MWE MARLBOROUGH WINE ESTATES

ANNUAL REPORT

For the year ended 30 June 2022

The Board of Marlborough Wine Estates Limited is pleased to present the Annual Report for the year ended 30 June 2022.

Min Ja
Executive Chairman

Catherine Ma
Chief Executive Officer

28 September 2022

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FY22 AT A GLANCE

FURTHER SOLID PROGRESS ON BRANDED WINE AND PREMIUMISATION STRATEGIES

INCREASE IN BRANDED PREMIUM WINE SALES

Focus on premiumisation driving sales of premium branded bottle wine, with volumes up 10% and Revenue up 16% on prior year

INTERNATIONAL DISTRIBUTION

International branded wine sales revenue increased 117%

Signed new distribution agreements with distribution partners in the US, UK and Ireland, with multiple containers shipped to these markets

Continued working with existing distributors in China, Japan, Taiwan, Australia, Singapore and Canada

DOMESTIC (NEW ZEALAND)

Further expanded OTU brand distribution, increasing premium wine sales revenue by 27%

Growth in supermarket chain Countdown with Music Bay brand during FY22, and have secured premium OTU brand ranging commencing in October 2022

2022 HARVEST VOLUMES

2022 harvested volumes up 35% on prior year (12% above expectations)

ACCOLADES AND TOP REVIEWS IN FY22

OTU Marlborough Sauvignon Blanc 2021

New Zealand:	NZ International Wine show, Gold
Asia:	SAKURA Japan Women's Wine Awards 2022, Diamond Trophy Double Gold
USA:	James Suckling, 91 Points
Australia:	Winestate Magazine 5 Stars, 98 Points

OTU Marlborough Pinot Rose, 2021

New Zealand:	NZ International Wine show, Gold

OTU Limited Release Sauvignon Blanc 2021

New Zealand:	Bob Campbell, 95 Points, Gold
USA:	Wine Spectator, 92 Points

OTU Limited Release Chardonnay 2021

New Zealand:	Bob Campbell, 95 Points, Gold

FINANCIAL SNAPSHOT

RETURN TO PROFITABILITY

SALES REVENUE UP 18%

Total sales revenue increased to $7.96m, up 18% on the prior year

BRANDED WINE SALES REVENUE UP 16%

Sales revenue up 16% to $4.49m

Branded wine sales volume increased by 10% to 42,000 cases

GRAPES AND BULK WINE SALES UP 20%

20% increase in grapes and bulk wine sales to $3.47m

Product mix shift with some grape sales converted to higher margin bulk wine sales from the 2022 vintage

$1.6M UPLIFT IN ADJUSTED EBITDA[1]

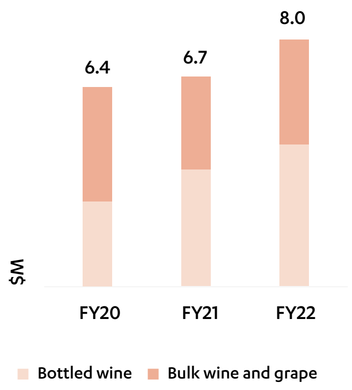
Strong uplift to $1.6m, from $(0.003)m in the prior year

RETURN TO PROFIT

Gross profit rose from $1.28m to $2.91m, representing a 127% year on year growth

Net profit after tax of $0.33m, reflecting the expansion of MWE's international markets, premiumisation of MWE's products and improved efficiency of MWE's operations

SALES REVENUE



NPAT

[1] Adjusted EBITDA excludes other non-operating expense (income) that do not relate to the on-going performance of the Group. A reconciliation can be viewed on page 12.


OTU
otuwhero estate
SAUVIGNON BLANC
2021 MARLBOROUGH
WINE OF NEW ZEALAND
OTU
PINOT NOIR

"We are pleased to report a return to profitability with further solid progress implementing the branded wine growth strategy providing increased revenue and margins. We remain focused on growing sales of our premium wines in key markets, both in New Zealand and through our expanding network of international distribution partners."

Min Jia, Chairman

Catherine Ma, Chief Executive Officer

CHAIR AND CEO'S REPORT

Producing award winning wines

We pride ourselves on producing some of the world's finest Marlborough Sauvignon Blancs. Our estate comprises six vineyards that provide the grapes for our distinctive award winning premium wines.

Our premiumisation strategy remains a focus, providing us with improving returns despite increasing cost pressure. While the 2021 harvest was low yielding, it was exceptionally high quality, resulting in some highly rated wines which became available for sale in FY22. We have strategically managed our distribution and allocation of these wines to ensure supply to grow our key markets.

The return to closer to expected yields in 2022 harvest has allowed us to increase the quantity of grapes we sold while retaining sufficient inventory to meet our branded wine demand and further grow our distribution platform.

Significant progress despite headwinds

The significant progress and return to profitability have been despite considerable disruptions in key markets and supply chains. We are pleased with the progress of the distribution and premiumisation of our branded wines given these disruptive conditions. Although challenging, our team did an outstanding job navigating through the uncertainty and maintained a focus on delivering the highest possible service levels to our customers.

Growing premium branded wine sales

Our main focus is on growing sales of our premium branded wines, under the OTU and Music Bay brands. We have made pleasing progress with an 11% uplift in case price realisation, and 10% growth in branded wine sales. The Covid-19 pandemic continued to affect market conditions, particularly in the first half of the year, with social distancing and restrictions impacting the on-premise channel. Demand for premium New Zealand wines remains strong and the expertise and experience of our in-market distribution partners has been of benefit building our sales in new and existing markets.

Domestic sales continue to grow

In our home market of New Zealand, the OTU brand growth reflects our focus on premiumisation, wine awards acknowledging the quality of our wines, and investment into distribution. Branded wine distribution continues to expand, with the Countdown supermarket chain listing the Music Bay brand towards the end of FY21, and securing the listing of the OTU wines range in late FY22. These wines will be available in store from October 2022.

New international distribution agreements

We have continued to build our network of international distributors, with new distribution partners in New Zealand's most important international wine markets, the US and UK. In addition, we signed a distribution agreement in Ireland, and continued to work with our existing distribution partners in China, Japan, Taiwan, Australia, Singapore and Canada. Our premium branded wines are now available through a wide range of premium outlets in these markets. International branded wine sales revenue increased 117%.

Improved financial performance and return to profit

MWE reported revenue of $7.96m, up 18% on the prior year. Branded wine revenue grew 16% to $4.49m with volumes increasing by 10% from 38,000 to 42,000 cases. Margins also improved due to the continued focus on premiumisation. Gross profit rose from $1.28m to $2.91m, representing a 127% year on year growth.

MWE converted some grape sales to the higher margin bulk wine sales for vintage 2022. Bulk wine sales revenue increased from $1.15m to $2.17m, while the grape sales decreased from $1.71m to $1.30m. Receivables from the US bulk wine sales was received following balance date, and therefore cashflow as at 30 June 2022 was lower than the prior year and accounts receivable were higher.

MWE is holding increased inventory (up $1.2m year on year) to fulfil future demand from expanding domestic and international distribution in key markets. Increased trading profitability also enabled a further $350,000 reduction of debt at year end.

MWE reported an improved net profit after tax of $328,012 for the year, reflecting the expansion of our international markets, premiumisation of our wines and improved efficiency of our operations.

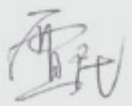
Positive Outlook

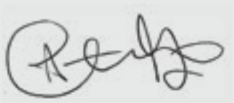
Our company has a strong financial structure with a low debt position. We have the people, partners and business foundation to be successful in a globally challenging business environment.

Our focus for FY23 is on growth, in particular:

- Further premiumisation of MWE's branded wines;
- Expansion of MWE's market share by working closely with our distribution partners in all markets
- Expansion of our international distributor network
- Identify opportunities to grow by acquisition, expanding our supply and distribution channels.

The Board would like to thank our team, suppliers, business partners and shareholders for their continued support over the last year.





Min Jia
Executive Chairman

Catherine Ma
Chief Executive Officer

RESPONSIBLE BUSINESS

As a New Zealand winegrowing business, we take seriously our responsibility to protect the places that create our exceptional wines. And we know our consumers care too.

Our wines are made from grapes grown in beautiful New Zealand vineyards and we take seriously our responsibility to care for, protect and nurture our environment following the sustainable winegrowing New Zealand practices.

When looking at how we can reduce our impact on the environment, we take into consideration all aspects of our business, from energy efficiency and waste minimisation to packaging.

Our wines are packaged in New Zealand using New Zealand sourced, recycled glass bottles. We have also chosen to package many of our wines in lighter weight bottles which reduce waste and improve transport efficiencies. Label materials are produced from recycled and renewable materials and are compostable and biodegradable. We also source caps which incorporate recycled materials.

Sustainable Winegrowing New Zealand (SWNZ)

MWE is fully accredited to the Sustainable Winegrowing New Zealand (SWNZ) standard, a New Zealand industry standard for sustainable winegrowing.

SUSTAINABLE
NEW ZEALAND
WINEGROWING

OUR BOARD AND LEADERSHIP TEAM

MIN (JAMES) JIA MBA Executive Chairman Appointed 27 June 2016	James is the founder of MWE and its largest shareholder. He is responsible for initiating the Group's strategic direction to the business and driving business performance. James has diverse business and investment experience in both China and New Zealand.
DANNY CHAN BCA(HONS), ACA, CMA, FCSAP, MINSTD Non-executive Independent Director Appointed 27 June 2016	Danny is a third generation New Zealand Chinese and an experienced New Zealand director. He holds a number of directorships with private and public companies, as well as numerous companies associated with his private investments in both New Zealand and overseas. He was a Member of the Department of Prime Minister and Cabinet - China Project. He is a member of the NZ China Council and a trustee of the Asia New Zealand Foundation. Danny has an extensive network of contacts in both New Zealand and Asia and is fluent in Mandarin and Cantonese, as well as very familiar with the protocols of Asian and Western cultures.
CHRISTINE PEARS MINST, CA, B COM Non-executive Independent Director Appointed 1 October 2020	Christine has more than 20 years of leadership experience in the wine industry, including senior executive roles with Delegat's Group Limited and the Todd Corporation owned Ara Wines. Christine is currently an independent director of YMCA North and NZX listed company Cannasouth (NZX: CBD). Christine has successfully led the development and delivery of strategic, operational, and financial plans and initiatives through developing organisational capability and domestic and international markets. Christine also has experience in high growth sectors such as property, IT and data communications, financial services, horticulture, and science.
CATHERINE MA B COM, MINSTD Chief Executive Officer	Catherine joined the Group in 2011 as one of the founding members. She has developed extensive experience managing the OTU wine businesses and vineyards. Prior to joining MWE, she worked in the real estate sector. Catherine is responsible for developing and executing business plans, as well as maintaining and growing the organisation.
WENHAN (ERIC) LI B COM, CPA AUST Financial Controller	Eric joined the Group in 2012 and has an extensive understanding of the business operations. Eric ensures that MWE complies with its audit requirements, monitors internal controls and advises on budgeting. He is a member of CPA Australia.
CONAN WANG B ENG, B COM, CFA Operations Manager	Conan is an experienced manager, with a background in customer management and business transformation in the technology sector. He joined MWE in 2016 and oversees sales and production, with a focus on continuous improvement in MWE's business process and revenue growth.

RECONCILIATION OF GAAP TO NON-GAAP

EBITDA[2] Reconciliation

	Year Ended 30 June 2022 $	Year Ended 30 June 2021 $
Net profit/(loss) after tax per Financial Statements	328,012	(615,587)
Plus net finance cost	274,637	273,007
Plus/(less) tax expense (benefit)	153,321	(212,535)
Plus depreciation	736,599	690,939
Plus amortisation	4,472	5,207
EBITDA	1,497,041	141,031
Less gain on assets disposal	1,639	(2,660)
Plus inventory write down	106,305	98,871
Plus/(less) insurance claim related legal fees/ (settlement)[3]	-	(240,000)
Plus share based payment expense	-	169
Adjusted EBITDA[4]	1,604,985	(2,589)

[2] EBITDA is the earnings before interest, tax, depreciation, and amortisation.

[3] There were no legal expenses incured in FY22 in relation to insurance claim, the matter was settled in FY21 when the Group received a settlement amount of $240,000 (net of legal cost) from its insurance company regarding inventory that was destroyed under the supervision of Ministry of Primary Industries.

[4] Management has historically used Adjusted EBITDA when evaluating the operating performance for the Group. The inclusion or exclusion of certain items is necessary to provide the most accurate measure of on-going core operating results and to evaluate comparative results period over period. As such, Adjusted EBITDA excludes other non-operating expense (income) that do not relate to the on-going performance of the Group. The Group excludes the following items from EBITDA to arrive at Adjusted EBITDA:

- Loss on assets disposal which is not continuous;
- Inventory write down which is non-cash;
- NZX migration related costs which is not continuous;
- Insurance claim related legal fees or settlement which is not continuous; and
- Share based payment expense which is non-cash.

MWE MARLBOROUGH WINE ESTATES

FINANCIAL STATEMENTS

For the year ended 30 June 2022

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors present the Annual Report including the consolidated financial statements of Marlborough Wine Estates Group Limited (the 'Company') and its subsidiaries (together the 'Group'), for the year ended 30 June 2022 and the auditor's report thereon.

The Directors are responsible for ensuring that the consolidated financial statements present fairly the financial position of the Group as at 30 June 2022 and its financial performance and cash flows for the year ended on that date in accordance with NZ GAAP. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Directors consider that the consolidated financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed. The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the consolidated financial statements with the Financial Markets Conduct Act 2013. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Signed for and on behalf of the Board by:

Min Jia
Executive Chairman

Danny Chan
Director

28 September 2022

BDO Auckland

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MARLBOROUGH WINE ESTATES GROUP LIMITED

Opinion

We have audited the consolidated financial statements of Marlborough Wine Estates Group Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Auckland

Key Audit Matter	How The Matter Was Addressed in Our Audit

Valuation of land and land improvements
 	
The Group accounts for land and land improvements under a revaluation model. As disclosed in note 15 to the consolidated financial statements, the Group recorded the following assets at fair value:
 	
• Land of $16,774,526
• Land improvements of $15,352,604
 	
The Group appointed an independent valuer to undertake the valuation of land and land improvements as at 30 June 2022. There has been no change in the independent valuer from prior year.
 	
The valuation of land and land improvements has been prepared using a comparative sales approach ("market approach"), where a number of recent vineyard sales were analysed to establish a range of benchmarks. The benchmarks are adjusted based on size of the land, location, soil quality, access to water and land purpose mix held by the Group.
 	
The valuation includes a discounted block of land which is contaminated from the previous use of "Taskforce" herbicide in the area to eradicate Chilean Needlegrass, a pest known to the Marlborough region.
 	
The valuer has taken into account the key assumptions mentioned above and current market conditions to arrive at an approximate value of for each property, from which the fair value estimate was derived.
 	
The valuation of these assets is considered to be a key audit matter due to the subjective judgements and assumptions in the valuations, including those that related to the impact of COVID-19 and the impact of the contamination to the value of one vineyard block.
	We have evaluated the appropriateness of the valuation in respect of land and land improvements by performing the following:
	
	• Assessing the independence, objectivity and competence of the valuer.
	• Making inquiries with the valuer to understand the procedures undertaken in respect of the valuation methodology and key assumptions applied in the valuation.
	• Engaging an independent auditor valuation expert to assess:
	  ○ The appropriateness of the valuation methodology used for each asset type;
	  ○ The validity, accuracy and appropriateness of comparative sales transactions used and how these have been applied in deriving the fair value of land and land improvements; and
	  ○ The impact of the contamination as results of the previous use of herbicide "Taskforce" on the valuation of one vineyard block.
	• Challenging the key assumptions made on the valuation including those that relate to:
	  ○ Treatment of biological work in progress;
	  ○ Contamination of one vineyard block; and
	  ○ Valuation uncertainty due to the continued impacts of COVID-19.
	• We have also assessed the appropriateness of the disclosures included in note 15 *Property, plant & equipment* and note 2(s)(iii) *Key sources of judgement of estimation uncertainty*.

BDO Auckland

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report, 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 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 objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/.

This description forms part of our auditor's report.

BDO Auckland

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

BDO Auckland

BDO Auckland
Auckland
New Zealand
28 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group Year Ended June 2022 $	Group Year Ended June 2021 $
Revenue	3	7,955,066	6,735,685
Cost of sales		(5,040,383)	(5,450,011)
Gross profit		2,914,683	1,285,674
Other operating income	4	157,665	404,835
Selling, marketing and promotion expenses		(1,272,760)	(1,319,927)
Administration and corporate governance expenses		(1,043,618)	(925,697)
Profit / (loss) before tax and finance cost	5	755,970	(555,115)
Finance income - financial assets at amortised cost		155	178
Finance costs	6	(274,792)	(273,185)
Net finance cost		(274,637)	(273,007)
Profit / (loss) for the period before taxation		481,333	(828,122)
Tax (expense) / benefit	7	(153,321)	212,535
Profit / (loss) for the period attributable to shareholders of the company		328,012	(615,587)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment	15	8,860,995	3,179,993
Income tax on items taken directly to or transferred from equity	7	(623,839)	(303,313)
Other comprehensive income for the year, net of tax		8,237,156	2,876,680
Total comprehensive income for the period attributable to the shareholders of the Company		8,565,168	2,261,093
Basic and diluted earnings / (loss) per share	28	0.001	(0.002)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

Group	Note	Share capital	Capital contribution	Accumulated losses	PPE revaluation reserve	Share-based payment reserve	Total
Balance at 30 June 2020		15,174,626	-	(3,085,473)	5,330,584	40,350	17,460,087
Total comprehensive income for the year							
Loss for the year		-	-	(615,587)	-	-	(615,587)
Other comprehensive income		-	-	-	2,876,680	-	2,876,680
Total comprehensive income for the year		-	-	(615,587)	2,876,680	-	2,261,093
Transactions with owners							
Shares issued (net of capital raising cost)	8	1,241,472	-	-	-	-	1,241,472
Capital contribution via interest-free loan		-	210,886	-	-	-	210,886
Share-based payment expenses		-	-	-	-	169	169
Share options forfeited	8	-	-	736	-	(736)	-
		1,241,472	210,886	736	-	(567)	1,452,527
Balance at 30 June 2021		16,416,098	210,886	(3,700,324)	8,207,264	39,783	21,173,707
Total comprehensive income for the year							
Profit for the year		-	-	328,012	-	-	328,012
Other comprehensive income		-	-	-	8,237,156	-	8,237,156
Total comprehensive income for the year		-	-	328,012	8,237,156	-	8,565,168
Balance at 30 June 2022		16,416,098	210,886	(3,372,312)	16,444,420	39,783	29,738,875

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group Year Ended June 2022 $	Group Year Ended June 2021 $
ASSETS			
Current assets			
Cash and bank balances	9	337,284	1,729,757
Accounts receivable	13	1,671,876	744,238
Inventory	11	5,076,710	3,829,437
Biological work in progress	12	923,663	710,055
Prepayments		66,013	115,230
GST receivable		101,586	116,666
Total current assets		8,177,132	7,245,383
Non-current assets			
Property, plant and equipment	15	32,502,928	23,965,047
Deposits paid		46,625	20,000
Related party loan	23	48,005	51,804
Investments	16	28,365	28,365
Right-of-use assets	20	350,313	446,976
Intangible assets	14	19,047	16,676
Total non-current assets		32,995,283	24,528,868
Total assets		41,172,415	31,774,251
LIABILITIES			
Current liabilities			
Trade and other payable	17	1,572,682	1,225,454
Employee benefit liabilities	18	131,747	52,322
Lease liabilities	20	117,484	96,477
Interest bearing borrowings	19	150,000	150,000
Income tax payables		323	367
Total current liabilities		1,972,236	1,524,620
Non-current liabilities			
Shareholder Loan	19	1,414,614	1,353,534
Interest bearing borrowings	19	4,800,000	5,150,000
Lease liabilities	20	125,393	228,253
Deferred tax	7	3,121,297	2,344,137
Total non-current liabilities		9,461,304	9,075,924
Total liabilities		11,433,540	10,600,544
Total net assets		29,738,875	21,173,707
EQUITY			
Share Capital	8	16,416,098	16,416,098
Capital contribution	19	210,886	210,886
Share-based payment reserve	8	39,783	39,783
PPE revaluation reserve	8	16,444,420	8,207,264
Accumulated losses		(3,372,312)	(3,700,324)
Total equity		29,738,875	21,173,707

Signed for and on behalf of the Board by:

Min Jia
Executive Chairman
28 September 2022

Danny Chan
Director
28 September 2022

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Group Year Ended June 2022 $	Group Year Ended June 2021 $
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		7,039,644	7,438,422
Other income		157,665	392,390
GST refund		19,226	-
Interest received		155	178
		7,216,690	7,830,990
Cash was disbursed to:			
Payment to suppliers and employees		(7,639,595)	(7,060,882)
Interest paid on loans and borrowings		(182,064)	(168,400)
Interest paid on lease liabilities	20	(13,941)	(18,421)
Income tax paid		(44)	-
GST payment		-	(193,006)
		(7,835,644)	(7,440,709)
Net cash flow (used in) / generated by operating activities	24	(618,954)	390,281
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sales of property, plant and equipment		-	17,353
		-	17,353
Cash was disbursed to:			
Payments for property, plant and equipment		(303,034)	(69,690)
Payments for intangible assets		(6,843)	-
		(309,877)	(69,690)
Net cash flow (used in) investing activities		(309,877)	(52,337)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowing	24	600,000	-
Proceeds from issue of ordinary shares (net of capital raising cost)	8	-	1,241,473
		600,000	1,241,473
Cash was disbursed to:			
Principal paid on lease liabilities	20	(113,642)	(104,650)
Repayment of bank loan	24	(950,000)	-
		(1,063,642)	(104,650)
Net cash flow (used in) / generated by financing activities		(463,642)	1,136,823
Net cash and cash equivalents (used in) / generated by		(1,392,473)	1,474,766
Cash and cash equivalents at the beginning of the year		1,729,757	254,991
Cash and cash equivalents at the end of the year	9	337,284	1,729,757

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 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.

These financial statements were authorised for issue by the Board of Directors on 28 September 2022.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), and they comply with the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements comply with International Financial Reporting Standards (IFRS).

The Group is a Financial Markets Conduct (FMC) reporting entity under the Financial Markets Conduct Act 2013. These consolidated financial statements have been prepared in accordance with the requirements of Financial Markets Conduct Act 2013.

There are no new standards impacting the Group that have had a material impact on the consolidated financial statements for the year ended 30 June 2022. Certain comparatives have been reclassified to align with the current year's treatment, the bonus accrued at the last year end was moved from trade and other payables to employee benefits in accordance with the NZ IAS 1 Presentation of Financial Statements. There have been no changes in accounting policies and the policies adopted by the Group have been applied consistently to all periods presented.

Historical cost convention
The consolidated financial statements have been prepared on a historical cost basis except for Biological work in progress, Land and Land improvements (vineyards) which have been measured at fair value.

Functional and presentation currency
The consolidated financial statements are presented in New Zealand dollars, which is the functional currency of the company and its subsidiaries.

Accounting estimates & judgements
The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. Refer to Note 2(s) for further information.

(b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The Company reassesses 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 listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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.

(c) Revenue Recognition

Sales of grapes and wine
The primary source of revenue for the Group is from the sales of grapes harvested and the sale of wines produced. Revenue on sales of goods is recognised at the point in time the performance obligation is satisfied. The Group consider the performance obligation is satisfied when control of goods has transferred being when the goods have been delivered to the customer or free on board (FOB) port/delivery point or as otherwise contractually determined. A contract liability is recognised when a payment received prior to the performance obligation being satisfied. Revenue will be recognised and the corresponding amount will be moved from contact liability when the performance obligation is satisfied.

(d) Interest income and expenses

Interest income and expense
Interest income and expense are recognised on an accrual basis using the effective interest method.

Other income
Other income is recognised when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(e) Goods and Services Tax

With the exception of accounts receivable and payable, all items are stated exclusive of Goods and Services Tax. The net amount of GST recoverable from or payable to the taxation authority is included as part of current assets or current liabilities in the statement of financial position.

(f) Foreign Currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). All values are rounded to the nearest dollar.

At reporting date, foreign monetary assets and liabilities are translated into the functional currency at the closing exchange rate and exchange variations arising from these translations are recognised in profit or loss.

Transactions in foreign currencies are translated into New Zealand currency at the rate of exchange ruling at the transaction date or a rate approximating that rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(g) Property, Plant and Equipment

The Group has applied the revaluation model for land and land improvements including bearer plants (grapes vines) and other vineyard infrastructure, and these are valued at fair value less accumulated depreciation. Fair value is determined on the basis of an independent valuation prepared by external valuation experts annually. Fair value is determined by reference to market-based evidence, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Land improvements include all costs incurred in planting grape vines and developing vineyards, dams and irrigation systems, including direct material and direct labour. These are not depreciated until the integrated vineyard asset reaches full commercial production which is typically three years after planting.

Revaluations

Revaluation increases are recognised in other comprehensive income and accumulated as a separate component of equity in the property, plant, and equipment (PPE) revaluation reserve, except to the extent that they reverse a revaluation decrease of the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss to the extent of the decrease previously expensed. Decreases in value are debited directly to the revaluation reserve to the extent that they reverse previous surpluses of the same asset and are otherwise recognised as expenses in profit or loss.

All other items of property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any resulting impairment losses are recognised as an expense in profit or loss.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in profit or loss and is calculated as the difference between the sale price and the carrying value of the item. On disposal of a revalued item of property, plant and equipment, the balance of the revaluation reserve related to that asset if any is transferred to retained earnings.

Depreciation is provided for on a straight line or diminishing value basis on all tangible property, plant and equipment other than land, at depreciation rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Rates used during the current and prior year were:

- Land improvements - Straight line (5 - 35 years) and Diminishing value (2.0% - 13.5%)
- Computer equipment - Diminishing value (50.0%)
- Tools, equipment & sheds - Diminishing value (6.0% - 67.0%)
- Motor vehicles - Diminishing value (13.0% - 30.0%)

(h) Impairment

The Group reviews the carrying value of its non-financial assets except for inventories and deferred tax assets and assesses whether there is any indication that an asset may be impaired at each reporting date. Where an indication of impairment exists, the Group makes a formal assessment of recoverable amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset is less than its carrying amount, the asset is written down to its recoverable amount. The write-down of the asset recorded at historical cost is recognised as an expense in profit or loss. Recoverable amount is the higher of fair value less costs of disposal 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.

The carrying amount of an asset that has previously been written down to recoverable amount is increased to its current recoverable amount if there has been a change in the estimates used to determine the amount of the write-down. The increased carrying amount of the asset will not exceed the carrying amount that would have been determined if the write-down to recoverable amount had not occurred.

Reversals of impairment write downs on property, plant and equipment are accounted for in profit or loss.

(i) Financial instruments

Financial assets

Financial assets are measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The determination is made at the initial recognition. The Group classifies its financial assets as at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets are measured at amortised cost arise principally from the provision of goods and services to customers (eg trade receivables). It also includes the deposit paid and related party loan. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

If there is any significant increase in credit risk in relation to any of the debt instruments (eg related party loan) since initial recognition, the Group would need to recognise lifetime expected credit loss for those instruments, but continue to calculate interest revenue on the gross carrying amount of the asset. If there is objective evidence of impairment, lifetime expected credit losses must be recognised and interest revenue will be calculated on the net carrying amount (that is, net of the credit allowance).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial assets at fair value are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in profit or loss. The Group's financial assets measured at fair value comprise the certain investment in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Financial liabilities

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are initially recognised at fair value and then carried at amortised cost, and due to their short-term nature, they are not discounted.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis and includes the fair value less cost to sell of the grapes, the agricultural produce, at the time the grapes are harvested in accordance with NZ IAS 41 Agriculture (note 11). Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(k) Income Tax

Income tax expense comprises both current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income, in which case it is recognised in equity or other comprehensive income.

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the reporting date

Deferred tax is calculated on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.
No deferred tax is recognized for all temporary difference associated with investment in subsidiaries for following reasons: (1) the parent is able to control the timing of the reversal of the temporary difference; and (2) it is probable that the temporary difference will not be reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxation authority.

The amount of income tax benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realized and comply with the conditions of deductibility imposed by law.

When there is uncertainty concerning the Group's filling position regarding the tax bases of assets and liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

- considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provided better predictions of the resolution;
- determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or the expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have the full knowledge of all related information when making those examinations.

(l) Borrowing costs

Borrowing costs are recognised as an expense except when incurred to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset will be capitalised as part of the cost of that asset.

(m) Agriculture (biological assets other than bearer plants and biological work in progress)

All costs incurred in maintaining agricultural assets are recognised in profit or loss. Costs incurred in deriving produce from a future harvest are capitalised and treated as biological work in progress in the Statement of Financial Position. There is no direct quote or market prices are available, the fair value of the Biological work in progress can not be realisably measured until harvest, therefore it is measured at cost.

The fair value less costs to sell of picked grapes is recognised in profit or loss as a gain/loss on harvested grapes at the point of harvest when these are transferred to inventories. The fair value of grapes is referenced to market prices for grapes in the local area, at the time of harvest. This becomes the deemed 'cost' for inventory valuation purposes.

(n) Fair value estimation

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Directors of the Company has determined the appropriate valuation techniques and inputs for fair value measurements.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group applies an alternative valuation technique.

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

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; and

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The carrying value less estimated credit adjustments of trade receivables and payables is assumed to approximate its fair values due to their short-term nature.

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 at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

(o) Intangible assets

i. *Intangible assets acquired separately*
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation rates used during the current and prior year were:

- Trademarks - Straight line (10 years)
- Website - Diminishing value (40.0%)

ii. *Derecognition of intangible assets*
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(p) Share-based payment transactions

The grant date fair value of equity settled share based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

(q) Leases

The Group as lessee
The lease liability is initially measured at the present value of the future lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is measured at amortised cost using the using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension of termination option, with a corresponding adjustment made to the carrying value of the right-of-use asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. Right-of-use assets relating to office premises are subsequently depreciated on a straight line basis from the commencement date until the end of the lease term or if shorter, over the life of the underlying asse. The depreciation policy for leased machines and equipment are consistent with that for depreciable assets which are owned. The Group applies NZ IAS 36: Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h) Impairment.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less.

The Group as lessor
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(r) Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group the grants are intended to compensate.

(s) Key sources of judgement of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

ii. Fair value less costs to sell of grapes at the point of harvest (refer to note 10)

The fair value less costs to sell of grapes at the point of harvest is determined by reference to market prices for each variety of grape grown in the local area at the time of harvest. The Directors' assessment of the fair value less costs to sell at the point of harvest is determined after reviewing the market price at which the Group sells the harvested grapes. Based on this valuation technique these fair values are included in Level 2 in the fair value hierarchy.

iii. Fair value of land and land improvement (refer to note 15)

The fair value of land and land improvements is determined by an independent valuer. The fair value is determined under the principle of highest and best use at reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is determined by direct reference to recent market transactions on arm's length terms for vineyards comparable in size, location and varietal mix to those held by the Group. To determine the fair value the independent valuer uses valuation techniques which are inherently subjective and involve estimation. The Directors consider that market data exists to support this basis of valuation. Based on these valuation techniques these fair values are included in Level 3 in the fair value hierarchy.

One of Group's vineyard block is contaminated by herbicide "Taskforce" which was used over the recent years to control the Chilean Needle grass. None of the currently producing area was impacted by the contamination. The contaminated area contains about 10 hectares of plantable area. At this stage, it is uncertain how long the contaminants will dissipate through the soil, it is likely to be in the order of five to ten years. The value of the contaminated land is substantially discounted. The block is not used for production at the moment.

iv. Effective interest rate for interest-free shareholder loan (refer to note 19)

The Group obtained an interest-free loan from the majority shareholder which was refinanced in June 2021 to have a maturity date of October 2023. The loan was discounted to fair value, with the discounted amount being recorded as capital contribution. The Group determined the effective interest rate to be 4.5%, based on a mix of its current bank borrowings interest rate, Inland Revenue prescribed rate and unsecured loan rates.

v. Deferred tax asset (refer to note 7)

For the purposes of measuring deferred tax assets arising from continuous operation, the directors have reviewed the Group's performance forecast for the near future and concluded that the Group will generate sufficient profit in the near future to utilise the deferred taxed assets recognised. Therefore, it is appropriate to carry the deferred tax balance forward for future use.

Key assumptions used for the forecast are:

(1) the Group assessed the last 5 year's harvest history of OTU vineyards and established a normal yield which is about 12 tonnes/ha,
(2) the Group's strategy for the next few years is to premiumise its brands and achieve high gross margin, the branded wine sales price will be increased for both domestic and international markets,
(3) the Group will deploy extra resources to develop distribution in overseas market, sales volume forecasted to increase significantly for overseas market,
(4) bulk wine and grapes sales would reduce to meet the branded wine sales growth,
(5) marketing and promotional expenses would grow accordingly to support branded wine sales growth.

The Group tested the sensitivity of key assumptions and transactions, and considered all available evidence, both negative and positive and determined that sufficient positive evidence outweighs existing negative evidence and future taxable profit is probable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(t) Cash flows

The Group's cash flows are classified based on the following:

- 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 and other investments not included in cash equivalents.
- Financing activities are activities that result in changes in the borrowings of the Group.

(u) Accounting standards and interpretations

Standards and interprtations effective in the current year

The following Standards and Amendments to NZ IFRS, which are relevant to the Group's financial statements, and became effective mandatorily for the annual periods beginning on or after 1 January 2021, were adopted by the Group from 1 July 2021. The adoption of these have not and will not lead to any change in the Group's accounting policies with measurement or recognition impact on the period presented in these financial statements:

- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to NZ IFRS 16) - mandatory for annual periods beginning on or after 1 April 2021.

Standards and interprtations effective in future periods

Certain new Standards, Interpretations and Amendments to existing standards have been published that are mandatory for later periods and which the Group has not early adopted. The key items include:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendment to NZ IAS 37) – Clarifies the costs to be included when determining the cost of fulfilling a contract, for the purpose of assessing whether the contract is onerous - mandatory for annual periods beginning on or after 1 January 2022 with early application permitted.
- Property, Plant and Equipment – Proceeds Before Intended Use (Amendment to NZ IAS 16) Prohibits an entity from deducting amounts received from selling items produced while the entity is preparing an item of property, plant and equipment for its intended use from the cost of the equipment - mandatory for annual periods beginning on or after 1 January 2022 with early application permitted.
- Reference to the Conceptual Framework (Amendment to NZ IFRS 3) - mandatory for annual periods beginning on or after 1 January 2022 with early application permitted.
- Annual Improvements to NZ IFRS Standards 2018-2020 – These amendments include the Taxation in fair value measurements (NZ IAS 41 Agriculture) – mandatory for annual periods beginning on or after 1 January 2022.
- Classification of Liabilities as Current or Non-current (Amendments to NZ IAS 1) – To clarify the classification of debt and other liabilities with an uncertain settlement date in the statement of financial position, including the settlement of debt by converting to equity – mandatory for annual periods beginning on or after 1 January 2023.
- Disclosure of Accounting Policies (Amendments to NZ IAS 1 and IFRS Practice Statement 2) - Entities are now required to disclose their 'material' accounting policies instead of 'significant' accounting policies. The amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements, and that accounting policy information may be material because of its nature, even if the related amounts are immaterial – mandatory for annual periods beginning on or after 1 January 2023. The amendments are applied prospectively with earlier application permitted.
- Definition of Accounting Estimates (Amendments to NZ IAS 8) - The definition of "change in accounting estimates" is replaced with a definition of "accounting estimates". Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty" - mandatory for annual periods beginning on or after 1 January 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets. Any resulting adjustment is recognised at the beginning of the earliest comparative period presented. Mandatory for annual periods beginning on or after 1 January 2023 with early application permitted.

The Group's management have completed an initial assessment of the new standards and do not expect the adoption of these standards to have a material financial impact on the financial statements of the Group but may affect disclosure.

3. REVENUE

	Year Ended June 2022 $	Year Ended June 2021 $
Grape sales	1,299,622	1,710,819
Bulk wine sales	2,165,505	1,154,767
Branded wine sales	4,489,939	3,870,099
	7,955,066	6,735,685

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. Adjustment, if any, will be made when official regional price is published.

4. OTHER INCOME

	Year Ended June 2022 $	Year Ended June 2021 $
Lease of farmland	3,546	2,660
Government Grants	42,302	16,372
Insurance settlement	-	300,000
Office lease	68,280	68,280
Gain on investment (note 16)	-	12,445
Foreign exchange gains	11,754	-
Others	31,783	5,078
	157,665	**404,835**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

5. EXPENSES

	Year Ended June 2022 $	Year Ended June 2021 $
Specific expenses included in profit / (loss) before tax and finance cost: for the year:		
Wages and salaries	848,252	600,471
Kiwisaver contribution	16,712	14,242
Directors Fees (note 23)	95,000	117,500
Contractor payment	188,237	120,436
Share-based payments to directors and staff (note 8)	-	169
Foreign exchange losses	-	2,357
Depreciation - includes right-of-use assets (notes 15 & 20)	736,599	690,553
Amortisation (note 14)	4,472	5,207
Auditor remuneration for audit of the 30 June 2021 financial statements - BDO	17,292	68,000
Auditor remuneration for audit of the 30 June 2022 financial statements - BDO	83,695	-

6. INTEREST EXPENSE AND FINANCING COST

	Year Ended June 2022 $	Year Ended June 2021 $
Interest expense on financial liabilities at amortised cost	260,851	254,764
Interest expense on lease liabilities (note 20)	13,941	18,421
	274,792	273,185

The above Interest expense on loans and borrowings includes non-cash interest expense of $61,080 incurred from shareholder loan (note 19) for the year ended in 30 Jun 2022 (2021: $64,420).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

7. TAXATION

		Year Ended June 2022 $	Year Ended June 2021 $
(a)	**Income Tax**		
	Deferred tax movement	777,160	90,778
	Income tax expense	777,160	90,778
(b)	**Numerical reconciliation of income tax expense to prima facie tax payable**		
	Profit/(Loss) before taxation	481,333	(828,122)
	Income tax @ 28%	134,773	(231,874)
	Permanent differences	18,548	19,339
		153,321	(212,535)
	Deferred tax on items taken directly to or transferred from OCI (note 7(d))	623,839	303,313
	Income tax expense / (benefit)	777,160	90,778
(c)	**Imputation credits are as follows:**		
	Balance available for use in subsequent reporting periods	720,684	720,684
(d)	**Deferred tax balances**		
	The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:		
	Deferred tax (liability)	(3,121,297)	(2,344,137)
		(3,121,297)	(2,344,137)

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June 2021	Opening balance $	Recognised in profit or loss $	Recognised in other comprehensive income $	Closing balance $
Deferred tax assets/(liabilities) in relation to:				
Land improvements at fair value	(2,685,461)	107,115	(303,313)	(2,881,659)
Accrued expenses	27,584	(6,452)	-	21,132
Inventory provision	5,198	22,485	-	27,683
Property, plant & equipment	(29,883)	(9,501)	-	(39,384)
Tax losses	414,699	96,779	-	511,478
Lease liability	91,241	(16,684)	-	74,557
Right of use asset	(76,737)	18,793	-	(57,944)
	(2,253,359)	212,535	(303,313)	(2,344,137)

June 2022	Opening balance $	Recognised in profit or loss $	Recognised in other comprehensive income $	Closing balance $
Deferred tax assets/(liabilities) in relation to:				
Land improvements at fair value	(2,881,659)	120,069	(623,839)	(3,385,429)
Accrued expenses	21,132	35,594	-	56,726
Inventory provision	27,683	2,082	-	29,765
Property, plant & equipment	(39,384)	(3,943)	-	(43,327)
Tax losses	511,478	(303,574)	-	207,904
Lease lLiability	74,557	(22,342)	-	52,215
Right of use asset	(57,944)	18,793	-	(39,151)
	(2,344,137)	(153,321)	(623,839)	(3,121,297)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the deferred tax benefit will be realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

8. EQUITY

Share Capital	June 2021 Shares	June 2021 $
Balance of ordinary share capital at 1 July 2020	296,234,115	16,416,098
Balance at 30 June 2021	296,234,115	16,416,098

	June 2022 Shares	June 2022 $
Balance of ordinary share capital at 1 July 2021	296,234,115	16,416,098
Balance at 30 June 2022	296,234,115	16,416,098

PPE revaluation reserve	Year Ended June 2022 $	Year Ended June 2021 $
Balance at beginning of the financial year	8,207,264	5,330,584
Revaluation increments/(decrements)	8,860,995	3,179,993
Deferred tax on items taken directly to or transferred from OCI	(623,839)	(303,313)
Balance at end of financial year	16,444,420	8,207,264

The PPE 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	June 2021 Shares	June 2021 $
Balance of share based payment reserve at 1 July 2020	780,000	40,350
Share based expenses for the year	-	169
Share options exercised/(forfeited) during the year	(60,000)	(736)
Balance at 30 June 2021	720,000	39,783

	June 2022 Shares	June 2022 $
Balance of share based payment reserve at 1 July 2021	720,000	39,783
Balance at 30 June 2022	720,000	39,783

Total number of shares on issue as at 30 June 2022	296,954,115	

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At 30 June 2022, share capital comprised 296,954,115 authorised and issued shares (June 2021: 296,954,115) which are fully paid. 720,000 shares issued under the Group's Employee Share Ownership Plan (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. Ordinary shares have no par value.

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 (June 2021: 5,362,115 shares at $0.25/share) or share options (June 2021: nil) during the 12 months ended 30 June 2022. And no existing share options have been exercised during the 12 months ended 30 June 2022 (June 2021: nil).

9. CASH AND BANK BALANCES

	Year Ended June 2022 $	Year Ended June 2021 $
Cash at bank (ANZ Bank, BNZ Bank and Industrial Commercial Bank of China)	337,284	1,729,757
	337,284	1,729,757

Cash and cash equivalents comprise cash on hand, cash at bank and investments on call. There are no term deposits at year end.

10. BIOLOGICAL ASSET PRODUCE

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 30 June 2022, the Group held approximately 336 hectares of land owned by the Company in Marlborough, New Zealand (June 2021: 336) and the total producing area is 149 hectares (June 2021: 149).

During the year ended 30 June 2022, the Group harvested 1,879 tonnes of grapes (June 2021: 1,374) from MWE's own vineyards. The grapes harvested are recognised at fair value less costs to sell at the point of harvest after taking into consideration various market factors, as well as reviewing the district average price report for grapes of similar quality and variety. The fair value adjustment included in cost of sale for the 2022 vintage was $1,590,403 (June 2021: $787,201). Refer to note 12 for recognition of the biological transformation between the time of harvest and reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

11. INVENTORIES

	Year Ended June 2022 $	Year Ended June 2021 $
Bottled wine	1,138,940	833,535
Bulk wine	3,799,278	2,799,543
Dry goods	138,492	196,359
Total wine in inventory and work in progress (net of impairment)	5,076,710	3,829,437
Impairment of Inventory		
Balance as at 1 July	98,871	18,568
Provision provided during the year	106,305	98,871
Inventory written off during the year	(98,871)	(18,568)
Balance as at 30 June	106,305	98,871

Inventories are valued at the lower of cost, net realisable value. Cost is calculated on a FIFO basis. Inventories recognised as a cost of sale during the year ended 30 June 2022 amounted to $4,181,547 (June 2021:$ 3,474,872).

12. BIOLOGICAL WORK IN PROGRESS

	Year Ended June 2022 $	Year Ended June 2021 $
Growing costs related to next harvest	923,663	710,055

The Group grows and harvests grapes. Harvesting of grapes is from March to April each year. The growth on the vines in the period from harvest to 30 June 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 reporting date. The cost of agricultural activity in the period to 30 June 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 reporting date was $923,663 (June 2021: $710,055).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

13. ACCOUNTS RECEIVABLE

	Year Ended June 2022 $	Year Ended June 2021 $
Trade receivables	1,671,876	744,238
Provision for doubtful debts	-	-
	1,671,876	744,238

The standard credit terms on sales of goods given to domestic branded wine customers are 20th of the 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. Expected credit losses are not material as at 30 June 2022 and 30 June 2021. The Group also considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Refer to note 2(i).

Included in the total receivable amount above, there is no material past due accounts. As of 30 June 2022, there were 3 customers who represent more than 5% of the total balance of trade receivables individually (June 2021: 4 customers).

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	126,073	-	-	833
Customer 3	114,386	114,386	-	-	-

Payment due schedule from major customers as of 30 June 2021	Total receivable amount $	Due in 0 - 30 days $	Due in 31 - 90 days $	Due in 91 days + $	Past due $
Customer 1	207,800	-	-	207,800	-
Customer 2	107,016	107,016	-	-	-
Customer 3	107,676	107,676	-	-	-
Customer 4	81,600	-	81,600	-	-

The Group determines the expected credit losses on receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Group has determined the expected credit loss is negligible even at the current Covid economic environment so the provision has not been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The loss allowance for accounts receivable was tested as follows.

Accounts receivable as of 30 June 2022	Current $	Less than 30 days past due $	30 to 60 days past due $	More than 60 days past due $	Total $
Trade receivables	1,627,990	5,879	1,966	36,041	1,671,876
Provision for expected credit losses	-	-	-	-	-

Accounts receivable as of 30 June 2021	Current $	Less than 30 days past due $	30 to 60 days past due $	More than 60 days past due $	Total $
Trade receivables	674,291	1,570	17,669	50,708	744,238
Provision for expected credit losses	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. INTANGIBLES

(a) Cost and accumulated amortisation	Trademarks $	Website $	Total $
Cost:			
Balance as at 1 July 2020	22,285	12,410	34,695
Balance at 30 June 2021	22,285	12,410	34,695
Additions for the year	6,843	-	6,843
Balance at 30 June 2022	29,128	12,410	41,538
Amortisation and impairment losses:			
Balance as at 1 July 2020	7,848	4,964	12,812
Amortisation for the year	2,229	2,978	5,207
Balance at 30 June 2021	10,077	7,942	18,019
Amortisation for the year	2,685	1,787	4,472
Balance at 30 June 2022	12,762	9,729	22,491

(b) Carrying amount	Trademarks $	Website $	Total $
June 2021			
Cost	22,285	12,410	34,695
Accumulated amortisation and impairment loss	(10,077)	(7,942)	(18,019)
Balance at 30 June 2021	12,208	4,468	16,676
June 2022			
Cost	29,128	12,410	41,538
Accumulated amortisation and impairment loss	(12,762)	(9,729)	(22,491)
Balance at 30 June 2022	16,366	2,681	19,047

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FOR THE YEAR ENDED 30 JUNE 2022

15. PROPERTY, PLANT & EQUIPMENT

Year ended 30 June 2021	Land at fair value $	Land improvements at fair value $	Computer equipment at cost $	Tools, equipment & sheds at cost $	Motor vehicles at cost $	Total $
Cost or fair value (before depreciation)						
Balance at 1 July 2020	8,044,795	14,500,117	13,113	574,464	203,268	23,335,757
Additions for the year	-	51,437	962	12,047	5,244	69,690
Disposals for the year	-	-	-	(4,125)	-	(4,125)
Revaluation	2,096,734	1,083,259	-	-	-	3,179,993
Balance at 30 June 2021	10,141,529	15,634,813	14,075	582,386	208,512	26,581,315
Accumulated Depreciation:						
Balance at 1 July 2020	-	1,655,863	12,230	271,689	106,803	2,046,585
Depreciation for the year	-	513,648	484	44,317	13,613	572,062
Depreciation reversed for disposal	-	-	-	(2,379)	-	(2,379)
Balance at 30 June 2021	-	2,169,511	12,714	313,627	120,416	2,616,268
Carrying amount:						
Cost or fair value	10,141,529	15,634,813	14,075	582,386	208,512	26,581,315
Accumulated depreciation	-	(2,169,511)	(12,714)	(313,627)	(120,416)	(2,616,268)
Carrying amount at 30 June 2021	10,141,529	13,465,302	1,361	268,759	88,096	23,965,047

Of the above $513,648 depreciation for land improvements, $384,776 was classified to cost of sales and $128,872 was capitalised into Biological work in progress as this were directly attributable to grapes growing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Year ended 30 June 2022	Land at fair value $	Land improvements at fair value $	Computer equipment at cost $	Tools, equipment & sheds at cost $	Motor vehicles at cost $	Total $
Cost or fair value (before depreciation)						
Balance at 1 July 2021	10,141,529	15,634,813	14,075	582,386	208,512	26,581,315
Additions for the year	-	226,521	6,319	45,694	23,500	302,034
Revaluation	6,632,997	2,227,998	-	-	-	8,860,995
Balance at 30 June 2022	16,774,526	18,089,332	20,394	628,080	232,012	35,744,344
Accumulated Depreciation:						
Balance at 1 July 2021	-	2,169,511	12,714	313,627	120,416	2,616,268
Depreciation for the year	-	567,217	2,758	40,049	15,124	625,148
Balance at 30 June 2022	-	2,736,728	15,472	353,676	135,540	3,241,416
Carrying amount:						
Cost or fair value	16,774,526	18,089,332	20,394	628,080	232,012	35,744,344
Accumulated depreciation	-	(2,736,728)	(15,472)	(353,676)	(135,540)	(3,241,416)
Carrying amount at 30 June 2022	16,774,526	15,352,604	4,922	274,404	96,472	32,502,928

The vineyards are situated in Marlborough. Land and land improvements by the Group are subject to a registered charge in favour of the ICBC Bank. This is up to the extent of the loan balance, $4.95m (note 19) at reporting date.

Of the above $567,217 depreciation for land improvements, $424,005 was classified to cost of sales and $143,212 was capitalised into Biological work in progress as this were directly attributable to grapes growing.

The carrying amount of land and land improvement had they been recognised under the historic cost model would have been $6,716,695 and $6,972,203 respectively (June 2021: $6,716,695 and $7,285,249).

Revaluation of land and land improvements

The land and land improvements (which include grape vines) shown at valuation were valued at fair value under the principle of highest and best use (viticulture purposes) by Alexander Hayward Limited (June 2021: Alexander Hayward Limited), registered independent valuer on 14 June 2022. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Land and land improvements at fair value is determined by a comparable sales valuation approach where a number of recent vineyard sales were analysed to establish a range of relevant value benchmarks for land and land improvements' components. The valuer has determined a value range for vineyard land structures and vines of between $175,000 to $223,000 / planted hectare (June 2021: $120,000 - $175,000/ha).

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The main benchmarks applied are listed below:

- Valley floor / flats land value of $115,000 / ha (June 2021: $82,500 / ha).
- Contoured / undulating hill land value of $85,500 - $108,000 / ha (June 2021: $50,000 - $75,000 / ha).
- Balance non-productive land value of $3,000 - $8,000 / ha (June 2021: $3,000 - $8,000 / ha).
- Added value of vines and structures of $73,000 - $85,000 / planted ha (June 2021: $60,000 - $75,000 / ha).

The Valuer has determined an adopted rate based on comparable transactions adjusted for the specific characteristics of the viticulture land. The land value increase as the adopted land value rate per hectare increases, and vice versa. The land improvement value increase as the adopted value of vines and structures per hectare increases, and vice versa. The valuation includes inputs which are adjusted for the size, location and varietal mix held by the Group. Based on these valuation techniques these fair values are included in Level 3 in the fair value hierarchy (note 2(s)). The value allocated specifically to dams and other infrastructures included in land improvements (other than grapes vines) is based on the estimated cost to replace the assets on a like for like basis.

The valuation report has noted that the Covid-19 pandemic has significantly impacted all global markets and locally, all sectors of society and business activity have been materially disrupted, and that previous property market evidence may not reflect the future trending of the market as the crisis evolves. Thus, at 30 June 2022, the valuers considered that there is a significant market uncertainty and given the unknown future impact that Covid-19 might have on the market, the valuation of the land and land improvements should be under frequent review. The Group has considered this together with the key assumptions used in the valuation, and believe the valuation still represents the most appropriate value of the property under the current circumstances.

In addition, one of the Group's vineyard blocks is contaminated by herbicide "Taskforce" which was used over recent years to control Chilean Needle grass. None of the currently producing area was impacted by the contamination. The contaminated area contains about 10 hectares of plantable area. Further vineyard development has been put on hold until future soil test confirms the contaminants have dissipated through the soil (note 2(s)(iii)).

16. INVESTMENTS - FVTP&L

The Group has 7.8% ownership in Blind River Irrigation Limited (BRIL) and has advanced funds to the company. This gives the Group the right to draw water from Blind River Irrigation Limited. During the 12 months ended 30 June 2021, BRIL split its shares in 1:3 ratio and the newly created shares was valued at $215/share. The value of the share was supported by the Net Assets value of BRIL, MWE assessed the Net Asset of BRIL as at June 2022, which has not moved materially from prior year, therefore no gain/(loss) on investment was recognised in the current year (June 2021: $12,445). MWE has received no dividend from this investment for the year (June 2021: nil).

	Year Ended June 2022 $	Year Ended June 2021 $
Investments in equity	28,365	28,365
	28,365	28,365

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17. TRADE AND OTHER PAYABLES

	Year Ended June 2022 $	Year Ended June 2021 $
Trade payables	1,024,468	1,012,227
Other payables and accruals	548,214	213,227
	1,572,682	1,225,454

Trade payables are non-interest bearing and are generally settled within 30 days. As a result of their short-term nature, trade payables and accruals are not discounted. The carrying amount disclosed above is a reasonable approximation of fair value. No interest rate is applicable.

18. EMPLOYEE BENEFIT LIABILITIES

	Year Ended June 2022 $	Year Ended June 2021 $
Leave payables	44,082	26,274
Remuneration payables	87,665	26,048
	131,747	52,322

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19. BORROWINGS

	Year Ended June 2022 $	Year Ended June 2021 $
ICBC bank loan	4,950,000	5,300,000
Shareholder loan	1,414,614	1,353,534
	6,364,614	6,653,534
Current	150,000	150,000
Non current	6,214,614	6,503,534
	6,364,614	6,653,534

The Group entered into a loan agreement with ICBC on 18 December 2014. The loan is secured by way of registered charge over all the present and after acquired property of the Group. The interest rate at 30 June 2022 was 4.83% (June 2021: 3.07%). The loan was refinanced in June 2021 with the facility amount of $5.3 million which consist of core debt facility of $4.0 million and 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 limit of $1.3 million, and interest of revolving debt will be calculated monthly based on balance owning. Interest for core debt facility is calculated and paid quarterly

During FY22, $150,000 repayment was made to the core debt facility, and $200,000 repayment was made to the revolving debt facility. As at 30 June 2022, the core debt facility had a balance of $3.85 million and revolving debt had a balance of $1.1 million. $200,000 was still available for withdrawing at June 2022 from the revolving debt facility. Another $150,000 was on the repayment schedule to pay down core debt on or prior 30 June 2023. 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 was refinanced on 30 June 2021, the loan matures in October 2023. Given the loan is interest-free, it was discounted to its fair value on 30 June 2021 with the difference between the face value of the loan and the fair value being reflected as a capital contribution of $210,886 from the shareholder. In addition, the Group recognised non-cash interest expense of $61,080 for FY22 and the corresponding amount was also reflected in loan balance (June 2021: $64,420).

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.

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20. LEASES

Right-of-use assets	Office Premises $	Equipment & Motor vehicles $	Total $
30 June 2021			
Cost			
Balance at 1 July 2020	350,497	347,933	698,430
Additions for the year	-	17,286	17,286
Disposals for the year	-	(23,201)	(23,201)
Balance at 30 June 2021	350,497	342,018	692,515
Accumulated Depreciation:			
Balance at 1 July 2020	(76,435)	(60,872)	(137,307)
Depreciation for the year	(67,117)	(51,374)	(118,491)
Disposal	-	10,259	10,259
Balance at 30 June 2021	(143,552)	(101,987)	(245,539)
Carrying amount:			
Cost	350,497	342,018	692,515
Accumulated depreciation	(143,552)	(101,987)	(245,539)
Carrying amount at 30 June 2021	206,945	240,031	446,976
Year ended 30 June 2022			
Cost			
Balance at 1 July 2021	350,497	342,018	692,515
Additions for the year	-	27,643	27,643
Disposals for the year	-	(17,286)	(17,286)
Balance at 30 June 2022	350,497	352,375	702,872
Accumulated Depreciation:			
Balance at 1 July 2021	(143,552)	(101,987)	(245,539)
Depreciation for the year	(67,117)	(44,334)	(111,451)
Disposal	-	4,431	4,431
Balance at 30 June 2022	(210,669)	(141,890)	(352,559)
Carrying amount:			
Cost	350,497	352,375	702,872
Accumulated depreciation	(210,669)	(141,890)	(352,559)
Carrying amount at 30 June 2022	139,828	210,485	350,313

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Lease liabilities	Office Premises $	Equipment & Motor vehicles $	Total $
Year ended 30 June 2021			
Lease liability recognised as at 1 July 2020	325,860	83,641	409,501
Additions	-	19,879	19,879
Interest for the period	12,832	5,589	18,421
Lease payments made	(72,307)	(50,764)	(123,071)
Carrying amount 30 June 2021	266,385	58,345	324,730
Current	79,792	16,685	96,477
Non-current	186,593	41,660	228,253
Total	266,385	58,345	324,730
Year ended 30 June 2022			
Lease liabilities as at 30 June 2021	266,385	58,345	324,730
Additions for the year	-	31,789	31,789
Interest for the period (note 6)	9,577	4,364	13,941
Lease payments made	(89,370)	(38,213)	(127,583)
Carrying amount 30 June 2022	186,592	56,285	242,877
Current	86,031	31,453	117,484
Non-current	100,561	24,832	125,393
Total	186,592	56,285	242,877

	Year Ended June 2022 $	Year Ended June 2021 $
The maturity of lease liabilities is as follows:		
Less than one year	117,484	96,478
One to two years	107,503	116,817
Two to three years	17,890	103,495
Three to four years	-	7,940
	242,877	324,730

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21. CONTINGENT LIABILITIES

There were no contingent liabilities or any outstanding litigation against the Group as at 30 June 2022 (June 2021: nil).

22. CAPITAL COMMITMENTS

There was no capital expenditure commitment as at 30 June 2022 (June 2021: $nil).

23. 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 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 trade mark	100%	30 June	New Zealand

The Group has 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.
Hunan Xinmeisheng Food Co., Ltd.	Min Jia, the founder, major shareholder and director of MWE, owns Hunan Xinmeisheng Food Co., Ltd which sells, distributes and markets MWE's wine in China.
Lily Investments 227 Ltd	Min Jia, director of MWE, is a director and shareholder Lily Investment 227 Ltd.
Blind River Irrigation Ltd	The Group holds 7.8% ownership in Blind River Irrigation Ltd.
Lily Investment 265 Trustee Limited	Min Jia, director of MWE, is a beneficiaries of Lily Investment 265 Trust.
Flowerzone International Ltd	Danny Chan, director of MWE, is a director and shareholder in Flowerzone International Ltd.
The Digital Cafe Ltd	Danny Chan, director of MWE, is a shareholder in The Digital Cafe Ltd.
Cartier for Flower Ltd	Danny Chan, director of MWE, is a director and shareholder in Cartier for Flower 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.
Move Logistics Group Ltd	Danny Chan, director of MWE, is a director in Move Logistics Group Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(b) Transactions with related party

All related party trading transactions were on standard terms and conditions.

	Total Value		Asset/(liability)	
	2022 $	2021 $	2022 $	2021 $
Wine Sales				
New Zenith International Trading (Shanghai) Co., Ltd	3,906	96,000	-	25,383
Hunan Xinmeisheng Food Co., Ltd.	72,028	-	72,028	-
Lily investment 265 Trust	1,158	2,050	-	-
Flowerzone International Ltd	33,743	71,954	23,648	20,286
Cartier for Flower Ltd	1,080	-	-	-
OTU Australia Pty Ltd	104,596	-	-	281
Office rent and other payments				
Lily Investments 227 Limited (for office rent)	34,140	34,140	-	-
Lily Investment 265 Trust (for office rent)	34,140	34,140	-	-
Lily Investment 265 Trust (for staff salary)	30,000	-	(34,500)	-
Blind River Irrigation Limited (for water usage)	39,805	59,174	(23,154)	19,862
LC Wine Ltd (bulk wine purchase)	160,988	297,137	(92,137)	(307,537)
Move Logistics Group Ltd (storage)	1,242	1,283	(104)	(104)
The Digital Cafe Ltd (digital marketing)	21,700	-	(2,300)	-
Shareholder employees other than senior officers (salary)	42,449	71,346	-	(1,908)

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)	
	2022 $	2021 $	2022 $	2021 $
Directors' Fees				
Min Jia (Executive Chairman)	10,000	36,250	(833)	(833)
Danny Chan	40,000	40,000	(11,500)	(11,500)
Songyuan Huang (resigned Oct 2020)	-	7,500	-	-
Christine Pears	45,000	33,750	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

	Total Value		Asset/(liability)	
	2022 $	2021 $	2022 $	2021 $
Senior officers' compensation (excludes directors)				
Short-term employee benefits	349,727	247,852	(11,963)	(2,922)
Share-based payments	-	169	-	-
Total senior officers' compensation (excludes directors)	349,727	248,021	(11,963)	(2,922)

Some of the senior management members were employed in a part time capacity for the Group and they are also employed on a part time basis by related parties.

	Year Ended June 2022 $	Year Ended June 2021 $
Shareholder loan - Min Jia		
Amount owed to Min Jia at 1 July	1,353,534	1,500,000
Fair value adjustment for the loan	-	(210,886)
Non-cash interest payment	61,080	64,420
Amount owed to Min Jia at 30 June (note 19)	1,414,614	1,353,534

	Year Ended June 2022 $	Year Ended June 2021 $
Amounts owing from Blind River Irrigation Limited (BRIL):		
Amount owing at 1 July	51,804	59
Amount advanced during the year	-	56,330
Amount withdrawn during the year	(3,799)	(4,585)
Amount owing at 30 June	48,005	51,804

The loan owning from BRIL was mainly generated via share split and buyback scheme in June 2021. It was designed to offset some future water payments to BRIL. No interests are expected to receive for this loan.

	Year Ended June 2022 $	Year Ended June 2021 $
Other related party transactions during the year		
Wine purchased by shareholder employees and senior officers during the year	2,097	122
Payments reimbursed to senior officers and shareholder employees for business related expenses during the year	5,749	11,226

All shareholder loan balances are interest free and are not repayable within 12 months of signing the financial statements. No amounts owed by related parties have been written off or forgiven during the year. All other related party balances are repayable within 12 months.

The loan from shareholder is unsecured and has been subordinated in favour of all other creditors of the company. The shareholder loan is not due for repayment for the following 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

24. NOTES TO CASHFLOW STATEMENT

(a) Reconciliation of net profit / (loss) after tax to net cash flow from operating activities:	**Year Ended June 2022 $**	**Year Ended June 2021 $**
Net profit / (loss) after tax	328,012	(615,587)
Add: Non-cash items		
Amortisation	4,472	5,207
Depreciation on PPE and ROU assets	736,598	690,548
Interest expense on shareholder loan	61,080	64,420
Tax expense	153,321	(212,535)
Gain on disposal of ROU assets	-	(2,660)
Investment income recognised in profit or loss	-	(12,445)
Share-based payments	-	169
Other non-cash adjustment	21,801	7,178
(Increase)/decrease in assets:		
(Increase) / Decrease in accounts receivables	(927,638)	775,203
Decrease / (Increase) in GST receivable	15,080	(195,598)
(Increase) / Decrease in inventory	(1,247,273)	99,032
(Increase) / Decrease in biological work in progress	(213,608)	(200,121)
(Increase) / Decrease in deposit paid	(26,625)	-
Decrease / (Increase) in prepayments	49,217	(13,310)
Increase / (Decrease) in liabilities:		
Increase / (Decrease) in trade payables	347,228	84,826
Increase / (Decrease) in employee benefit liabilities	79,425	(11,540)
(Decrease) / Increase in revenue received in advance	-	(72,466)
(Decrease) / Increase in tax paid	(44)	(40)
Net cash provided by operating activities	(618,954)	390,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(b) Reconciliation of liabilities arising from financing activities	June 2022 Borrowings $	June 2022 Lease Liabilities $	June 2021 Borrowings $	June 2021 Lease Liabilities $
Balance at 1 July	6,653,534	324,730	6,800,000	409,501
Lease liabilities recognised	-	31,789	-	19,879
Repayment of lease liabilities - cash flow	-	(113,642)	-	(104,650)
Proceed from bank loan- cash flow	600,000	-	-	
Repayment of bank loan - cash flow	(950,000)	-	-	-
Fair value adjustment for shareholder loan	-	-	(210,886)	-
Non-cash Interest	61,080	-	64,420	-
Balance at 30 June	**6,364,614**	**242,877**	**6,653,534**	**324,730**

25. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk.

(a) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are currently not managed as the foreign currency exposure is not material enough to warrant the use of foreign exchange contracts and foreign exchange option contracts. Forward foreign exchange contracts and foreign exchange option contracts will be used in the future as the Group's foreign currency exposure increases.

(b) Credit risk

Credit risk is managed on a regular basis. Credit risk arises from outstanding receivables from debtors. As part of the Group's financial risk policy, limits on exposures have been set and are monitored on a regular basis. Credit risk is therefore not significant. The Group does not require any collateral or security to support financial instruments due to the quality of the financial institutions dealt with. Credit risk also arises from cash and cash equivalents and deposits which is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international agencies. The maximum exposure to credit risk is to the extent of the balance of the carrying amount of financial assets recorded in the financial statements.

(c) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flow and matching the maturity of profiles of financial assets and liabilities. The Group will consider additional funding options through loans or equity when required.

(d) Cash flow risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the undiscounted contractual maturity date. Interest payable has been calculated at reporting date rates, assuming bank borrowings at reporting date are held to maturity. The Group will consider additional funding options through loans or equity when required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

June 2022	Carrying amount $	Total undiscounted amount $	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
Trade Payables	1,572,682	1,572,682	1,572,682	-	-	-
Bank Borrowings	4,950,000	5,247,045	389,085	4,857,960	-	-
Shareholder Loan	1,414,614	1,500,000	-	1,500,000	-	-
Lease Liability (note 20)	242,877	254,726	126,566	110,129	18,031	-

June 2021	Carrying amount $	Total undiscounted amount $	Less than 1 year $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $
Trade Payables	1,225,454	1,225,454	1,225,454	-	-	-
Bank Borrowings	5,300,000	5,659,190	312,710	308,105	5,038,375	-
Shareholder Loan	1,353,534	1,500,000	-	-	1,500,000	-
Lease Liability (note 20)	324,730	347,825	109,552	124,999	113,274	-

(e) Foreign currency risk

Foreign currency denominated assets and liabilities at reporting date are:

	Year Ended June 2022 $	Year Ended June 2021 $
Trade & other receivables	114,386	-
Exposure at reporting date	114,386	-

The Group is mainly exposed to Canadian dollars (CAD) and Australian dollars (AUD) during the year. As at 30 June 2022, the Group has a trade receivable balance of $91,800 denominated in CAD. The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date. The 10% sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for the listed percentage change in foreign currency rates.

	June 2022		June 2021	
	NZD +10% $	NZD -10% $	NZD +10% $	NZD -10% $
Pre tax profit / (loss)	(10,399)	12,710	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(f) Interest rate risk

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Financing activities are evaluated regularly with assistance of independent advice to align with interest rate views and defined risk appetite; ensuring optimal economic strategies are applied or protecting interest expense through different interest rate cycles.

The Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Financing activities are evaluated regularly with assistance of independent advice to align with interest rate views and defined risk appetite; ensuring optimal economic strategies are applied or protecting interest expense through different interest rate cycles.

(g) Categories of financial assets and liabilities

The table below shows the carrying amount and fair values (except where carrying amount approximates fair value) of the Group's financial assets and financial liabilities.

June 2022	Financial assets at amortised cost $	Financial assets at fair value through profit and loss $	Financial liabilities at amortised cost $	Total $
Cash and bank balances	337,284	-	-	337,284
Accounts receivable	1,671,876	-	-	1,671,876
Deposit paid	46,625	-	-	46,625
Related party loan	48,005	-	-	48,005
Financial assets at fair value through profit and loss	-	28,365	-	28,365
Total financial assets	2,103,790	28,365	-	2,132,155
Non-financial assets				39,040,260
Total assets				41,172,415

	Financial assets at amortised cost $	Financial assets at fair value through profit and loss $	Financial liabilities at amortised cost $	Total $
Liabilities				
Trade and other payable	-	-	1,572,682	1,572,682
Employee benefit liabilities	-	-	131,747	131,747
Shareholder loan	-	-	1,414,614	1,414,614
Bank loan	-	-	4,950,000	4,950,000
Total financial liabilities	-	-	8,069,043	8,069,043
Non-financial liabilities				3,364,497
Total liabilities				11,433,540

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

June 2021	Financial assets at amortised cost $	Financial assets at fair value through profit and loss $	Financial liabilities at amortised cost $	Total $
Cash and bank balances	1,729,757	-	-	1,729,757
Accounts receivable	744,238	-	-	744,238
Deposit paid	20,000	-	-	20,000
Related party loan	51,804	-	-	51,804
Financial assets at fair value through profit and loss	-	28,365	-	28,365
Total financial assets	2,545,799	28,365	-	2,574,164
Non-financial assets (restated)				29,220,087
Total assets				31,794,251

	Financial assets at amortised cost $	Financial assets at fair value through profit and loss $	Financial liabilities at amortised cost $	Total $
Liabilities				
Trade and other payable	-	-	1,251,502	1,251,502
Employee benefit liabilities	-	-	26,274	26,274
Shareholder loan	-	-	1,353,534	1,353,534
Bank loan	-	-	5,300,000	5,300,000
Total financial liabilities	-	-	7,931,310	7,931,310
Non-financial liabilities (restated)				2,669,234
Total liabilities				10,600,544

(h) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year. The capital structure of the Group consists of net debt and equity of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

26. SUBSEQUENT EVENTS

There have been no other subsequent events since the reporting date which would impact these financial statements.

27. GOING CONCERN

Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. On this basis, the Directors believe that the use of the Going Concern assumption in preparation of the financial statements remains appropriate.

28. 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.

	June 2022 Number	June 2021 Number
Number of ordinary share at 1 July	296,234,115	290,872,000
Ordinary shares issued and paid during the period	-	5,362,115
Number of ordinary share at 30 June	296,234,115	296,234,115
Weighted average number of ordinary shares	296,234,115	292,487,980

	Year Ended June 2022	Year Ended June 2021
Profit / (Loss) attributable to equity holders of the Company (in dollars)	328,012	(615,587)
Weighted average number of ordinary shares on issue	296,234,115	292,487,980
Basic earnings / (loss) per share (in dollars)	0.001	(0.002)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(b) Diluted earnings per share

The calculation of diluted earnings per share (DEPS) is based on profit/(loss) attributable to equity holders of the Company and a weighted average number of ordinary shares whether issued or able to be issued during the year. As a profit was made this year, share options have been included in the DEPS calculation.

	Year Ended June 2022	Year Ended June 2021
Profit / (Loss) attributable to equity holders of the Company (in dollars)	328,012	(615,587)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	296,234,115	292,487,980
Weighted average number of share options	720,000	746,630
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	296,954,115	292,487,980
Diluted earnings / (loss) per share (in dollars)	0.001	(0.002)

29. 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 suppling 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:

	Year Ended June 2022 $	Year Ended June 2021 $
Sales		
New Zealand and Oceania	5,261,474	5,377,955
United States	2,019,163	960,000
UK/Europe	305,550	95,490
Australasia	263,213	241,950
Others	105,666	60,290
Total (note 3)	7,955,066	6,735,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

For the year ended 30 June 2022, there were 2 customers (30 June 2021: 4 customers) who individually accounted for greater than 10% of the Group's total sales. Customer C and D, in the list below, accounted less than 10% of total revenue for FY22, are no longer considered as a significant customer. The sales amount to these customers in total was $5.08 million (30 June 2021: $5.08 million). The following table shows the sales amount to those customers.

	Year Ended June 2022 $	Year Ended June 2021 $
Customer A	2,019,163	960,000
Customer B	2,525,282	2,425,300
Customer C	9,915	987,961
Customer D	525,827	701,903
Total	5,080,187	5,075,164

30. EMPLOYEE BENEFITS

Share options programme (equity - settled)

On 31 January 2016 the Group established a share option programme that entitled directors and key management personnel and staff to purchase shares in the Company. Under this programme, holders of vested options are entitled to purchase shares at $0.20 per share. The key terms and conditions related to the grants under this programme are as follows. As at 30 June 2022, 1,680,000 of those options were cancelled as the holders are no longer working at MWE, and the remaining 720,000 options are fully vested.

Grant Date	Number of instruments	Vesting conditions
2/03/16	300,000	Fully vest in 5 years, 1/5th vest on each anniversary of the grant date subject to the holder continuing to be employed by the Group (Service Condition only). The options expire 10 years from the grant date and they will be cancelled if not exercised and fully paid at expiry date (02/03/2026).
3/03/16	600,000	Fully vest in 5 years, 1/5th vest on each anniversary of the grant date subject to the holder continuing to be employed by the Group (Service Condition only). The options expire 10 years from the grant date and they will be cancelled if not exercised and fully paid at expiry date (03/03/2026).
27/06/16	1,500,000	Fully vest in 5 years, 1/5th vest on each anniversary of the grant date subject to the holder continuing to be employed by the Group (Service Condition only). The options expire 10 years from the grant date and they will be cancelled if not exercised and fully paid at expiry date (27/06/2026).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Measurement of fair value

The fair value of the employee share options has been measured using the Black-Scholes formula. The inputs used in measurement of the fair values at grant date of the equity-settled share based payment plan were as follows.

Fair value at grant date	$113,000
Share price at grant date	$0.20
Exercise price	$0.20
Expected volatility (weighted-average)	31.79%
Expected life (weighted-average)	10 years
Expected dividends	0%
Risk-free rate	2.01% - 2.47%

The expected volatility in the measurement of fair value at grant date has been based on an evaluation of the historical volatility of a list of comparable listed companies as a proxy for the Company's future volatility. The Company had no trading history as at valuation date.

Reconciliation of the outstanding share options

The number and weighted-average exercise prices of share options under the share option programme were as follows:

	June 2022		June 2021	
	Number of Options	Exercise price	Number of Options	Exercise price
Outstanding at 1 July	720,000	$0.20	780,000	$0.20
Granted during the year	-	N/a	-	N/a
Forfeited during the year	-	N/a	(60,000)	N/a
Exercised during the year	-	N/a	-	N/a
Outstanding at 30 June	720,000	$0.20	720,000	$0.20
Exercisable at 30 June	720,000	$0.20	720,000	$0.20

Share-based payment reserve

	June 2022		June 2021	
	Number	$	Number	$
Outstanding at 1 July	720,000	39,783	780,000	40,350
Share based payment expense	-	-	-	169
Share options forfeited during the year	-	-	(60,000)	(736)
Outstanding at 30 June	720,000	39,783	720,000	39,783

STATUTORY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2022

1. The name of the directors holding office during the year are:

Marlborough Wine Estates Group Limited	Min Jia Christine Pears Danny Chan
Marlborough Vineyard Group Limited	Min Jia Catherine Ma
Otuwhero Trustee Limited	Min Jia Catherine Ma
O:Tu Investments Limited	Min Jia Catherine Ma
MB Wine Limited	Catherine Ma

2. 20 largest shareholdings

The 20 largest shareholdings as at 31 August 2022 are provided in the table below.

No.	Shareholders	No. of shares	% of shares
1	Min Jia	214,637,014	72.28%
2	Mpmb Trustee Limited	25,000,000	8.42%
3	Xiao Rong Huang	14,489,606	4.88%
4	Wenhan Li	9,100,000	3.06%
5	Chen Liu	6,316,270	2.13%
6	Yefan Hong	5,013,000	1.69%
7	Wenhui Lin	2,935,810	0.99%
8	Cong Wang	2,680,000	0.90%
9	Xirong Zhou	2,430,239	0.82%
10	New Zealand Depository Nominee	2,065,349	0.70%
11	Jiaxing Li	1,450,000	0.49%
12	Yan Wang	822,000	0.28%
13	Shane David Edmond	648,433	0.22%
14	Ronald William Quinn	450,462	0.15%
15	Chi Yuan	330,000	0.11%
16	Anna Dai	310,000	0.10%
17	Yuanfu Dai	310,000	0.10%
18	Jan Kux	240,000	0.08%
18	Custodial Services Limited	215,390	0.07%
20	Joseph Daniel Botha	213,464	0.07%

STATUTORY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2022

3. Distribution of equity securities

The total number of ordinary shares on issue as at 31 August 2022 is 296,954,115. The company has only ordinary shares on issue. Details of the distribution of ordinary shares amongst shareholders as at 31 August 2022 are set out below:

Size of holdings	No. of shareholders	% of shareholders	No. of shares held	% of shares held
Less than 5,000	3,297	88.92%	1,823,685	0.61%
5,000 to 59,999	361	9.74%	4,524,043	1.52%
60,000 to 599,999	38	1.02%	5,084,015	1.71%
600,000 to 999,999	2	0.05%	1,470,433	0.50%
1,000,000 to 9,999,999	7	0.19%	29,925,319	10.08%
10,000,000 and over	3	0.08%	254,126,620	85.58%
TOTAL	3,708	100.00%	296,954,115	100.00%

4. Substantial Security holders

Details of substantial security holders and their total relevant interests in not less than 5% of the total number of ordinary shares on issue in MWE as at 31 August 2022.

Name of substantial shareholders	Nature of relevant interest	No. of shares held	% of shares held
Min Jia	1. Registered Holder	214,637,014	72.28%
	2. Beneficial Owner	25,000,000	8.42%
	3. Relevant Interest	8,800,000	2.96%
Ly Lee	Beneficial Interest as wife of Min Jia	248,437,014	83.66%

STATUTORY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2022

5. Directors' shareholding and share dealings

At the reporting date of 30 June 2022, the following directors and senior managers of MWE hold relevant interest in the ordinary shares of MWE.

Name of substantial shareholders	Role within MWE	Nature of relevant interest	No. of shares held	% of shares held
Min Jia (James)	Executive Chairman	1. Registered Holder	214,637,014	72.28%
		2. Beneficial Owner	25,000,000	8.42%
		3. Relevant *	8,800,000	2.96%
Danny Chan	Non-executive Director	Registered Holder	135,000	0.05%
Wenham Li (Eric)	Financial Controller	Registered Holder	9,100,000	3.06%
Cong Wang (Conan)	Operations Manager	Registered Holder	2,680,000	0.90%

* The shares giving rise to this relevant interest have been purchased from James Jia by Eric Li, over a loan that James has advanced to Eric. The loan is secured, which gives rise to James' relevant interest.

6. Interested Transactions and Directors' Remuneration

Interested transactions and directors' remuneration details are provided in the note 23 of the consolidated financial statements.

7. Directors' Loan

There is no loan made by the Group to Directors.

8. Employee

The number of employees within the Group receiving remuneration and benefits above $100,000, as is required to be disclosed in accordance with Section 211(g) of the Companies Act 1993, is indicated in the following table:

Remuneration	Year Ended June 2022 Number	Year Ended June 2021 Number
$100,000 - $110,000	-	1
$110,000 - $120,000	-	-
$120,001 - $130,000	-	-
$130,001 - $140,000	-	-
$140,001 - $150,000	-	-
$150,001 - $160,000	1	-

Some of the senior staff work on a part time basis for the Group and their remuneration is less than $100,000.

STATUTORY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2022

9. Indemnification and insurance of directors and officers

In accordance with section 162 of the Companies Act 1993 and the constitution of the company, the company has provided insurance for, and indemnity to Directors and employees of the Group and its subsidiaries for losses from actions undertaken in the course of their duties, unless the liability related to conduct involving lack of good faith.

10. Net tangible assets per share

	Year Ended June 2022	Year Ended June 2021
Net tangible assets (in dollars)	29,719,828	21,157,031
Net tangible assets per share (in dollars)	0.100	0.072

11. Donation

During the year ending 30 June 2022 the Group made donations worth of $nil (June 2021: $nil).

12. Auditor remuneration

The auditor of the Group is BDO Auckland (June 2021: BDO Auckland). Amounts received, or due and receivable, by BDO Auckland (June 2021: BDO Auckland) are as disclosed below.

Remuneration	Year Ended June 2022 Number	Year Ended June 2021 Number
Assurance Services		
Audit of the 30 June 2021 financial statements – BDO	17,292	68,000
Audit of the 30 June 2022 financial statements – BDO	83,695	-
Total remuneration	100,987	68,000

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

Marlborough Wine Estates Group Limited (MWE) believes in the benefit of good corporate governance and the value it provides for shareholders and other stakeholders. MWE is committed to meeting best practice corporate governance principles, to the extent that it is appropriate for the nature of MWE's operations.

The board of MWE (Board) is responsible for establishing and implementing MWE's corporate governance frameworks, and is committed to fulfilling this role in accordance with best practice having regard to applicable laws, the NZX Corporate Governance Code 2019 (Code) and the Financial Markets Authority Corporate Governance – Principles and Guidelines.

Since migrating to the NZX Main Board on 19 March 2019, MWE has reviewed its policies, codes and charter documents to ensure that MWE maintains appropriate governance standards and behaviours that reflect the requirements and best practice under the Code, which are included and referred to in the NZX Listing Rules.

MWE's approach to applying the recommendations outlined in the Code is set out below. This statement is structured in the same order as the principles detailed in the Code and explains how MWE is applying the Code's recommendations.

A copy of the policies, codes and charter documents referred to in this statement are available on MWE's website at http://www.nzmwe.com/governance-documents/.

PRINCIPLE 1 – CODE OF ETHICAL BEHAVIOUR

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

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, MWE has adopted a code of ethics to guide its directors, and any employees or contractors MWE may have from time to time (MWE People) in carrying out their duties and responsibilities.

MWE's code of ethics is the framework by which MWE People are expected to conduct their professional lives. It is intended to support decision making that is consistent with MWE's values, goals and obligations, rather than to prescribe an exhaustive list of acceptable and non-acceptable behaviour.

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Any person who becomes aware of a breach or suspected breach of the code of ethics is required to report it immediately in accordance with the procedure set out in the code of ethics.

Financial Product Trading Policy

MWE supports the integrity of New Zealand's financial markets. This integrity is maintained, in part, through the insider trading laws that apply in New Zealand. MWE's financial product trading policy outlines how those laws apply, as well as the rules that MWE has put in place to ensure those laws are followed by MWE People.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

MWE People must seek approval from MWE's chair of the Board (Chair) or CEO prior to trading in the company's financial products. Generally, approval will only be granted in the 30 day period commencing on the first day of trading after:

- release of MWE's half year results to NZX;
- release of MWE's full year results to NZX; or
- release of a product disclosure statement or cleansing notice for a retail offer of MWE financial products.

The shareholdings of MWE's directors (Directors) and all trading of shares during the year by the Directors is disclosed each year in MWE's annual report

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

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

Board Charter
The Board operates under a written charter which defines the respective functions and responsibilities of the Board, focusing on the values, principles and practices that provide the corporate governance framework (Charter). The Charter complies with the relevant recommendations in the Code and is reviewed annually.

The Board has overall responsibility for all decision making within MWE. The Board is responsible for the direction and control of MWE and is accountable to shareholders and others for MWE's performance and its compliance with appropriate laws and standards. The Board uses committees to address certain matters that require detailed consideration. The Board retains ultimate responsibility for the function of its committees and determines their responsibilities.

Nomination and appointment of directors
In accordance with the NZX Listing Rules, a Director must not hold office past the third annual meeting following the director's appointment or three years, whichever is longer. Procedures for the appointment and removal of Directors are also governed by the Charter. MWE does not maintain a separate nomination committee, given the current size and nature of MWE's business, rather Director nominations and appointments are the responsibility of the Board.

Written Agreements with directors
MWE intends to enter into written agreements with any newly appointed Directors establishing the terms of their appointment.

Director Information and Independence
The Board comprises five Directors with different backgrounds, skills, knowledge, experience and perspectives. Information about each Director is available at http://www.nzmwe.com/our-team/.

All Directors have had their independence assessed against the Code. Director independence is considered annually. Directors are required to inform the Board as soon as practicable if they think their status as an independent Director has (or may have) changed. Information in respect of Directors' ownership interests and independence is contained in this annual report.

In assessing Danny Chan and Christine Pears' independence, the Board has assessed their roles with MWE against the Code and nothing suggests that either lack independence.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

Director Meeting Attendance

	Board		Audit and Risk Committee		Remuneration Committee	
Total number of meetings held	**10**		**3**		**2**	
	No. of meeting eligible to attend	No. of meeting attended	No. of meeting eligible to attend	No. of meeting attended	No. of meeting eligible to attend	No. of meeting attended
Min Jia (Executive Chairman)	10	2	3	0	2	0
Danny Chan	10	10	3	3	2	2
Christine Pears	10	10	3	3	2	2

Diversity
MWE welcomes diversity. MWE's approach to diversity is to continually develop an environment that supports equality and inclusion, regardless of difference. MWE has a formal diversity policy. The Board sets measurable objectives for assessing performance against its diversity policy (including achieving gender diversity). MWE will assess progress annually.

As at 30 June 2022, the gender balance of the Company's directors, officers and all employees and contractors were as follows:

	June 2022			June 2021		
	Female	**Male**	**Total**	**Female**	**Male**	**Total**
Directors	1	2	3	1	2	3
Executive	1	4	5	1	4	5
Employees & contractors	11	5	16	13	4	17
Total	13	11	24	15	10	25
Percentage	54%	46%	100%	60%	40%	100%

The Board believes that MWE is achieving the objectives set out in its diversity policy and will continue to look to enhance its diversity into the future.

Director Training
All Directors are responsible for ensuring they remain current in understanding their duties as Directors. Where necessary, MWE will support Directors to help develop and maintain Directors' skills and knowledge relevant to performing their role.

Director Performance
In accordance with the Charter and recommendation 2.7 of the Code, the Board has established and reviews performance criteria for itself and Directors, and reviews performance against those criteria at least annually to ensure Directors are performing to a high standard. The Board recognises that the quality with which it performs its functions is an integral part of the performance of MWE and that there is a strong link between good governance and performance.

The Board will regularly review the performance of the committees in accordance with their relevant charters. These evaluations will be carried out annually.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

Separation of the Chair and CEO
In accordance with the Charter and recommendation 2.9 of the Code, the Chair and CEO are separate people.

PRINCIPLE 3 – BOARD COMMITTEES

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

The Board currently has two standing committees: Audit and Risk, and Remuneration. Each committee operates under a specific charter which is approved by the Board and will be reviewed annually. Any recommendations made by these committees are recommendations to the Board.

Audit and Risk Committee
The Audit and Risk Committee Charter sets out the objectives of the Audit and Risk Committee which are to provide assistance to the Board in fulfilling its responsibilities in relation to the company's financial reporting, internal controls structure, risk management systems and the external audit function.

The audit committee currently comprises of Danny Chan, Christine Pears and Min Jia. Danny Chan and Christine Pears are considered Independent Directors for the purposes of Listing Rule 2.13.2. All members of the Audit and Risk Committee have appropriate financial experience and an understanding of the industry in which MWE operates.

MWE does not comply with recommendation 3.1 of the NZX Corporate Governance Code as an Executive Director is a member of the Audit and Risk Committee. Recommendation 3.1 provides that the Audit and Risk Committee should solely consist of non-executive directors. MWE's Board comprises of only three directors at the current time and the Listing Rules require that the Audit and Risk Committee consist of at least three directors. Accordingly to comply with the Listing Rules it is necessary for an Executive Director to sit on the Audit and Risk Committee. If the Board composition of MWE changes, the Board will review Audit and Risk Committee membership with a view to bringing MWE into compliance with Recommendation 3.1.

The Audit and Risk Committee focusses on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory compliance. The Audit and Risk Committee is accountable for ensuring the performance and independence of the external auditor, including that MWE provides for 5-yearly rotation of either the external auditor or the lead audit partner.

The Audit and Risk Committee provides a forum for the effective communication between the Board and external auditors. The responsibilities of the committee include:

- reviewing the appointment of the external auditor, the annual audit plan, and addressing any recommendations from the audit;
- reviewing any financial information to be issued to the public; and
- ensuring that appropriate financial systems and internal controls are in place.

The Audit and Risk Committee may have in attendance the CEO and/or others including the external auditor as required from time to time.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

Remuneration Committee

The Remuneration Committee Charter sets out the objectives of the Remuneration Committee which is to set and review the level of directors' remuneration, following the policies set out in the Remuneration Policy.

The Remuneration Committee currently comprises of Min Jia, Danny Chan and Christine Pears. Danny Chan and Christine Pears are considered Independent Directors for the purposes of Listing Rule 2.13.2.

Takeover Response Protocol

The Board has protocols in place that set out the procedure to be followed if there is a takeover offer for MWE. This procedure is set out in the Charter

PRINCIPLE 4 – REPORTING AND DISCLOSURE

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

Continuous Disclosure

The Board focusses on providing accurate, adequate and timely information both to existing shareholders and the market generally. This enables all investors to make informed decisions about MWE.

MWE, as a company listed on the NZX Main Board, has an obligation to comply with the disclosure requirements under the NZX Main Board Listing Rules, and the Financial Markets Conduct Act 2013. MWE recognises that these requirements aim to provide equal access for all investors or potential investors to material price-sensitive information concerning issuers or their financial products. This in turn promotes confidence in the market.

MWE has a Continuous Disclosure Policy designed to ensure compliance that outlines the obligations of MWE People in order to satisfy these disclosure requirements. MWE Disclosure Officer (currently the CEO) is responsible for ensuring compliance with the NZX continuous disclosure requirements and overseeing and co-ordinating disclosure to the exchange.

Financial Reporting

MWE believes its financial reporting is balanced, clear and objective. MWE is committed to ensuring integrity and timeliness in its financial and non-financial reporting, ensuring the market and shareholders are provided with an objective view on the performance of the company.

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements. The Audit and Risk Committee reviews half-yearly and annual financial statements and if necessary, may make recommendations to the Board concerning accounting policies, areas of judgment, compliance with accounting standards, NZX and legal requirements and the results of the external audit.

MWE does not comply with recommendation 4.3 of the Code as MWE does not have a formal environmental, social and governance (ESG) framework. Given the scale of its business, MWE considers that it is prudent for MWE to instead select non-financial matters to report upon in its annual report. MWE will continue to assess whether it is appropriate that an ESG framework is adopted for MWE in the future.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

PRINCIPLE 5 – REMUNERATION

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

Directors' Remuneration

The Remuneration Committee makes recommendations to the Board on remuneration matters in keeping with the Remuneration Policy which outlines the key principles that influence MWE's remuneration practices. The committee is also responsible for making recommendations to the Board on the remuneration of the CEO. Directors' fees are determined by the Board on the recommendation of the committee within the aggregate director remuneration pool approved by shareholders.

Details of remuneration paid to directors are disclosed in this annual report.

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.

The Board has selected to report upon in its annual report what it considers to be key risks to MWE which are market, credit, liquidity and agricultural risks.

Key risk management tools used by MWE include the Audit and Risk Committee function and outsourcing certain functions to service providers (such as legal and audit). MWE also maintains insurance policies that is considers adequate to meet insurable risks. The Board will continue to regularly consider any potential risks and its risk management processes and adapt these should the nature and size of the business change in the future.

While MWE is comfortable this approach to risk is sufficient, it does not comply with recommendation 6.1 of the Code as it does not have a formal risk management framework. The Board will continue to assess whether it is appropriate for a risk management committee to be appointed in the future.

Health and Safety

The Board does not have an identifiable Health and Safety Committee. The responsibility for health and safety is viewed as a collective responsibility for the Board. The Board has responsibility for ensuring that MWE maintains a health and safety management system that meets best practice standards to protect the health and safety of employees and contractors engaged by MWE.

Under the health and safety management system, a workplace health and safety report will be presented to the Board as part of the materials prepared for each Board meeting. The report will detail MWE's process for identifying risks to health and safety and a review of any outstanding risks. The Board will then actively ensure that any risks to health and safety are managed.

The Board recognises the importance of health and safety considerations, and will continue to assess any risks, management and performance in this regard in the future.

CORPORATE GOVERNANCE

FOR THE YEAR ENDED 30 JUNE 2022

PRINCIPLE 7 – AUDITORS

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

The Audit and Risk Committee makes recommendations to the Board on the appointment of the external auditor as set out in Audit and Risk Committee Charter. The committee also monitors the independence and effectiveness of the external auditor and reviews and approves any non-audit services performed by the external auditor.

The Board considers that MWE's financial statements and audit report is simple and relatively self-explanatory given the size and nature of its current business. Accordingly, the Board do not consider it necessary for the company to follow recommendation 7.2 in the Code, which recommends that the external auditor attend the issuer's annual meeting to answer questions from shareholders in relation to the audit. The Board considers that at present it is in the best interests of shareholders to keep operating costs to a minimum. Should a shareholder have a question regarding the audit which is unable to be answered by the Audit and Risk Committee, the Board will seek a response from the external auditor on an "as required" basis.

Given the nature of the business of MWE and the internal financial controls MWE has in place, it is not considered necessary to have an internal auditor in addition to the Audit and Risk Committee.

PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

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

Information for Shareholders
MWE seeks to ensure that investors understand its activities by communicating effectively with them and providing access to clear and balanced information.

MWE's website http://www.nzmwe.com/ provides an overview of the business and information about MWE. This information includes details of investments, latest news, investor information, key corporate governance information, and copies of significant NZX announcements. The website also provides profiles of the directors and the senior executive team. Copies of previous annual reports, financial statements, and results presentations are available on the website.

Shareholders have the right to vote on major decisions of the company in accordance with requirements set out in the Companies Act 1993 and the NZX Main Board Listing Rules.

Communicating with Shareholders
MWE endeavours to communicate regularly with its shareholders through its market updates and other investor communications. The company receives questions from time to time from shareholders, and has processes in place to ensure shareholder communications are responded to in a timely and accurate manner. MWE's website sets out appropriate contact details for communications from shareholders, including the phone number and email address of the CEO. MWE provides the opportunity for shareholders to receive and send communications by post or electronically.

MWE sends the annual shareholders notice of meeting and publishes it on the company website as soon as possible and at least 20 working days before the meeting each year.

COMPANY DIRECTORY

AS AT 30 JUNE 2022

Company Registration Number
5639568

Registered Office
Level 6, 5-7 Kingdon St, Newmarket
Auckland Central
New Zealand

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

MWE MARLBOROUGH WINE ESTATES

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