



MARLBOROUGH
WINE ESTATES

HALF YEAR REPORT

For the six months ended 31 December 2022

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EXECUTIVE CHAIRMAN AND CEO'S REVIEW

For the six months ended 31 December 2022

Performance Overview

	Six months to 31 December 2022	Six months to 31 December 2021	% Change vs 2021
Total branded case sales	26,481	23,767	+ 11%
Domestic branded case sales	18,027	18,298	- 1%
International case sales	8,454	5,469	+ 55%
Total Revenue	\$4,230,272	\$3,225,877	+ 31%
Gross Profit	\$1,065,762	\$586,459	+ 82%
Net loss after tax	\$247,276	\$339,965	27% improvement

Marlborough Wine Estates Group Limited ("MWE", "Company") is pleased to release its financial results for the six months ended 31 December 2022 (HY23).

Sales revenue of \$4.2 million was up 31% compared to HY22, driven by a 55% increase in international case sales and increasing premiumisation of the MWE's branded wines.

The higher 2022 harvest (up 35% on the prior year) has provided sufficient inventory to meet increased branded wine demand and allow for further growth.

Bulk grape sales are subject to seasonality, with grape harvests occurring yearly from March to April. The revenue generated from bulk grape sales are recognised and recorded in the second half of the financial year.

Cost pressure on production and logistics, particularly due to labour and material cost increases, as well as increased fuel costs is being experienced. Management have achieved some efficiencies through increased volumes and continue to develop and implement initiatives to improve efficiency where possible.

Gross profit increased to \$1.1 million, an increase of 82% on the prior comparative period, while the net loss after tax improved by 27% from the previous half-year. The growth in the international market and the premiumisation of the New Zealand market have significantly contributed to the increase in MWE's gross profit.

Strategic Progress

The company is making good progress on its FY23 growth initiatives, particularly growth of branded premium wine sales, under the OTU and Music Bay brands, and expansion of its domestic and international distribution networks.

HY23 international branded premium wine sales volume increased by 55% compared to HY22

MWE continues its focus on finding new partners in global markets and expanding current in-market distribution networks with its existing partners.

MWE has delivered growth in the US and UK during the first half of FY23, both of which are key international markets for the company.

The company also continues to work closely with existing distributors and received additional orders for Ireland, Japan, Australia, Singapore and China. The expertise and experience of in-market distribution partners is a significant advantage in building sales in new and existing markets.

MWE will continue to invest resources in developing its export markets.

Premiumisation of the NZ market

MWE has continued its focus on premiumisation of its products in the New Zealand market, which is driving improved returns, despite cost increases. Net yield per case increased by 4% and is expected to continue improving over the next few years as MWE's wines gain more recognition for their quality.

Further ranging has been secured in both Foodstuffs and Countdown. MWE is expecting growth in the second half of FY23 due to broader market availability and as the supply chain normalises.

Accolades and reviews

During the first half of FY23, MWE's wines continued to receive strong reviews and recognition:

- OTU Limited Release Marlborough Sauvignon Blanc 2021, New World Wine Awards 2022, Gold
- OTU Limited Release Marlborough Pinot Noir 2021, New World Wine Awards 2022, Gold
- OTU Limited Release Marlborough Pinot Noir 2021, The New Zealand Wine Show, Gold
- OTU Hawkes Bay Rose 2021, New World Wine Awards 2022, Gold
- OTU Marlborough Sauvignon Blanc 2022, The New Zealand Wine Show, Gold
- OTU Marlborough Sauvignon Blanc 2022, James Suckling, 90 points

Outlook

There is continued demand for quality Marlborough Sauvignon Blanc in the global markets and MWE prides itself on producing some of the world's finest Marlborough Sauvignon Blanc.

The total volume, price point and popularity of New Zealand wine in the top four markets is still growing. MWE is well positioned to continue its growth in the international markets.

Premiumisation of MWE's wines has been a key focus and this will continue. MWE will continue to look for distribution in premium channels to increasingly convert grape and bulk wine sales into branded bottled wine sales.

Despite recent reports of widespread damage in Hawkes Bay by Cyclone Gabrielle, we are pleased that our grower's blocks were largely unaffected, as were MWE's own vineyards in Marlborough.

We would like to thank our committed team, suppliers, business partners and shareholders for their continued support.

Marlborough Wine Estates Group Limited.

Min Jia
Executive Chairman

Catherine Ma
Chief Executive Officer

FINANCIAL STATEMENTS



INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Note	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Revenue	4	4,230,272	3,225,877
Cost of sales		(3,164,510)	(2,639,418)
Gross profit		1,065,762	586,459
Other operating income	5	45,900	74,782
Selling, marketing and promotion expenses		(679,309)	(600,093)
Administration and corporate governance expenses		(570,313)	(404,641)
(Loss) / profit before tax and finance cost	6	(137,960)	(343,493)
Finance income		29	112
Finance costs	8	(192,901)	(128,012)
Net finance cost		(192,872)	(127,900)
(Loss) / profit for the period before taxation		(330,832)	(471,393)
Tax benefit / (expense)		83,556	131,428
(Loss) for the period attributable to shareholders of the company		(247,276)	(339,965)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Revaluation of property, plant and equipment		-	-
Income tax on items taken directly to or transferred from equity		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (loss) for the period attributable to the shareholders of the Company		(247,276)	(339,965)
Basic and diluted (loss) per share	18	(0.001)	(0.001)

The above statement of comprehensive income should be read in conjunction with the attached notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

Group	Note	Share capital	Capital contribution	Retained earnings / (deficit) Restated	PPE revaluation reserve	Share-based payment reserve	Total
Balance at 30 Jun 2021 (audited)		16,416,098	210,886	(3,700,324)	8,207,264	39,783	21,173,707
Total comprehensive income for the year							
Loss for the period		-	-	(339,965)	-	-	(339,965)
Total comprehensive income for the year		-	-	(339,965)	-	-	(339,965)
Balance at 31 Dec 2021 (unaudited)		16,416,098	210,886	(4,040,289)	8,207,264	39,783	20,833,742
Balance at 30 Jun 2022 (audited)		16,416,098	210,886	(3,372,312)	16,444,420	39,783	29,738,875
Total comprehensive income for the year							
Loss for the period		-	-	(247,276)	-	-	(247,276)
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	(247,276)	-	-	(247,276)
Transactions with owners							
Shares issued		-	-	-	-	-	-
		-	-	-	-	-	-
Balance at 31 Dec 2022 (unaudited)		16,416,098	210,886	(3,619,588)	16,444,42	39,783	29,491,599

The above statement of changes in equity should be read in conjunction with the attached notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
ASSETS			
Current assets			
Cash and bank balances	7	115,155	337,284
Accounts receivable	13	887,665	1,671,876
Inventory	11	3,470,942	5,076,710
Biological work in progress	12	2,360,128	923,663
Prepayments		77,705	66,013
GST receivable		26,721	101,586
Total current assets		6,938,316	8,177,132
Non-current assets			
Property, plant and equipment		32,554,102	32,502,928
Deposits paid		31,250	46,625
Related party loan		48,005	48,005
Investments		28,365	28,365
Right-of-use assets		496,399	350,313
Intangible assets		17,169	19,047
Total non-current assets		33,175,290	32,995,283
Total assets		40,113,606	41,172,415
LIABILITIES			
Current liabilities			
Accounts and other payable		766,959	1,572,682
Employee benefit liabilities		44,977	131,747
Lease liabilities		86,031	117,484
Interest bearing borrowings	14	4,950,000	150,000
Shareholder Loan	14	1,445,154	-
Income tax payables		315	323
Total current liabilities		7,293,436	1,972,236
Non-current liabilities			
Shareholder Loan	14	-	1,414,614
Interest bearing borrowings	14	-	4,800,000
Lease liabilities		290,830	125,393
Deferred tax		3,037,741	3,121,297
Total non-current liabilities		3,328,571	9,461,304
Total liabilities		10,622,007	11,433,540
Total net assets		29,491,599	29,738,875
EQUITY			
Share capital		16,416,098	16,416,098
Capital contribution		210,886	210,886
Share-based payment reserve		39,783	39,783
PPE revaluation reserve		16,444,420	16,444,420
Accumulated losses		(3,619,588)	(3,372,312)
Total equity		29,491,599	29,738,875

Signed for and on behalf of the board by:

Signature:



Executive Chairman: Min Jia

Signature:



Director: Danny Chan

Date: 28 February 2023

The above statement of financial position should be read in conjunction with the attached notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Note	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		5,014,483	3,166,424
Other income		45,900	74,782
GST refund		105,756	99,727
Interest received		29	112
		5,166,168	3,341,045
Cash was disbursed to:			
Payment to suppliers and employees		(4,744,120)	(3,870,843)
Interest paid on loans and borrowings		(147,540)	(84,670)
Interest paid on lease liabilities		(5,968)	(8,375)
		(4,897,628)	(3,963,888)
Net cash flow generated / (used in) by operating activities	16	268,540	(622,843)
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sales of property, plant and equipment		1,378	11,217
		1,378	11,217
Cash was disbursed to:			
Payments for property, plant and equipment		(389,201)	(259,748)
		(389,201)	(259,748)
Net cash flow (used in) investing activities		(387,823)	(248,531)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowing		1,000,000	-
		1,000,000	-
Cash was disbursed to:			
Principal paid on lease liabilities		(102,846)	(63,746)
Repayment of bank loan		(1,100,000)	(400,000)
		(102,846)	(463,746)
Net cash flow (used in) / generated financing activities		(102,846)	(463,746)
Net (decrease) / increase in cash		(220,130)	(1,335,120)
Cash and cash equivalents at the beginning of the period		337,284	1,729,757
Cash and cash equivalents at the end of the period		115,155	394,637

The above statement of cash flows should be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS



NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

1 Reporting Entity

These financial statements are for Marlborough Wine Estates Group Limited (the Company) and its subsidiaries (together the Group, or MWE).

The Company and its subsidiaries are incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and the parent company is listed on main board of the New Zealand Stock Exchange("NZX")

The Company is designated as a Tier 1 for-profit entity for financial reporting purposes.

The financial statements were authorised for issue by the Board of Directors on 28 February 2023.

The principal activities of the Group are grape production, wine making, marketing and sales of premium wine in New Zealand and international markets.

2 Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. For details of these accounting policies please refer to the 2022 Annual Report.

3 Seasonal Business

The bulk grape sales are subject to seasonality as the grape harvest occurs once a year in March to April. All the bulk grapes sales will be recognised in the second half of the financial year. For the six months ended 31 December 2022, the bulk grape sales is \$nil for current vintage (31 December 2021: \$nil). This seasonality also has an impact on the operating cashflow, growing grapes requires heavy investment in Biological Work in Progress in the first half of the financial year and the cash income generated from bulk grapes sales are mostly recorded in the second half of the financial year.

4 Revenue

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Branded wine sales	2,878,255	2,527,760
Bulk wine sales	1,352,017	688,192
Others	-	9,925
	4,230,272	3,225,877

Prices of certain grape sale agreements are based on the Marlborough district regional average price (MDA) which will become available sometime in the following financial year. The Group uses its best estimation of transaction prices for each agreement to record the revenue. No adjustment was recorded for the six months ended 31 December 2022 due to the MDA fluctuation (31 December 2021: \$9,925)

5 Other Income

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Lease of farmland	1,773	1,773
Government grants	-	32,355
Office lease	25,605	34,140
Others	18,522	6,514
	45,900	74,782

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

6 Operating Expenses

Specific expense included in (loss) / profit before tax and finance cost:

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Wages and salaries	528,821	377,675
Kiwisaver contribution	14,192	8,563
Director fees	67,000	47,500
Contractor payment	81,842	90,650
Foreign exchange losses	7,796	-
Depreciation- includes right-of-use assets	394,797	363,453

7 Cash and Bank Balance

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Cash at bank (ANZ bank, BNZ Bank and Industrial Commercial Bank of China)	115,155	337,284
	115,155	337,284

8 Interest Expense and Financing Cost

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Interest expense on loans and borrowings	186,933	119,637
Interest expense on lease liabilities	5,968	8,376
	192,901	128,013

The above Interest expense on loans and borrowings includes non-cash interest expense of \$30,540 incurred from shareholder loan (note 14) for the 6 months ended on 31 Dec 2022 (2021: \$30,540).

9 Equity**Share capital**

	Jun 2022 Number	Jun 2022 \$
Balance of ordinary share capital at 1 July 2021	296,234,115	16,416,098
Ordinary shares issued for investors during the year	-	-
Balance at 30 June 2022 (audited)	296,234,115	16,416,098

	Dec 2022 Number	Dec 2022 \$
Balance of ordinary share capital at 1 July 2022	296,234,115	16,416,098
Ordinary shares issued for investors during the period	-	-
Balance at 31 December 2022 (unaudited)	296,234,115	16,416,098

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

9 Equity (continued)

PPE revaluation reserve

	6 mths ended Dec 2022 (unaudited) \$	12 mths ended Jun 2022 (audited) \$
Balance at beginning of the period	16,444,420	8,207,264
Revaluation increments/(decrements)	-	8,860,995
Income tax on items taken directly to or transferred from equity	-	(623,839)
Balance at end of the period	16,444,420	16,444,420

The asset revaluation reserve records the revaluation of land and land improvements. Where a revalued asset is sold that proportion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

Share-based payment reserve

	Jun 2022 Number	Jun 2022 \$
Balance of share-based payment reserve at 1 July 2021	720,000	39,783
Balance at 30 June 2022 (audited)	720,000	39,783
	Dec 2021 Number	Dec 2021 \$
Balance of share-based payment reserve at 1 July 2022	720,000	39,783
Balance at 31 December 2022 (unaudited)	720,000	39,783
Total number of securities registered as at 31 December 2022	296,954,115	

At 31 December 2022, share capital comprised 296,954,115 authorised and issued shares (30 June 2022: 296,954,115) which are fully paid. 720,000 shares issued under the Group's Employee Share Ownership (ESOP) are not paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company and on any written resolution and rank equally with regards to the Company's residual assets.

Proportionate rights for the holders of unpaid shares issued under ESOP- until a Share is fully paid it shall have the same rights and privileges as an Ordinary Share but only in the proportion to which it has been paid up. For example, if a Share is 50% paid up it will confer half of a right to vote on a poll at a meeting of shareholders and a right to receive half of the amount of any dividend paid on an Ordinary Share. However, the Shares will carry identical rights to Ordinary Shares in terms of entitlements to participate in any issue of equity (including securities convertible into equity capital) in the Company.

Issue of shares

MWE has issued no shares (30 June 2022: nil) or share options (30 June 2022: nil) during the 6 months ended 31 December 2022. And no existing share options have been exercised during the 6 months ended 31 December 2022 (30 June 2022: nil).

10 Biological Asset Produce

Biological asset consist of grape vines (bearer plants) which are classified as Vines and Vineyards. The Group grows grapes to sell and use in the production of wine, as a part of normal operations. Vineyards are located in Marlborough, New Zealand. Grapes are harvested between March and April each year.

At 31 December 2022, the Group held approximately 336 hectares of land owned by the Company in Marlborough, New Zealand (30 June 2022: 336), and the total planted area is 149 hectares (30 June 2022: 149).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

11 Inventories

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Bottled wine	1,492,835	1,138,940
Bulk wine	1,871,072	3,799,278
Dry goods	107,035	138,492
Total wine in inventory and work in progress (net of impairment)	3,470,942	5,076,710
Impairment of Inventory		
Balance at beginning of the period	106,305	98,871
Provision provided during the period	-	106,305
Inventory written off during the period	(106,305)	(98,871)
Balance at the end of the period	-	106,305

Inventories are valued at the lower of cost, net realisable value. Cost is calculated on a FIFO basis.

12 Biological Work In Progress

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Growing costs related to next harvest	2,360,128	923,663

The growth on the vines in the period from harvest to 31 December 2022 cannot be reliably measured due to the lack of market information and the variables in completing the biological transformation process between the time of harvest and the balance date. The cost of agricultural activity in the period to 31 December 2022 has been recognised as biological work in progress for the next harvest. This assumes the cost of the agricultural activity approximates the fair value of the biological transformation that has occurred in that period. The value of biological work in progress at balance date was \$2,360,128 (30 June 2022: \$923,663).

13 Accounts Receivable

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Trade receivables	887,665	1,671,876
Provision for doubtful debts	-	-
	887,665	1,671,876

The standard credit terms on sales of goods given to domestic bottled wine customers are 20th of month following the issue of invoice. Before accepting any new customer, the Group assess the potential customer's credit quality and defines credit limits by customer. For overseas and other major customers, credit quality is assessed individually. Clients with customised purchase orders might receive a different payment term, normally not longer than 180 Days.

The Group recognises a loss allowance for expected credit losses on trade and other receivables or management considers there is a risk on default.

Included in the total receivable amount above, there were 6 customers who represent more than 5% of the total balance of trade receivables individually (30 June 2022: 3 customers).

Payment due schedule from major customers 31 December 2022	Total Receivable amount \$	Due in 0 - 30 days \$	Due in 31 - 90 days \$	Due in 91 days + \$	Past due \$
Customer 1	287,537	287,537	-	-	-
Customer 2	100,200	9,540	90,660	-	100,365
Customer 3	95,543	-	95,543	-	-
Customer 4	87,527	87,527	-	-	-
Customer 5	83,670	82,465	-	-	1,295
Customer 6	63,872	63,872	-	-	63,872

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

13 Accounts Receivable (continued)

Payment due schedule from major customers as of 30 June 2022	Total Receivable amount \$	Due in 0 - 30 days \$	Due in 31 - 90 days \$	Due in 91 days + \$	Past due \$
Customer 1	1,113,360	1,050,840	62,520	-	-
Customer 2	126,906	126,906	-	-	833
Customer 3	114,386	114,386	-	-	-

14 Borrowings

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Loan - ICBC	4,950,000	4,950,000
Shareholder loan	1,445,154	1,414,614
	6,395,154	6,364,614
Current	6,395,154	150,000
Non-current	-	6,214,614
	6,395,154	6,364,614

A subsidiary of the Group entered into a loan agreement with ICBC on 18 December 2014. The loan is secured by way of registered charge over land located at Blind River Loop Road, Seddon. The interest rate at 31 December 2021 was 7.12% (Jun 2022: 4.83%). The loan was refinanced in Jun 2021 with a core debt facility of \$4.0 million and a revolving debt facility of \$1.3 million. The revolving debt provides the Group flexibility and allows it to pay down the balance when it has more cash on hand and to repeatedly borrow to the set limited of \$1.3 million, and interest of revolving debt will be calculated monthly based on balance owing. Interest for core debt facility is calculated and paid quarterly with a repayment schedule of \$150,000 on or prior to the end of each financial year. Both facilities will mature on 30 September 2023.

The loan from shareholder is unsecured and interest free and has been subordinated in favour of all other creditors of the company. The shareholder loan is not due for repayment until Oct 2023.

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

15 Related Party Disclosures**(a) Identity of related party**

The Group has a related party relationship with its key management personnel. All members of the Group are considered to be the related parties of the Parent, Marlborough Wine Estates Group Limited (MWE). This includes the subsidiaries identified below. This has been remained the same as last year.

Subsidiaries	Principal Activity	Proportion of ownership	Accounting balance date	Jurisdiction
Marlborough Vineyard Group Limited	International Marketing	100%	30 June	New Zealand
Otuwhero Trustee Limited	Wine production, sales and marketing	100%	30 June	New Zealand
O:TU Investments Limited	Vineyards operation	100%	30 June	New Zealand
MB Wine Limited	Music Bay trademark	100%	30 June	New Zealand

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

15 Related Party Disclosures (continued)

The Group has a related party relationship with the entities below:

New Zenith International Trading (Shanghai) Co., Ltd (NZIT)	Min Jia, the founder, major shareholder and director of MWE, owns NZIT in China. NZIT sells, distributes and markets MWE's wine in China.
Lily Investments 227 Limited	Min Jia, director of MWE, is a director and shareholder Lily Investment 227 Ltd.
Blind River Irrigation Limited	The Group holds 7.8% ownership in Blind River Irrigation Ltd.
The Digital café Limited	Danny Chan, director of MWE, is a shareholder in The Digital café Limited.
Lily investment 265 Trustee Limited	Min Jia, director of MWE, is a beneficiary of Lily Investment 265 Trust.
Flowerzone International Ltd	Danny Chan, director of MWE, is a director and shareholder in Flowerzone International Ltd.
OTU Australia Pty Ltd	Catherine Ma, CEO of MWE, is a close relative of the director of OTU Australia Pty Ltd.
LC Wine Ltd	Catherine Ma, CEO of MWE, is a director and shareholder of LC Wine Ltd.
Hunan Xinyoumeisheng Food Co.,Ltd	Min Jia, the founder, major shareholder and director of MWE, owns this company in China which sells, distributes and markets MWE's wine in China.
Move Logistics Group Ltd	Danny Chan, director of MWE, is a director in Move Logistics Group Ltd.

(b) Transactions with related party

	Total Value		Asset/(liability)	
	Dec 2022 (unaudited)	Dec 2021 (unaudited)	Dec 2022 (unaudited)	Dec 2021 (unaudited)
	\$	\$	\$	\$
Wine sales				
New Zenith International Trading (Shanghai) Co., Ltd	-	3,396	-	-
Flowerzone International Ltd	-	10,895	-	11,276
OTU Australia Pty Ltd	-	100,744	-	101,025
Lily Investment 265 Trustee Limited	-	1,009	-	-
Hunan Xinyoumeisheng Food Co.,Ltd	94,501	-	-	-
Office rent and other payments				
Lily Investments 227 Limited (for office rent)	3,272	17,070	-	-
Lily Investments 265 Trust (for office rent)	13,087	17,070	(10,185)	-
Blind River Irrigation Limited (for water usage)	1,469	20,807	-	-
The Digital café Limited	13,232	-	(2,300)	-
LC Wine Ltd (bulk wine purchase)	-	-	(92,136)	(102,512)
Move Logistics Group Ltd (storage & freight)	11,798	698	(4,093)	(104)
Shareholder employees other than senior officers (salary)	-	35,000	-	-

Transactions with Directors and Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, either directly or indirectly. The key management personnel are the directors and senior officers of the Group.

	Total Value		Asset/(liability)	
	Dec 2022 (unaudited)	Dec 2021 (unaudited)	Dec 2022 (unaudited)	Dec 2021 (unaudited)
	\$	\$	\$	\$
Directors' fees				
Min Jia	5,000	5,000	-	(22,500)
Danny Chan	31,000	20,000	(17,825)	(11,500)
Christine Pears	31,000	22,250	-	-
Senior officers' compensation (excludes directors)				
Short-term employee benefits	254,370	155,321	(28,394)	(23,134)
Share-based payments	-	-	-	-
Total senior officers' compensation (excludes directors)	254,370	155,321	(28,394)	(23,134)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

17 Segment Reporting

The Group operates in the wine industry and is considered to operate in a single segment.

The Group operates in one principal geographical area - Marlborough, New Zealand. During the financial year, majority of Group's sales were generated from supplying products to customers based in New Zealand, United States and UK / Europe. At reporting date, the Group held all non-current assets in Marlborough, New Zealand.

The below represents a geographical analysis of sales:

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Sales		
New Zealand and Oceania	2,619,757	2,067,624
North America (USA and Canada)	624,738	774,017
UK / Europe	727,470	226,536
Australasia	258,307	157,700
Total	4,230,272	3,225,877

For the 6 months ended 31 December 2022, there were 2 customers (31 December 2021: 3 customers) who individually accounted for greater than 10% of the Group's total sales. The sales amount to these customers in total was \$1.83 million (31 December 2021: \$1.71 million). The following table shows only the amount which is greater than 10% of the Group's total sales.

	6 mths ended Dec 2021 (unaudited) \$	6 mths ended Dec 2020 (unaudited) \$
Customer A	592,620	685,067
Customer B	1,238,671	838,178
Total	1,831,291	1,523,245

18 Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	6 mths ended Dec 2022 (unaudited) \$	6 mths ended Dec 2021 (unaudited) \$
Number of ordinary share at the beginning of the period	296,234,115	296,234,115
Ordinary shares issued and paid during the period	-	-
Number of ordinary share at the end of the period	296,234,115	296,234,115
Weighted average number of ordinary shares	296,234,115	296,234,115
(Loss) / profit attributable to equity holders of the Company (in dollars)	(247,276)	(339,965)
Weighted average number of ordinary shares on issue	296,234,115	296,234,115
Basic (loss) per share (in dollars)	(0.001)	(0.001)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 December 2022

18 Earnings Per Share (continued)

(b) Diluted earnings per share

Same earning was used for diluted earning per share, Share options have not been included in the current year DEPS calculation as these would be anti-dilutive due to loss for the periods.

	6 mths ended Dec 2022 (unaudited)	6 mths ended Dec 2021 (unaudited)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	296,234,115	296,234,115
Share options	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	296,234,115	296,234,115
Diluted (loss) per share (in dollars)	(0.001)	(0.001)

19 Net Tangible Assets Per Share

	Dec 2022 (unaudited) \$	Jun 2022 (audited) \$
Net tangible assets	29,474,430	29,719,828
Net tangible assets per share	0.099	0.100

20 Contingent Liabilities

There were no contingent liabilities or any outstanding litigation against the Group as at 31 December 2022.

21 Capital Commitments

The Company has committed to purchase a tractor at about \$165k , with delivery expected in next financial year. There was no other capital expenditure commitment as at 31 December 2022 (31 December 2021: \$nil).

22 Subsequent Events

Cyclone Gabrielle hit New Zealand with strong winds and heavy rain around mid-February 2023, fortunately, our growers, assets, and contracted facilities have been largely unaffected.

There were no other significant events between balance date and the date the financial statements were authorised for issue.

23 Going Concern

During the current period, the Group had a negative working capital of about \$0.35 million, due to a total value of \$6.4 million of bank loan and shareholder loan being recorded as current liability (see note 14), as at the signing of this report, the Group has initiated the discussion with ICBC about the loan renewal. MWE is confident the bank loan will be refinanced. On this basis, the Directors believe that the use of the Going Concern assumption in preparation of the financial statements remains appropriate.

COMPANY DIRECTORY
As At 31 December 2022

Company Registration Number

5639568

Registered office

Level 6, 5-7 Kingdon Street
Newmarket, Auckland Central
New Zealand

Directors

Min Jia (executive chairman)
Christine Pears (independent)
Danny Chan (independent)

Auditors

BDO Auckland
Level 4, BDO Centre
4 Graham Street, Auckland CBD, Auckland 1010
PO Box 2219, Auckland 1140
New Zealand

Solicitors

Duncan Cotterill
Level 2, Chartered Accountants House
50 Custom House Quay, Wellington

Bankers

Industrial Commercial Bank of China (New Zealand) Limited
ANZ Bank Limited
BNZ Bank Limited

Share Registrar

Link Market Services Limited
Level 30, PWC Tower
15 Customs Street West, Auckland 1010