash equivalents	(676)	10,526	(20,092)	1,085

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

7. NON-CONTROLLING INTEREST (continued)

The effect on the profit and loss attributable to non-controlling interest and to the equity holders of the parent of AFC Longview Limited and AFC Biotechnology Manufacture Co Limited is summarised as follows:

	Total comprehensive loss for the year	Profit/(Loss) allocated to non- controlling interest	Loss allocated to the equity holders of the parent
31 March 2025			
AFC Longview Limited	112,195	54,976	57,219
AFC Biotechnology Manufacture Co Limited	(155,507)	(76,198)	(79,309)
	<u>(43,312)</u>	<u>(21,222)</u>	<u>(22,089)</u>
31 March 2024			
AFC Longview Limited	509,233	249,524	259,709
AFC Biotechnology Manufacture Co Limited	(383,935)	(188,128)	(195,807)
	<u>125,298</u>	<u>61,396</u>	<u>63,902</u>

The effect on the equity attributable to the owners of AFC Longview Limited and AFC Biotechnology Manufacture Co Limited is summarised as follows:

	2025 NZ\$	2024 NZ\$
AFC Longview Limited		
Opening Balance	411,484	161,960
Loss and total comprehensive loss attributed to non-controlling interest	54,976	249,524
	<u>466,460</u>	<u>411,484</u>
AFC Biotechnology Manufacture Co Limited		
Opening Balance	(1,149,251)	(961,123)
Loss and total comprehensive loss attributed to non-controlling interest	(76,198)	(188,128)
	<u>(1,225,449)</u>	<u>(1,149,251)</u>
Total effect of non-controlling interest	<u>(758,989)</u>	<u>(737,767)</u>

8. CASH AND CASH EQUIVALENTS

	2025 NZ\$	2024 NZ\$
Cash at bank and on hand	3,760	26,181
Total cash and cash equivalents	<u>3,760</u>	<u>26,181</u>

The carrying amount of cash and cash equivalents approximates their fair value.

Cash at bank earns interest at floating rates on daily deposit balances. There is no overdraft facility for the Group.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

9. TRADE, OTHER AND RELATED PARTY RECEIVABLES

	Note	2025 NZ\$	2024 NZ\$
Trade receivables - third parties		294	14,460
Trade receivables - related parties	20	108,000	-
		<u>108,294</u>	<u>14,460</u>
Allowance for impairment losses		-	(14)
Total trade and related party receivables		<u>108,294</u>	<u>14,446</u>
Analysis of trade and related party receivables			
Current		294	-
Past due 0-30		54,000	14,460
Past due 31-90		54,000	-
Past due more than 90		-	-
		<u>108,294</u>	<u>14,460</u>

Trade debtors are non-interest bearing and receipt is normally on 30 days terms. Related party receivables are non-interest bearing and repayable on demand as disclosed in note 20.

The directors consider that there is no material difference between the carrying value and fair value of trade debtors and related party receivables. The Group's management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. The directors also consider that the receivables that are past due and not impaired are fully recoverable.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and related party receivables.

The group applies both a specific loss component and a collective loss component in determining the allowance for impairment. The specific loss component considers and relates to individually significant exposures and the collective loss component is based on expected losses that are established for groups of similar assets. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The Group also considers other forward looking economic factors in determining the impairment of trade, other and related party receivables.

	2025 NZ\$	2024 NZ\$
Movement in the allowance for impairment losses		
Opening Balance 1 April	14	8
Reversal of prior year provision	(14)	(8)
Charge for the financial year	-	14
Closing Balance 31 March	<u>-</u>	<u>14</u>

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Current Investments

	2025	2024
	NZ\$	NZ\$
Short term deposit	20,223	-
Total current Investments	20,223	-

The carrying amount current investments approximates their fair value.
The short term deposit with ANZ earns interest at the time deposit rate.

11. PREPAYMENTS AND OTHER CURRENT ASSETS

	2025	2024
	NZ\$	NZ\$
Prepayment of expenses	78,733	61,663
Taxation receivable	675	305
GST receivable	-	20,881
	79,408	82,849

Prepayment of inventory is required to secure the production of specific inventory items produced to the Group's specification.

12. INVENTORIES

	2025	2024
	NZ\$	NZ\$
Work in progress	150,393	155,078
Finished goods	416,327	506,226
Provision for inventory	(262,816)	(208,748)
Total Inventories	303,905	452,556
	2025	2024
	NZ\$	NZ\$
Provision for closing stock		
Opening provision for inventory	(208,748)	(257,263)
Increase provision for inventory	(54,068)	-
Released to profit and loss	-	48,515
Closing provision for closing stock	(262,816)	(208,748)

Inventory of \$262,816 has been expensed and written down to net realisable value/lower of cost (2024: \$208,748).

Assessing write downs for inventory obsolescence and net realisable value involves making estimates and judgements in relation to future selling prices between the most recent store stock counts and reporting date.

The fair value of agricultural produce as at the point of harvest was \$2,014 (2024: \$2,511).

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Land NZ\$	Buildings NZ\$	Land Improvement NZ\$	Plant & Equipment NZ\$	Motor Vehicles NZ\$	Computer Equipment NZ\$	Fixture & Fittings, Office Equipment NZ\$	Bearer Plants - Grape Vines NZ\$	WIP- Mobile Building	Total NZ\$
Year ended 31 March 2024										
Cost										
Cost as at 1 April 2023	320,000	905,200	50,000	303,949	76,135	19,159	32,447	80,000	-	1,786,890
Additions	-	-	-	1,906	-	1,645	-	-	-	3,551
Disposal	-	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2024	320,000	905,200	50,000	305,854	76,135	20,804	32,447	80,000	-	1,790,441
Accumulated Depreciation										
Accumulated Depreciation at 1 April 2023	-	(14,477)	-	(229,744)	(66,043)	(17,130)	(28,700)	(33,647)	-	(389,742)
Depreciation charge for the year	-	(1,901)	-	(8,616)	(1,304)	(1,357)	(1,324)	(3,477)	-	(17,979)
Disposal	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation at 31 March 2024	-	(16,378)	-	(238,360)	(67,348)	(18,487)	(30,025)	(37,123)	-	(407,721)
Carrying Amount										
Cost	320,000	905,200	50,000	305,854	76,135	20,804	32,447	80,000	-	1,790,441
Accumulated Depreciation	-	(16,378)	-	(238,360)	(67,348)	(18,487)	(30,025)	(37,123)	-	(407,721)
Carrying Amount 31 March 2024	320,000	888,822	50,000	67,494	8,787	2,317	2,423	42,877	-	1,382,719
Year ended 31 March 2025										
Cost										
Cost as at 1 April 2024	320,000	905,200	50,000	305,854	76,135	20,804	32,447	80,000	-	1,790,441
Additions	-	-	-	-	3,174	-	-	-	85,885	89,059
Disposal	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Cost as at 31 March 2025	320,000	905,200	50,000	305,854	79,309	20,804	32,447	80,000	85,885	1,879,500
Accumulated Depreciation										
Accumulated Depreciation at 1 April 2024	-	(16,378)	-	(238,360)	(67,348)	(18,487)	(30,025)	(37,123)	-	(407,721)
Depreciation charge for the year	-	(1,787)	-	(7,794)	(1,902)	(1,158)	(648)	(3,216)	-	(16,505)
Disposal	-	-	-	-	-	-	-	-	-	-
Prior period correction	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation at 31 March 2025	-	(18,166)	-	(246,155)	(69,249)	(19,645)	(30,673)	(40,339)	-	(424,226)
Carrying Amount										
Cost	320,000	905,200	50,000	305,854	79,309	20,804	32,447	80,000	85,885	1,879,500
Accumulated Depreciation	-	(18,166)	-	(246,155)	(69,249)	(19,645)	(30,673)	(40,339)	-	(424,226)
Carrying Amount 31 March 2025	320,000	887,034	50,000	59,700	10,060	1,159	1,775	39,661	85,885	1,455,273

Bearer plants consist of grape vines on our vineyards here in New Zealand. As at 31 March 2025, the Group had grape vines planted on 4.22 productive hectares of land (2024: 4.22 hectares).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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14. RIGHT-OF-USE ASSETS

The group leases a property in New Zealand. The periodic rent is fixed over the lease term for the property lease. The group extended the lease to 30 April 2028 in March 2025. The lease modification was recorded.

14.1 Right-of-use assets

Year ended 31 March 2024

	<u>Buildings</u>	<u>Total</u>
At 1 April 2023	84,710	84,710
Depreciation	(40,661)	(40,661)
At 31 March 2024	<u>44,049</u>	<u>44,049</u>

Year ended 31 March 2025

	<u>Buildings</u>	<u>Total</u>
At 1 April 2024	44,049	44,049
Effect of modification to lease terms	155,313	155,313
Depreciation	(40,661)	(40,661)
At 31 March 2025	<u>158,701</u>	<u>158,701</u>

14.2 Lease liabilities

Year ended 31 March 2024

	<u>Buildings</u>	<u>Total</u>
At 1 April 2023	90,567	90,567
Lease interest	7,643	7,643
Lease payments	(47,632)	(47,632)
At 31 March 2024	<u>50,578</u>	<u>50,578</u>

Lease liabilities

Current lease liabilities	45,698	45,698
Non-current lease liabilities	4,879	4,879
Total lease liabilities	<u>50,578</u>	<u>50,578</u>

Year ended 31 March 2025

	<u>Buildings</u>	<u>Total</u>
At 1 April 2024	50,578	50,578
Lease interest	3,363	3,363
Lease payments	(49,063)	(49,063)
Effect of modification to lease terms	155,313	155,313
At 31 March 2025	<u>160,192</u>	<u>160,192</u>

Lease liabilities

Current lease liabilities	44,936	44,936
Non-current lease liabilities	115,256	115,256
Total lease liabilities	<u>160,192</u>	<u>160,192</u>

Short-term leases and leases for low value assets

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred on a straight line basis. The group's short-term leases and leases of low value assets include small office equipment such as eftpos equipment.

AFC Group Limited has provided a guarantee with ANZ in favour of the landlord of the leased premises for \$37,345 (2023:nil).

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14. RIGHT-OF-USE ASSETS (continued)

Short-term leases and leases for low value assets (continued)

Lease payments for short-term leases and leases for low value assets expensed to profit or loss on a straight line basis are as follows:

	2025	2024
	NZ\$	NZ\$
Lease of eftpos equipment	155	165

15. BIOLOGICAL ASSETS

Biological assets comprise the grape fruit bunches growing on the grape vines.

	2025	2024
	NZ\$	NZ\$
Carrying value of biological assets		
Opening Balance	-	-
Movements in Period		
Additions at fair value	2,014	2,511
Transfer of harvested fresh fruit bunches to inventory	(2,014)	(2,511)
Balance as at 31 March	-	-

The Company grows grapes to use in the production of wine, as part of normal operations. Vineyards are located in Whangarei, New Zealand. Grapes are harvested between February and March each year.

During the year ended 31 March 2025, the Group harvested grapes equal to 565 litres of wine (2024: 698 litres). The Company did not purchase any wine from independent third party growers (2024: \$nil). The grapes harvested are adjusted to fair value at the point of harvest and any adjustment to bring the cost of sales to fair value is recognised in inventory and cost of sales.

The Group is exposed to financial risks in respect of agricultural activity. The agricultural activity of the Company consists of the management of vineyards to produce grapes for use in the production of wine. The primary financial risk associated with this activity occurs due to the length of time between expending cash on the purchase or planting and maintenance of grape vines and on harvesting grapes, and ultimately receiving cash from the sale of wine to third parties. The Company's strategy to manage this financial risk is to actively review and manage its working capital requirements. The quality and quantity of the grape harvest is dependent on seasonal climatic factors such as rainfall, sunshine and temperature, including frosts.

Refer to the segment reporting disclosure in note 24 for details on the vineyard and winery.

AFC GROUP HOLDINGS LIMITED
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16. INTANGIBLE ASSETS

	Trademarks NZ\$	Total NZ\$
Year ended 31 March 2024		
Cost		
Cost as at 1 April 2023	1,500	1,500
Cost as at 31 March 2024	1,500	1,500
Accumulated Amortisation		
Accumulated amortisation at 1 April 2023	(942)	(942)
Amortisation for the year	(150)	(150)
Accumulated amortisation as at 31 March 2024	(1,092)	(1,092)
Carrying Amount		
Cost	1,500	1,500
Accumulated amortisation	(1,092)	(1,092)
Carrying Amount 31 March 2024	408	408
Year ended 31 March 2025		
Cost		
Cost as at 1 April 2024	1,500	1,500
Cost as at 31 March 2025	1,500	1,500
Accumulated Amortisation		
Accumulated amortisation at 1 April 2024	(1,092)	(1,092)
Amortisation for the year	(150)	(150)
Accumulated amortisation as at 31 March 2025	(1,242)	(1,242)
Carrying Amount		
Cost	1,500	1,500
Accumulated amortisation	(1,242)	(1,242)
Carrying Amount 31 March 2025	258	258

The amortisation charge of \$150 (2024: \$150) is recognised under administration expenses in the Statement of Comprehensive Income.

AFC GROUP HOLDINGS LIMITED
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17. TRADE, OTHER AND RELATED PARTY PAYABLES

	Note	2025 NZ\$	2024 NZ\$
Trade creditors		173,930	97,807
Accruals		169,786	125,372
Related party payables	20	1,262,524	1,215,371
Other payables		21,941	19,254
GST payable		31,428	-
		1,659,609	1,457,804

The normal trade credit terms granted to the Group range from 30 to 90 days. The trade creditors are unsecured and non-interest bearing. The carrying amount disclosed above is a reasonable approximation of fair value. Refer to note 20 for related parties.

The related party advances with NZ Silveray Group Limited, Hao Long and Shuang Xia are interest bearing advances with interest being charged at 10.08% - 13.70% per annum for outstanding amounts.

18. BORROWINGS

	2025 \$	2024 \$
Small business cashflow loan	66,447	66,447
Other (Insurance expense financing)	-	-
	66,447	66,447
Current	56,447	37,447
Non-current: Between one and five years	10,000	29,000
	66,447	66,447

The carrying amount of the borrowings is considered to be a reasonable approximation of the fair value. Borrowings are initially recognised at fair value plus transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (plus transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. The Small business cashflow loans are classified as non-current liabilities as the Group has a right to defer settlement of the liability 12 months after the balance sheet date.

The Small Business Cash flow (Loan) Scheme (SBCS) has been introduced to support businesses impacted by Covid-19. The final repayment date being five years after the receipt. The loans are subject to an annual interest rate of 3% from the date the loan is made available. Interest will not be charged if the loan is fully repaid within 2 years. The default interest rate is 13.88% per annum.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. NET CASH OUTFLOW FROM OPERATING ACTIVITIES

The reconciliation of net profit / (loss) with cash outflow from operations is as follows:

	Note	2025 NZ\$	2024 NZ\$
Loss before taxation		(184,806)	53,911
<i>Adjustment for non cash items</i>			
Amortisation and impairment of intangible assets	16	150	150
Depreciation of property, plant and equipment	13	16,505	17,979
Depreciation of right-of-use assets	14	40,661	40,661
Impairment of property, plant and equipment	13	-	-
Revaluation adjustment on inventory		103,581	77,341
Foreign exchange differences		8,688	2,772
Doubtful debts		(14)	6
Provision for closing stock		54,068	(48,515)
<i>Adjustment for movements in working capital items</i>			
Trade and other receivables		14,166	(6,230)
Inventories		(94,883)	(166,656)
Prepayments and other current assets		3,441	(13,608)
Related party receivable		(108,000)	2,624
Trade and other payables		154,652	(8,784)
Related party payables		(283,906)	(48,900)
Net cash outflow from operating activities		<u>(275,697)</u>	<u>(97,249)</u>

20. RELATED PARTIES

Related party transactions have arisen where a person(s) has control or significant influence over the reporting entity or where two entities are controlled or jointly controlled by a person(s) that has control or significant influence over the reporting entity.

Related Parties:

Anhui Asin International Trade Co. Ltd	Company associated with Chairman, Mr Yang Xia
Anhui Asin Supply Chain Co. Ltd	Company associated with Chairman, Mr Yang Xia
Australasian International Group Ltd	Company associated with Chairman, Mr Yang Xia
Bo Xian Cao	Director of company and subsidiary
E Way Holdings Group Ltd	Company associated with director, Mr Bo Xian Cao
Guangdong Farmside International Trading Co. Ltd	Company associated with Chairman, Mr Yang Xia
Hao Long	Former director of subsidiary, senior employee of AFC
Howard & Co Consulting and Advisory Services Ltd	Company associated with Mr Hao Long
JFC Group Ltd	Company associated with director, Jianfeng Chen

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. RELATED PARTIES (continued)

Related Parties (continued):

New Zealand National Trade Ltd	Company associated with former director, Mr Qiang Li
NZ Silveray Group Ltd	Company's major shareholder
Qiang Li	Director of company (resigned October 2022)
Suncare Nutrition (NZ)	Company associated with former director, Mr Qiang Li
Yang Xia	Director of company and subsidiary
Jianfeng Chen□	Director of company
Ex space Ltd	Company associated with director, Mr Jianfeng Chen
Shuang Xia	Director of company

Related party balances

The following balances were held with related parties at year end.

		31 March 2025	31 March 2024
	Nature of Transactions	\$	\$
Related Party Payables			
Anhui Asin International Trade Co. Ltd	Purchases of goods	56,024	54,399
Australasian International Group Ltd	Purchases of goods	9,004	119,094
Guangdong Farmside International Trading Co. Ltd	Purchase of goods and services	-	104,803
Guangdong Farmside International Trading Co. Ltd	Advance	-	60,000
Hao Long	Advance	-	3,057
New Zealand National Trade Ltd	Director fees	12,075	12,075
Howard & Co Consulting and Advisory Services Ltd	Management fees & salary	-	10,638
NZ Silveray Group Ltd	Advances	1,180,381	851,305
Shuang Xia	Advance	5,040	-
		1,262,524	1,215,371

The related parties payables are unsecured and repayable on demand. There is no collateral or guarantees for related parties payables. Related parties payables for purchases of goods, sales incentive, directors fees and management fees are non-interest bearing.

During the financial year, the AFC Group received a total of NZ\$306,639.74 in debt forgiveness from related parties, of which \$115,023.74 was forgiven by Australasia International Group Limited and \$191,616.00 was forgiven by Guangdong Farmside International Trading Co. Limited. The debt waivers are intended to support the development of the AFC Group while protecting the long-term strategic relationship between the two parties.

The related party advances with NZ Silveray Group Limited, Shuang Xia and Hao Long(repaid during the year) are interest bearing advances. Most which bore interest at 10.08% per annum on the advances outstanding and and there was an advance of \$300,000 from NZ Silveray group Limited with an interest rate of 13.70% per annum. Advances from Guangdong Farmside International Trading Co.Limited are non interest bearing.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. RELATED PARTIES (continued)

Related party balances (continued):

NZ Silveray Group Limited have agreed that they will not be calling upon the group for the repayment of the above payables balances as at 31 March 2025 for a period of at least 12 months from the date of signing the 31 March 2025 financial statements, or to such a point in time as the group has the liquidity to settle these liabilities.

	Nature of Transactions	31 March 2025 \$	31 March 2024 \$
Related Party Receivables			
JFC Group Limited	Sale of products	108,000	-
		108,000	-

The related parties receivables are non interest bearing, unsecured and repayable on demand. There is no collateral or guarantees for related parties receivables. Sales made to related parties in China are made on extended terms with payment due 3 months from the date the goods are received by the related party.

Related party transactions	Year ended 2025 \$	Year ended 2024 \$

Sales of products or services provided to the following:

NZ Silveray Group Limited	280,739	730,100
Howard & Co Consulting and Advisory Services Limited	-	7,670
Ex space limited	-	457,742
JFC Group Limited	412,174	56,700
Anhui Asin International Trade Co. Ltd	-	34,975
	692,913	1,287,187

Purchases from the following for services or products provided:

Anhui Asin International Trade Co. Ltd	-	40,821
Anhui Asin Supply Chain Co. Ltd	-	115,675
Ex space limited	-	169,565
Guangdong Farmside International Trading Co., Ltd	49,000	49,000
JFC Group Limited	130,435	-
Howard & Co Consulting and Advisory Services Limited	62,917	161,200
	242,351	536,261

Interest paid or credited on related party balances:

Shuang Xia	40	-
Hao Long	713	4,075
NZ Silveray Group Limited - on advances	118,470	54,578
	119,223	58,653

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. RELATED PARTIES (continued)

Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and include the directors and the Chief Executive. Remuneration paid to key management personnel is as follows:

	March 2025	March 2024
	\$	\$
Salaries and other short-term benefits	127,925	160,250
Directors' fees	-	-
	127,925	160,250

Director received no salaries and director fee in FY2025 (2024: \$nil).

21. COMMITMENTS

The Group has no capital commitments as at 31 March 2025 (2024: \$nil).

22. FINANCIAL INSTRUMENTS

Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
	NZ\$	NZ\$	NZ\$
31 March 2025			
<i>Financial Assets:</i>			
Cash and cash equivalents	3,760	-	3,760
Trade and related party receivables	108,294	-	108,294
Current investments	20,223	-	20,223
Total financial assets	132,277	-	132,277
<i>Financial liabilities:</i>			
Trade and other payables	-	1,588,048	1,588,048
Borrowings	-	66,447	66,447
Lease liabilities	-	160,192	160,192
Total financial liabilities	-	1,814,687	1,814,687
31 March 2024			
<i>Financial Assets:</i>			
Cash and cash equivalents	26,181	-	26,181
Trade and related party receivables	14,446	-	14,446
Total financial assets	40,627	-	40,627
<i>Financial liabilities:</i>			
Trade and other payables	-	1,457,804	1,457,804
Borrowings	-	66,447	66,447
Lease liabilities	-	50,577	50,577
Total financial liabilities	-	1,574,828	1,574,828

The fair value of the financial instruments of the Group approximates their carrying value.

AFC GROUP HOLDINGS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

22. FINANCIAL INSTRUMENTS (continued)

Categories of financial assets and liabilities(continued)

The use of financial instruments exposes the Group to credit, interest rate and liquidity risks. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

The specific financial risks that the Group is exposed to are discussed below.

Capital management

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising of issued capital and retained earnings. The Group's capital includes shares net of accumulated losses with total shareholders' funds equal to \$243,574 (2024: \$428,380). The related party advances of \$1,185,421 (2024: \$914,362) included in the Group's capital structure are disclosed in note 20. As there is no collateral over the related party advances, the maximum exposure is represented by the carrying amount of the payables as at the end of the reporting period.

The Group is not subject to any externally imposed capital requirements.

The Board reviews the Group's capital structure regularly. The capital of the Group is monitored to ensure equity holder objectives are met, the primary of which is to ensure the Group provides a consistent return to its equity shareholders through a combinations of capital growth and distributions. The Group manages its capital to ensure the entities in the Group will be able to continue as going concerns.

Credit risk

Financial instruments which potentially are subject to credit risk principally relate to bank accounts, loans receivable, trade receivables and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty. The bank accounts are placed with high credit quality financial institutions. The Company performs credit evaluations on all customers requiring advances. The Company generally requires collateral or other security to support loans advanced. The board and management on a regular basis assess all receivables.

The values in the statement of financial position are also the maximum credit risk exposure.

Credit risk concentration profile

The Group's concentrations of credit risk relate to one balance owing as at balance date. One (1) amount is owing from a customer which constitutes 99.7% of the total trade receivables as at the end of the reporting period, which is owing by the related party customer(JFC Group Limited) as at the end of the report period. (2024: No trade receivables and related party receivables related to the Groups' related party customers).

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade and other receivables by geographical region is as follows:

	2025	2024
	NZ\$	NZ\$
China	-	-
New Zealand	108,294	14,446
Total trade and related party receivables	108,294	14,446

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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22. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Ageing analysis

The ageing analysis of the Group's trade and related party receivables as at reporting date is as follows:

	2025	2024
	NZ\$	NZ\$
Not past due	294	-
Past due 0-30	54,000	14,446
Past due 31-90	54,000	-
Total trade and related party receivables	<u>108,294</u>	<u>14,446</u>

Expected credit loss assessment as at 1 April 2024 and 31 March 2025

The Group recognised no impairment losses on trade, other and related party receivables (2024: \$14) based on the expected loss model assessment under NZ IFRS 9.

This includes assessing and allocating expected loss rates based on historical data and trends using loss rates that are calculated using actual credit losses experienced for the 2024 and 2025 years. These rates are also adjusted for factors such as economic conditions, external ratings, cash flow projections and other information available that impacts the customers of the Group. The Group has used unemployment rates and inflation rates for the assessment and calculation of the expected loss.

The Group has also assessed and included specific expected losses amounts relating to specific customers where there are indications that the customer is not expected to be able to pay their outstanding balances.

The Group believe that no further impairment allowance is necessary in respect of trade and related party receivables. They are substantial companies with good track records. This year 100% of the receivables that are past due relate to amounts owing by one customer.

Interest rate risk

Interest rate risk is where the risk of loss to the Group from adverse changes in interest rates. The Group exposure to interest rate changes that can affect the performance of the operation relates primarily to changes in fixed rates at the time term loans are renegotiated.

The Group exposure to interest rate risk is minimal as the interest-bearing financial instruments carry fixed interest rates and are measured at amortised cost. As such, sensitivity analysis is not disclosed.

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

AFC GROUP HOLDINGS LIMITED
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22. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources, trade receivables and the provision of funding from related parties and bank loan facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed using contractual rates or, if floating, based on the rate at the end of the reporting period):

	0 to 6 months NZ \$	7 to 12 months NZ \$	1 to 2 years NZ \$	Over 2 years NZ \$	Total NZ \$
2025					
<u>Financial Liabilities</u>					
Trade creditors and other payables	310,671	14,853	-	-	325,524
Related party payables	-	282,075	980,449	-	1,262,524
Borrowings	56,447	-	-	10,000	66,447
Lease liabilities	21,904	23,032	51,374	63,882	160,192
	<u>389,023</u>	<u>319,960</u>	<u>1,031,823</u>	<u>73,882</u>	<u>1,814,687</u>

2024

Financial Liabilities

Trade creditors and other payables	224,017	14,853	-	-	238,870
Related party payables	10,638	957,240	247,493	-	1,215,371
Borrowings	26,523	6,631	4,293	29,000	66,447
Lease liabilities	17,263	28,435	4,879	-	50,577
	<u>278,441</u>	<u>1,007,159</u>	<u>256,665</u>	<u>29,000</u>	<u>1,571,265</u>

Interest rate risk profile

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2025 NZ\$	2024 NZ\$
Fixed interest instruments		
Financial assets	-	-
Financial liabilities	(1,412,061)	(971,386)
Total	<u>(1,412,061)</u>	<u>(971,386)</u>

The Financial assets and liabilities are fixed for various terms.

Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities are determined using standard terms and conditions of the relevant instruments. The method used in determining the fair values of financial instruments are discussed in note 1.13 and 1.14.

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

23. INVESTMENT IN SUBSIDIARIES

Name of subsidiary	Principal activity	Ownership interest and voting rights	
		2025	2024
AFC Longview Limited	Vineyard and winery	51%	51%
AFC International Trading Group Limited	Commodity trading	100%	100%
National Dairy Group Limited	Source and distribute goods to China	100%	100%
AFC Biotechnology Manufacture Co Limited	Manufacturing	51%	51%
AFC GoGlobal Ecommerce Limited	Non-Trading	100%	100%
AFC Education Investment Limited	Non-Trading	100%	100%

All the subsidiaries are incorporated in New Zealand and have 31 March balance dates.

Refer to note 7 for further details of non-controlling interests in AFC Longview Limited and AFC Biotechnology Manufacture Co Limited.

24. SEGMENT REPORTING

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments on an entity. The Group has determined the Group's Board of Directors as its chief operating decision-maker as the board is responsible for allocating resources and assessing the performance of the operating segments and making strategic and operating decisions. Income and expenses directly associated with each segment are included in determining each segment's performance.

The Group operates in a number of business segments in New Zealand. The Group has determined its operating segments into three segments, namely international marketing and distribution, vineyard and winery and manufacturing. These segments reflect the different type of industry sectors within which the Group operates. The Company is considered to be in the corporate operating segment.

Information regarding the operations of each reportable operating segment is included below.

Vineyard and winery

AFC Longview Limited, a vineyard and winery based in Whangarei which produces and sells a number of varieties and blends of wine.

Manufacturing

AFC Biotechnology Manufacture Co Limited which manufactures cosmetic face masks.

AFC GROUP HOLDINGS LIMITED
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24. SEGMENT REPORTING (continued)

Corporate

The operations of this segment include providing accounting, management and administration services to other segments of the Group. AFC GoGlobal ECommerce Limited and AFC Education Investment Limited did not trade during the 2025 financial year and have been included under this segment. AFC International Trading Group Limited, which sources packaged food products, cosmetics and health products. National Dairy Group Limited, which sources food products for distribution for China. National Dairy Group Limited was not trading during the 2025 financial year.

No operating segments have been aggregated to form the above reportable operating segments.

The Group's taxation has not been allocated to segments and is included centrally. Financing has been allocated to segments.

Sales between the segments of the Group are made on in a similar manner to transactions with third parties.

Year ended 31 March 2025

	Vineyard and winery	Corporate	Manufacturin g	Eliminations and adjustments	Year ended 31 March 2025
	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Operating Income					
Operating Revenue	706,361	-	34,727	-	741,088
Other Revenue	78,081	184,254	246,640	(180,000)	328,975
Interest Income	2	314,921	46	(312,560)	2,409
Total Revenue	784,444	499,175	281,413	(492,560)	1,072,472
Cost of sales	244,528	-	119,364	-	363,892
Operating Expenses					
Interest	69,019	134,106	237,417	(312,560)	127,982
Amortisation and Impairment losses	-	150	-	-	150
Depreciation	13,713	41,813	1,639	-	57,166
Other expenses	344,989	464,600	78,500	(180,000)	708,088
Total operating expenses	427,721	640,669	317,556	(492,560)	893,386
Segment profit/ (loss) before tax	112,195	(141,494)	(155,507)	-	(184,806)
Assets					
Segment assets	1,693,003	6,671,514	71,328	(6,306,023)	2,129,822
Capital Expenditure	-	-	-	-	-
Segment Liabilities	741,046	2,099,100	2,618,124	(3,572,022)	1,886,248

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. SEGMENT REPORTING (continued)

Year ended 31 March 2024

	Vineyard and winery	Corporate	Manufacturin g	Eliminations and adjustments	Year ended 31 March 2024
	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Operating Income					
Operating Revenue	1,230,449	-	93,952	-	1,324,401
Other Revenue	11,309	275,414	-	(240,000)	46,723
Interest Income	3	275,680	96	(274,696)	1,083
Total Revenue	1,241,761	551,094	94,048	(514,696)	1,372,207
Cost of sales	268,580	2,174	84,330	-	355,084
Operating Expenses					
Interest	66,789	77,524	205,685	(274,696)	75,302
Impairment losses	-	150	-	-	150
Depreciation	14,314	41,839	2,487	-	58,640
Other expenses	382,845	500,794	185,481	(240,000)	829,120
Total operating expenses	463,948	620,307	393,653	(514,696)	963,212
Segment profit/(loss) before tax	509,233	(71,387)	(383,935)	-	53,911
Assets					
Segment assets	1,622,323	6,273,571	120,429	(6,013,114)	2,003,208
Capital expenditure	-	-	-	-	-
Segment liabilities	782,561	1,559,662	2,511,719	(3,279,113)	1,574,828

The eliminations and adjustments of segment profit, assets and liabilities relate to intercompany transactions and balances which are eliminated on consolidation.

	2025 NZ\$	2024 NZ\$
Profit / (loss) before tax for operating segments	(184,806)	53,911
Taxation benefit for the year	-	-
Profit / (loss) after taxation	(184,806)	53,911
Total assets for operating segments	2,129,822	2,003,208
Add: deferred tax asset	-	-
Total assets per Statement of Financial Position	2,129,822	2,003,208
Total liabilities for operating segments	1,886,248	1,574,828
Adjustments	-	-
Position	1,886,248	1,574,828

AFC GROUP HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

24. SEGMENT REPORTING (continued)

Geographical segments

Revenue from external customers is attributed to geographical segments on the basis of the country the customer is trading in. Revenues from five related party customers of the Group's international marketing, vineyard and manufacturing segments represented 97% (2023: 86%) of the Group's total operating revenue.

	Vineyard and winery	Corporate	Manufacturin g	Eliminations and adjustments	Total
	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
31 March 2025					
China	276,454	-	-	-	276,454
New Zealand	429,907	-	34,727	-	464,634
Operating Revenue	706,361	-	34,727	-	741,088
31 March 2024					
China	730,100	-	-	-	730,100
New Zealand	500,349	-	93,952	-	594,302
Operating Revenue	1,230,449	-	93,952	-	1,324,402

All operations, assets, and liabilities were domiciled within New Zealand.

25. NET TANGIBLE ASSETS PER SHARE

The net tangible assets and number of shares used in the calculation are as follows:

	2025	2024
	NZ\$	NZ\$
Total assets	2,129,822	2,003,208
Less right-of-use assets	158,701	44,049
Less intangible assets	258	408
Tangible assets	1,970,863	1,958,751
Less total liabilities	1,886,248	1,574,828
Add lease liabilities	160,192	50,577
Net tangible assets	244,807	434,500
Number of ordinary shares on issue	3,664,253,194	3,664,253,194
Net tangible assets / liabilities per share in NZ\$	0.00006681	0.00011858

26. CONTINGENT LIABILITIES

The Group has no contingent liabilities at 31 March 2025 (2024: Nil).

27. EVENTS AFTER THE REPORTING PERIOD

The Group has no events after the reporting period that need to be disclosed.

Independent auditor's report to the shareholders of AFC Group Holdings Limited

Report on the audit of the consolidated financial statements



Disclaimer of opinion

We do not express an opinion on the accompanying consolidated financial statements of AFC Group Holdings Limited (the Company) and its subsidiaries (the Group). Because of the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements.

We were engaged to audit the consolidated financial statements of the Group, which comprise:

- the consolidated statement of financial position as at 31 March 2025,
- the consolidated statement of comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- notes to the consolidated financial statements, including material accounting policy information.

Basis for disclaimer of opinion

As disclosed in Note 1.6 to the financial statements the Group has several factors that give rise to a material uncertainty that may cast significant doubt about the Group's ability to continue as a Going Concern. These factors include a net loss of \$184,806 for the year ended 31 March 2025, net cash outflow from operating activities of \$275,697, cash at bank of \$3,760 as at 31 March 2025 and a net current liability of \$1,245,402 as at 31 March 2025. Although the Group reported a positive equity position of \$243,574 at 31 March 2025, the outcome of proposed revenue streams and the availability of shareholder support remain uncertain. These uncertainties, together with challenges in generating positive cash flows in recent years and the absence of adequate committed funding from shareholders, means we were unable to obtain sufficient appropriate audit evidence to form an opinion on the Going Concern assumption adopted in the preparation of the consolidated financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2025, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing (New Zealand) and to issue an auditor's report. However, because of the matters described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

The engagement partner on the audit resulting in this independent auditor's report is Bonita Swanepoel.

Restriction on distribution and use

This independent auditor's report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our audit work or for this independent auditor's report.

William Buck.

William Buck Audit (NZ) Limited
Auckland, 30 June 2025

AFC GROUP HOLDINGS LIMITED

SHAREHOLDER AND STATUTORY INFORMATION

The company is listed on the Alternative Market of the New Zealand Exchange (NZX).

Largest Shareholders (As at 31 May 2025)

Rank	Shareholder	Holding	%
1	NZ SILVERAY GROUP LIMITED	1,508,808,517	41.18%
2	WEI FANG	451,043,376	12.31%
3	E WAY HOLDINGS GROUP LIMITED	198,750,000	5.42%
4	LEI CHEN	180,000,000	4.91%
5	YINRUI SHEN	180,000,000	4.91%
6	YONG ZHU	122,578,309	3.35%
7	SHANSHAN LU	120,000,000	3.27%
8	SHUOPENG WANG	100,000,000	2.73%
9	ZHONGSHENG YAO	100,000,000	2.73%
10	LIN FANG	98,750,000	2.69%
11	FEI YAO	80,000,000	2.18%
12	MINGBAO ZHANG	80,000,000	2.18%
13	TINGSONG ZHANG	47,505,000	1.30%
14	ZHAN QIN XU	30,000,000	0.82%
15	WENMING TAN	28,609,957	0.78%
16	PRAKASH PANDEY	28,513,333	0.78%
17	ANTHONY EDWIN FALKENSTEIN & IAN DONALD MALCOLM	22,347,222	0.61%
18	HAO LONG	20,000,000	0.55%
19	HUAI JI ZHOU	20,000,000	0.55%
20	WEIHUA LI	19,334,790	0.53%

Spread of Shareholders (as at 31 May 2025)

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 - 1,999	47	6.88%	57,755	0.00%
2,000 - 4,999	95	13.91%	322,578	0.01%
5,000 - 9,999	96	14.06%	701,151	0.02%
10,000 - 49,999	228	33.38%	5,356,412	0.15%
50,000 - 99,999	40	5.86%	2,715,892	0.07%
100,000 – 499,999	73	10.69%	13,708,212	0.37%
500,000 – 9,999,999	24	3.51%	16,355,663	0.45%
1,000,000 – plus	80	11.71%	3,625,035,531	98.93%
	683	100%	3,664,253,194	100%
Geographic Spread				
New Zealand	667	97.66%	3,662,709,383	99.96%
Other	16	2.34%	1,543,811	0.04%
	683	100.00%	3,664,253,194	100.00%

AFC GROUP HOLDINGS LIMITED

SHAREHOLDER AND STATUTORY INFORMATION (continued)

Substantial Product Holders (as at 31 March 2025)

This information reflects the company's records and disclosures made under section 280(1)(b) of the Financial Markets Conduct Act 2013.

	Ordinary Shares Beneficially Held	Ordinary Shares Beneficially Held	% Held	% Held
	2025	2024	2025	2024
NZ Silveray Group Limited	1,508,808,517	1,508,808,517	41.18	41.18
Wei Fang	451,043,376	451,043,376	12.31	12.31
E Way Holdings Group Limited	198,750,000	198,750,000	5.42	5.42
Lei Chen	180,000,000	180,000,000	4.91	4.91
Yinrui Shen	180,000,000	180,000,000	4.91	4.91
	2,518,601,893	2,518,601,893	68.73	68.73

The total number of voting securities of the company on issue at 31 March 2025 was 3,664,253,194 paid ordinary shares.

Directors

During the year the board of directors comprised:

<u>Non-executive directors</u>	Appointed	Resigned
Yang Xia (Chairman)	13-Apr-15	-
Shuang (Simon) Xia	16-Sep-22	-
Jianfeng Chen	25-Oct-22	-
<u>Independent directors</u>		
Bo Xian Cao	6-Jun-16	-
Zilei Wang	16-May-18	-
Jingwei Ma	29-Mar-21	-

Statement of Directors' Security Holdings (as at 31 March 2025)

	Shares Beneficially Owned Held Solely	Shares Beneficially Owned Held by Associated Persons
	Bo Xian Cao	-
Yang Xia	-	1,508,808,517

Shares beneficially owned held by associated persons for Mr Bo Xian Cao comprise his interest as the owner of all the shares in E Way Holdings Group Limited, which company is the holder of 198,750,000 shares.

Mr Xia's shares beneficially owned held by associated persons comprise his interest as an ultimate shareholder in NZ Silveray Group Limited, which company is the holder of 1,508,808,517 shares.

AFC GROUP HOLDINGS LIMITED

SHAREHOLDER AND STATUTORY INFORMATION (continued)

Statement of Directors' Security Holdings (as at 31 March 2025) (continued)

There were no other securities transactions disclosed to the Board and entered into the Interests Register for the year to 31 March 2025

The following are directorships held by the AFC Group Holdings Limited Directors as at 31 March 2025:

Yang Xia
Anhui Asin International Trade Co. Ltd Guangdong Farmside International Trading Co Limited Anhui Asin Supply Chain Co. Ltd National Dairy Group Ltd NZ Silveray Group Limited Australasian International Group Limited
Bo Xian Cao
AFC International Trading Group Limited E Way Holdings Group Limited
Jianfeng Chen
Ex Space Limited JFC Group Limited
Shuang Xia
NZ Silveray Group Limited AFC Biotechnology Manufacture Co.,Ltd

Directors' Remuneration and Other Benefits

The Directors of AFC Group Holdings Limited voluntarily received no director fee for the twelve months to 31 March 2025 to support the business development. No other remuneration or benefits were paid to directors during this period.

Employees Remuneration (Excluding Directors)

There was one employee who received remuneration in excess of \$100,000 during the year.

Directors' Indemnity and Insurance

The Company has not arranged policies of Directors' Liability insurance. Directors are personally liable for obtaining insurance to ensure that generally they do not incur no monetary loss as a result of action taken as directors.

Donations

No donations were made during the period (2024: Nil)

AFC GROUP HOLDINGS LIMITED

CORPORATE INFORMATION

SOLICITORS

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Auckland 1140

SHARE REGISTRAR

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Auckland 1142

ACCOUNTANTS

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PO Box 204276
Level 2, Building 5
62 Highbrook Drive, Highbrook
Auckland 2013

AUDITORS

William Buck Audit (NZ) Limited
P O Box 106 090
Level 4, 21 Queen Street
Auckland 1010

BANKERS

ANZ Bank New Zealand Limited

AFC GROUP HOLDINGS LIMITED

Security code: AFC
Listed on NZX Market
NZ Company number: 1799581

HEAD OFFICE / REGISTERED OFFICE

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