WISEWAY GROUP LIMITED
ABN 26 624 909 682

APPENDIX 4D

WISEWAY GROUP LIMITED

For the period ended 31 December 2018

Details of reporting period

Current reporting period	16 March 2018 to 31 December 2018
Prior reporting period	Not applicable

Results for announcement to the market

Wiseway Group Limited ("Company") was incorporated on 16 March 2018 as a public company and was admitted to the Official List of the Australian Securities Exchange ("ASX") on 30 October 2018. The consolidated Group results presented, being that of the Company and its subsidiaries, is for the period 16 March 2018 to 31 December 2018.

	Current reporting period Consolidated $'000s
Revenue from ordinary activities	69,754
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	958
Earnings before interest and tax ("EBIT")	(18)
Loss before income tax	(315)
Loss from ordinary activities after tax attributable to members	(678)
Net loss for the period attributable to members	(678)
	Cents
Basic loss per share	(1.15)
Diluted loss per share	(1.15)

No dividends were declared or paid during the current period ended 31 December 2018.

Net tangible assets

	Current reporting period Cents
Net tangible assets per security	19.41

Acquisition and incorporation of subsidiaries

Wiseway Logistics Pty Ltd

A group restructure, commencing on 16 March 2018 and completing on 19 March 2018, resulted in the acquisition of 100% of Wiseway Logistics Pty Ltd ("Wiseway Logistics") (and its subsidiaries) by the Company. The results of Wiseway Logistics and its subsidiaries are consolidated into the Group results for the period 16 March 2018 to 31 December 2018.

	Wiseway Logistics and its subsidiaries $'000s
Profit from ordinary activities after tax from 16 March 2018 to 31 December 2018	1,076
Profit from ordinary activities after tax from 1 July 2017 to 31 December 2017	850

Other entities
A New Zealand wholly owned subsidiary was incorporated on 20 August 2018.

A Hong Kong wholly owned subsidiary was incorporated on 6 December 2018.

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This Appendix 4D is provided in accordance with ASX Listing Rule 4.2A and is to be read in conjunction with the Interim Financial Report for the current period ended 31 December 2018, where additional disclosures are provided, and any market announcements made by the Company in accordance with continuous disclosure obligations.

The financial statements have been review by KPMG and the Independent Auditors' Review Report is included as part of the Interim Financial Report attached.

WISEWAY GROUP LIMITED

ABN 26 624 909 682

INTERIM FINANCIAL REPORT

31 DECEMBER 2018

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DIRECTORS' REPORT

The Directors present their report together with the condensed consolidated financial statements of the Group comprising of Wiseway Group Limited (the "Company") and its subsidiaries for the financial period from 16 March 2018 (date of the Company's incorporation) to 31 December 2018 and the auditor's review report thereon.

1. Directors

The Directors of the Company at any time during or since the end of the financial period are:

Geoff Raby	Independent Non-Executive Chairman	Appointed on 18 July 2018
The Hon. Nick Bolkus	Independent Non-Executive Director	Appointed on 5 July 2018
Stephen Chan	Independent Non-Executive Director	Appointed on 16 March 2018
Peter Hogan	Independent Non-Executive Director	Appointed on 10 July 2018
Florence Tong	Executive Director and Managing Director	Appointed on 16 March 2018
Roger Tong	Executive Director and Chief Executive Officer	Appointed on 16 March 2018

2. Principal activities

The principal activities of the Group during the financial period were the movement and logistics of goods by freight to cater to the needs of those interstate or overseas.

3. Review of operations

a) Incorporation

The Company was incorporated in Victoria on 16 March 2018 as a public company. The operating company in the Group, Wiseway Logistics Pty Ltd ("Wiseway Logistics"), was incorporated in New South Wales on 22 January 2007.

b) Acquisition and incorporation of subsidiaries

A group restructure, commencing on 16 March 2018 and completing on 19 March 2018, resulted in the acquisition of 100% of Wiseway Logistics (and its subsidiaries) by the Company.

A New Zealand wholly owned subsidiary was incorporated on 20 August 2018.

A Hong Kong wholly owned subsidiary was incorporated on 6 December 2018.

c) Initial public offering ("IPO")

The Company was admitted to the Official List of the Australian Securities Exchange ("ASX") on 30 October 2018. $20,000,000 was raised by the issue of 40,000,000 new ordinary shares each fully paid and $6,072,091 for selling shareholders by the transfer of 12,144,182 existing fully paid ordinary shares, at an issue and sale price of $0.50 per share pursuant to the offer under the prospectus dated 8 October 2018 issued by the Company and Wiseway Group SaleCo Limited ("Prospectus").

A further $4.2 million of shares were issued by the Company either prior to or as part of the IPO process and includes shares issued in return for cash consideration, provision of services or nil consideration.

3. Review of operations (continued)

d) Property acquisition

In December 2018, the Group committed to purchase a 8,900m^2 property including 5,000m^2 of warehouse, in Chipping Norton (Sydney) for $10.75 million. It is the Group's intention that the consideration for the new property will be funded from existing cash reserves and a new debt facility to be established with the Group's current bank. Settlement on the new property is expected to occur in the March quarter 2019.

e) Financial results

The loss for the Group for the financial period from 16 March 2018 to 31 December 2018 after providing for income tax amounted to $678,000.

4. Events after the reporting period

On 8 February 2019, the Group announced that it has received approval and registration for the establishment of a wholly foreign owned subsidiary, Wiseway Shanghai International Logistics Company Limited (Wiseway China) and has opened an office in Shanghai. Wiseway China will provide business development support to facilitate growth of outbound business from China to Australia and New Zealand.

The Group has committed to expand its operations to Auckland and has agreed to lease a 2,500 m2 facility with a view to commencing operations early in the last quarter of this financial year.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

5. Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the condensed consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

6. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the period ended 31 December 2018.

This report is made in accordance with a resolution of the Directors:

Florence Tong Executive Director and Managing Director	Roger Tong Executive Director and Chief Executive Officer

Dated at Sydney this 27th day of February 2019

Lead Auditor's Independence Declaration under Section 307C of the of the Corporations Act 2001

To the Directors of Wiseway Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Wiseway Group Limited for the interim period ended 31 December 2018 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

Chris Allenby
Partner
KPMG
27 February 2019

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

WISEWAY GROUP LIMITED

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period 16 March 2018 to 31 December 2018

	Note	31 DECEMBER 2018 $'000
Revenue	6	69,754
Direct expenses		(55,012)
Gross profit		14,742
Expenses		
Employee benefits expenses	7	(8,419)
Occupancy expenses		(1,492)
Depreciation expense		(976)
Share based payments		(1,142)
Administration and other expenses		(2,731)
Results from operating activities		**(18)**
Net finance costs		(297)
Loss before income tax		**(315)**
Income tax expense	8	(363)
Loss for the period		**(678)**
Other comprehensive income		-
Total comprehensive income for the period		**(678)**
Loss attributable to:		
Owners of the Company		(667)
Non-controlling interests		(11)
		(678)
Total comprehensive income attributable to:		
Owners of the Company		(667)
Non-controlling interests		(11)
		(678)
Basic loss per share (cents)		(1.15)
Diluted loss per share (cents)		(1.15)

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31 DECEMBER 2018 $'000
Assets		
Current assets		
Cash and cash equivalents		18,207
Trade and other receivables	9	10,709
Inventory		106
Total current assets		**29,022**
Non-current assets		
Financial assets		811
Property, plant and equipment	10	10,414
Deferred tax assets	8	1,108
Total non-current assets		**12,333**
Total assets		**41,355**
Liabilities		
Current liabilities		
Trade and other payables	11	10,129
Borrowings	12	2,226
Employee benefits		731
Provisions		23
Current tax liabilities	8	315
Total current liabilities		**13,424**
Non-current liabilities		
Borrowings	12	4,426
Total non-current liabilities		**4,426**
Total liabilities		**17,850**
Net assets		**23,505**
Equity		
Share capital	13	22,579
Share based payment reserve		50
Retained earnings		850
Equity attributable to owners of the Company		**23,479**
Non-controlling interests		26
Total equity		**23,505**

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period 16 March 2018 to 31 December 2018

	Note	Share capital $'000	Share based payment reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance at 16 March 2018		-	-	-	**-**	-	**-**
Comprehensive income							
Loss for the period		-	-	(667)	**(667)**	(11)	**(678)**
Other comprehensive income for the period		-	-	-	**-**	-	**-**
Total comprehensive income for the period		**-**	**-**	**(667)**	**(667)**	**(11)**	**(678)**
Transactions with owners, in capacity as owners							
Shares issued during the year, net of share issue costs and tax		22,579	-	-	**22,579**	-	**22,579**
Share based payments		-	50	-	**50**	-	**50**
Acquisition of subsidiaries	5	-	-	1,517	**1,517**	37	**1,554**
Dividends paid		-	-	-	**-**	-	**-**
Total transactions with the owners		**22,579**	**50**	**1,517**	**24,146**	**37**	**24,183**
Balance at 31 December 2018		**22,579**	**50**	**850**	**23,479**	**26**	**23,505**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 16 March 2018 to 31 December 2018

	Note	31 DECEMBER 2018 $'000
Cash flows from operating activities		
Cash receipts from customers		72,303
Cash paid to suppliers and employees		(71,427)
Cash generated from operations		876
Interest received		52
Interest paid		(297)
Income tax paid	8(c)	(606)
Net cash flows from operating activities		**25**
Cash flows from investing activities		
Payments for property, plant and equipment	10	(2,149)
Proceeds from sale of property, plant and equipment		23
Payments for investments		(537)
Payments for investments in term deposits		(274)
Payments for acquisition of subsidiaries, net of cash acquired	5	2,299
Net cash flows used in investing activities		**(638)**
Cash flows from financing activities		
Repayment of finance lease liabilities		(1,368)
Proceeds from related party loans		165
Repayments of related party loans		(346)
Proceeds from share issuance		23,032
Payment for share issue costs		(2,663)
Net cash flow from financing activities		**18,820**
Net increase in cash and cash equivalents		18,207
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period		**18,207**

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period 16 March 2018 to 31 December 2018

1. Corporate information

The condensed consolidated interim financial statements for the financial period ended 31 December 2018 comprises of the Group, being Wiseway Group Limited (the "Company") and its subsidiaries. The address of the Company's registered office is 39-43 Warren Avenue, Bankstown, NSW 2200. The Company is a listed public company, incorporated and domiciled in Australia.

The financial period is from 16 March 2018 (date of the Company's incorporation) to 31 December 2018.

2. Basis of preparation

a) Statement of compliance

The condensed consolidated interim financial statements for the period ended 31 December 2018 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* ("AASB 134"), AASB 1 *First-time Adoption of Australian Accounting Standards* ("AASB 1") (as it pertains to interim financial statements) and the *Corporations Act 2001*.

The condensed consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the condensed consolidated interim financial statements are to be read in conjunction with the most recent Wiseway Logistics Pty Ltd annual financial report for the year ended 30 June 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. For the purposes of preparing the condensed consolidated interim financial statements, the Company is a for profit entity.

c) Functional and presentation currency

All amounts are presented in Australian dollars, which is the Group's functional currency.

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

e) Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the condensed consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2. Basis of preparation (continued)

f) New and amended standards adopted

A number of new or amended standards became applicable for the current reporting period. The key standards are set out below.

i) AASB 15 Revenue from Contracts with Customers ("AASB 15")

The new revenue standard supersedes all prior revenue recognition requirements under Australian Accounting Standards. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Either a full retrospective application or a modified retrospective application is required for financial statements in respect of periods commencing on or after 1 January 2018.

The Group's main source of revenue is from freight forwarding services, which may include general cargo, time sensitive perishables cargo and domestic transport services. This predominantly leads to one performance obligation. Revenue is generally recognised once the service, i.e. the logistics of goods by freight, has been provided. The Group may provide retrospective volume rebates to some of its customers where specific volumes are reached and/or commissions associated with the freight services. In estimating the variable consideration which may arise as a result of volume rebates and/or commissions, the Group may use historical data to forecast expected volume rebates and/or commissions payable to its customers.

Pursuant to AASB 118 *Revenue* ("AASB 118"), up until 30 June 2018, the Group reported revenue when the risk and rewards have been passed to the buyer on delivery of the shipment.

Adoption of AASB 15 does not have any material impact on the Group's revenue and profit or loss. The Group adopted AASB 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018).

ii) AASB 9 Financial Instruments ("AASB 9")

AASB 9 addresses the classification, measurement and recognition of financial assets and liabilities, sets out new rules for hedge accounting and introduces a new impairment model. This standard is applicable for annual reporting periods beginning on or after 1 January 2018 and replaces the prior AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139") standard. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets and new hedge accounting requirements. Certain guidance surrounding the recognition and derecognition of financial instruments have also been carried forward from AASB 139 to AASB 9. The Group has adopted the new standard on its effective date, being 1 July 2018.

The Group has assess there are no material changes to the classification and measurement of its financial instruments, which were primarily recorded at amortised cost under the previous AASB 139 and remain at amortised cost under the new AASB 9. The Group does not apply hedge accounting.

AASB 9 replaces the incurred loss model in AASB 139 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. Under AASB 9, credit losses are generally recognised earlier than under AASB 139. The Group's revised policy on impairment of financial instruments is detailed in Note 3 Significant Accounting Policies.

3. Significant accounting policies

The principal accounting policies that have been adopted in the preparation of the condensed consolidated interim financial statements are as follows:

a) Principles of consolidation

i) Business combination

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii) Common control transaction

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Such common control transactions fall outside of the scope of AASB 3 *Business Combinations*. The Group accounts for common control transactions using the predecessor value method of accounting. Assets and liabilities of the entity acquired are recorded at their existing carrying values and no fair value adjustments are made upon acquisition. No new goodwill is recognised on the transaction and any differences between the acquirer's costs of investment in the acquiree and the acquiree's equity is disclosed in equity. The consolidated profit or loss results of the combining entities generally include the full year results, irrespective of when the common control transaction took place.

iii) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iv) Non-controlling interests ("NCI")

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3. Significant accounting policies (continued)

a) Principles of consolidation (continued)

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b) Foreign currency

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

c) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

ii) Depreciation

The depreciable amount of all fixed assets, including capitalised lease is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. However, all motor vehicles are depreciated using the diminishing value method.

The useful life used for each class of depreciable asset are:

Class of fixed asset	Useful life
Vehicles	3-15 years
Furniture and fixtures	5-10 years
Office equipment	5-10 years
Leasehold improvements	25 years

Depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

3. Significant accounting policies (continued)

d) Revenue

The Group's main source of revenue is from freight forwarding revenue which predominantly leads to one performance obligation. Revenue is generally recognised once the service, i.e. the logistics of goods by freight, has been provided. The Group may provide retrospective volume rebates to some of its customers where specific volumes are reached and/or commissions associated with the freight services. In estimating the variable consideration which may arise as a result of volume rebates and/or commissions, the Group may use historical data to forecast expected volume rebates and/or commissions payable to its customers.

e) Financial instruments

i) Initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified ‘at fair value through profit or loss’ (“FVTPL”) in which case transactions costs are recognised as expenses in profit or loss immediately.

A trade receivable without a significant financing component is initially measured at the transaction price.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest rate (EIR) method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

3. Significant accounting policies (continued)

e) Financial instruments (continued)

ii) Loans and receivables

These assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any provision for impairment. Other receivables are recognised at amortised cost, less any provision for impairment.

iii) Cash and cash equivalents

Cash comprises cash on hand and cash equivalents are short-term, highly liquid investments that are readily convertible to known cash amounts of cash and which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents includes bank overdrafts (if any) that are repayable on demand and form an integral part of the Group's cash management.

f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

g) Impairment of assets

i) Non-derivative financial assets

At each reporting period, the Group assesses whether financial assets are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group considers evidence of impairment for these assets measured at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group recognises loss allowances under the ECL model, equal to either the lifetime or 12 months expected credit losses. Lifetime expected credit losses are those which result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion which result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

In its assessment, the Group may use historical information on the timing of recoveries and the amount of loss incurred, and make adjustments if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

3. Significant accounting policies (continued)

g) Impairment of assets (continued)

ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

h) Employee benefits

A provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Both annual leave and long service leave are recognised within the provisions liability.

i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

3. Significant accounting policies (continued)

i) Provisions

A provision is recognised if, as a result of a past event, Wiseway Group has a present legal or constructive obligation that can be estimated reliably and if it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

j) Finance income and finance costs

Finance income comprises interest income, dividend income and foreign currency gains. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Finance costs comprise interest expense on borrowings, foreign currency losses and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l) Leases

i) Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

Assets held by the Group under leases, which transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments.

3. Significant accounting policies (continued)

l) Leases (continued)

i) Determining whether an arrangement contains a lease (continued)

Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in Wiseway Group's statement of financial position.

ii) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

m) Tax

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

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to tax payable or receivable in respect of previous periods. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax liability arising from dividends. Current tax assets and liabilities are offset only if certain criteria a0re met.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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 related tax benefit will be realised.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3. Significant accounting policies (continued)

n) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's directors to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

o) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018, and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group has not early adopted the new or amended standards in preparing these condensed consolidated financial statements.

The key standards are set out below.

i) AASB 16 *Leases* ("AASB 16")

AASB 16 removes the classification of leases as either operating lease or finance leases (for the lessee) effectively treating all lease as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will not recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

The standard is effective for annual reporting periods beginning on or after 1 January 2019.

As a lessee, the Group can either apply the standard using a:

- retrospective approach; or
- modified retrospective approach with optional practical expedients.

The Group leases its warehouses and corporate premises. The Group currently treats these leases as operating leases, not recognising them as an asset on its statement of financial position. The adoption of AASB 16 is expected to result in an increase in the recognition of right of use assets and lease liabilities on the Group's consolidated statement of financial position. The impact on the Group's consolidated statement of profit or loss and other comprehensive income is expected to be a reduction in occupancy-related expenses (amortisation within profit before interest, tax, depreciation and amortization) and an increase in both amortisation (of right of use assets) and finance costs (associated with the lease liabilities).

The Group expects to adopt AASB 16 prospectively with effect from the reporting period beginning 1 July 2019, utilising the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

3. Significant accounting policies (continued)

o) Standards issued but not yet effective (continued)

i) AASB 16 *Leases* ("AASB 16") (continued)

When applying the modified retrospective approach to leases previously classified as operating leases under AASB 117, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group is assessing the potential impact of using these practical expedients. The Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

4. Segment reporting

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 *Operating Segments* ("AASB 8"). The directors (Chief Operating Decision Maker or "CODM") assesses the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment, being the provision of freight forwarding services. Information presented to the CODM on a monthly basis is categorised by type of expenditure.

5. Acquisition of subsidiaries

A group restructure, commencing on 16 March 2018, and completing on 19 March 2018, resulted in the acquisition of 100% of Wiseway Logistics Pty Ltd ("Wiseway Logistics") (and its subsidiaries) by the Company. Consideration for the Company's acquisition of Wiseway Logistics was settled via script in the Company. All of the shareholders of Wiseway Logistics at that time received shares in the Company in the same proportion to their original shareholding in Wiseway Logistics.

The transaction has been treated in the financial statements as a business combination involving entities or businesses under common control, whereby all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination. Upon acquisition, the Company took on Wiseway Logistics' total net assets of $1.5 million, which is recorded in retained earnings. The $1.5 million of net assets included $2.3 million of Wiseway Logistics' cash balances.

A New Zealand wholly owned subsidiary was incorporated on 20 August 2018.

A Hong Kong wholly owned subsidiary was incorporated on 6 December 2018.

6. Revenue

	31 DECEMBER 2018 $'000
Revenue from services rendered	69,579
Other income	175
	69,754

7. Employee benefits expenses

	31 DECEMBER 2018
	$'000
Salaries and wages	5,697
Contractor costs	2,137
Contributions to superannuation funds	251
Increase in employee benefits	113
Other expenses	221
	8,419

8. Income tax

a) Income tax expense

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

The components of income tax expense comprise:

	31 DECEMBER 2018
	$'000
Current tax expense	686
Deferred tax benefit	(323)
	363

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

Profit before income tax	(315)
Tax expense using the Group's domestic Australian tax rate of 30%	(95)
Accounting expenses not deductible for tax	458
Income tax expense	**363**

b) Deferred tax asset

The balance comprises temporary differences attributable to:

	31 DECEMBER 2018
	$'000
Share issue costs	855
Employee benefits	219
Other	34
	1,108

8. Income tax (continued)

c) Current tax liability

	31 DECEMBER 2018 $'000
Opening balance at the beginning of the year	-
Amount acquired on acquisition of subsidiary	235
Current tax expense	686
Income tax paid	(606)
Closing balance at the end of the year	**315**

9. Trade and other receivables

	31 DECEMBER 2018 $'000
Current	
Trade receivables	7,745
Less: Provision for doubtful debts	(50)
Net trade receivables	7,695
Net GST receivables	1,298
Other receivables	1,465
Security deposits	251
	10,709

10. Property, plant and equipment

	31 DECEMBER 2018 $'000	31 DECEMBER 2018 $'000	31 DECEMBER 2018 $'000
	Office furniture, fittings and improvements $'000	Motor vehicles $'000	Total $'000
COST			
Balance at 16 March 2018	-	-	-
Amount acquired on acquisition of subsidiary	2,602	9,634	12,236
Additions	1,591	1,095	2,686
Disposals	(2)	(48)	(50)
Balance at 31 December 2018	4,191	10,681	14,872
ACCUMULATED DEPRECIATION			
Balance at 16 March 2018	-	-	-
Amount acquired on acquisition of subsidiary	(308)	(3,245)	(3,553)
Depreciation	(214)	(767)	(981)
Disposals	-	76	76
Balance at 31 December 2018	(522)	(3,936)	(4,458)
CARRYING AMOUNT			
Balance at 31 December 2018	**3,669**	**6,745**	**10,414**

11. Trade and other payables

	31 DECEMBER 2018 $'000
Trade payables	9,038
Other payables	1,091
	10,129

12. Borrowings

	Note	31 DECEMBER 2018 $'000
Current		
Finance lease liability		2,162
Loans from related parties	14(a)	64
		2,226
Non-current		
Finance lease liability		4,426
		4,426

(a) **Finance lease liabilities are payable as follows:**	
Less than one year	
Future minimum lease payments	2,452
Interest	(290)
Present value of minimum lease payments	2,162
Between one and five years	
Future minimum lease payments	4,742
Interest	(316)
Present value of minimum lease payments	4,426
More than five years	
Future minimum lease payments	-
Interest	-
Present value of minimum lease payments	-
Total	
Future minimum lease payments	7,194
Interest	(606)
Present value of minimum lease payments	**6,588**

13. Share capital

	31 DECEMBER 2018 $'000	31 DECEMBER 2018 Shares
Ordinary shares - fully paid issued during period	24,174	121,074,003
Share issue costs, net of tax	(1,595)	-
	22,579	**121,074,003**

14. Related parties

a) Key Management Personnel ("KMP") and Director transactions

i) Interest in shares and other securities

The following table sets out Directors' interest in the Company's shares and other securities at 31 December 2018:

Director	Company shares held [1]
Florence Tong [2]	31,089,175
Roger Tong [2]	31,089,175
Geoff Raby	65,000
Nick Bolkus	40,000
Peter Hogan	40,000
Stephen Chan [3]	838,309
	63,161,659

[1] Directors may hold their interests in the shares shown above directly, or through holdings by companies or trusts. Shares issued were in return for cash consideration, provision of services or nil consideration.
[2] Subject to voluntary escrow arrangements in which their shares will be subject to escrow restrictions for 16 months from the Company's date of quotation.
[3] Stephen Chan holds 40,000 shares in his own name and control, and holds 798,309 shares beneficially through Golden Fortune Sky Limited of which he is the sole director and 100% shareholder.

The following table sets out KMP's interest in the Company's shares and other securities:

KMP	Company performance rights held
Mark Ziirsen	934,000
Ivan Lim	140,100
Scott Higgens	37,360
	1,111,460

ii) Transactions

The Executive Directors, or their related parties, hold positions in other entities that result in them having control or joint control over these entities.

A number of these entities transacted with the Group during the period ended 31 December 2018. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

iii) Rental of premises

RTF Investment Management Pty Limited as trustee for RFT Trust, a trust of which Roger Tong and Florence Tong are the beneficiaries, provided leased commercial premises to the Company on normal commercial terms and conditions. During the period ended 31 December 2018, the rental amount paid to this related entity by the Company was $859,000.

14. Related parties (continued)

a) KMP and Director transactions (continued)

iv) Loan from Directors

The Group has historically provided and/or received short-term loans to or from Roger Tong and Florence Tong. The loans are unsecured, repayable on demand and interest free. As at 31 December 2018 the outstanding balance owing to Executive Directors was $64,000.

15. Commitments and contingencies

a) Leases as lessee

The Group leases a number of warehouse facilities under operating leases. The leases typically run for a period of 1 - 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. The Group is not aware of any restrictions from entering into any sub-lease arrangements.

The warehouse leases were entered into many years ago as combined leases of land and buildings. The Group determined that the land and building elements of the warehouse leases are operating leases. The rent paid to the landlord is adjusted to market rentals at regular intervals, and the Group does not have an interest in the residual value of the land and buildings. As a result, it was determined that substantially all of the risks and rewards of the land and buildings are with the landlord.

i) Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were payable as follows:

	31 DECEMBER 2018 $'000
Payable within one year	1,848
Payable later than one year but not later than five years	6,433
Payable later than five years	-
	8,281

ii) Amounts recognised as profit or loss

	31 DECEMBER 2018 $'000
Lease expense	1,317

Operating leases related to rented premises. Leases have various terms, including some options to extend the terms.

15. Commitments and contingencies (continued)

b) Contingencies

	31 DECEMBER 2018 $'000
Bank guarantees	811
	811

The bank guarantees relate to term deposits provided as security for operating leases for rented premises.

c) Property acquisition

In December 2018, the Group committed to purchase a 8,900m^2 property including 5,000m^2 of warehouse, in Chipping Norton (Sydney) for $10.75 million. It is the Group's intention that the consideration for the new property will be funded from existing cash reserves and a new debt facility to be established with the Group's current bank. Settlement on the new property is expected to occur in the March quarter 2019.Events after the reporting period

On 8 February 2019, the Group announced that it has received approval and registration for the establishment of a wholly foreign owned subsidiary, Wiseway Shanghai International Logistics Company Limited (Wiseway China) and has opened an office in Shanghai. Wiseway China will provide business development support to facilitate growth of outbound business from China to Australia and New Zealand.

The Group has committed to expand its operations to Auckland and has agreed to lease a 2,500 m2 facility with a view to commencing operations early in the last quarter of this financial year. No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

WISEWAY GROUP LIMITED

ABN 26 624 909 682

DIRECTORS' DECLARATION

In the opinion of the Directors of Wiseway Group Limited (the "Company"):

a) the financial statements and notes set out on pages 6 to 27 are in accordance with the Corporations Act 2001, including:

   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the period ended on that date and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the directors.

Florence Tong
Executive Director and Managing Director

Roger Tong
Executive Director and Chief Executive Officer

Dated at Sydney this 27th day of February 2019

Independent Auditor's Review Report

To the members of Wiseway Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Wiseway Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Wiseway Group Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2018.
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the interim period ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Wiseway Group Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the period from 16 March 2018 to 31 December 2018.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

KPMG

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Wiseway Group Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG	Chris Allenby
	Partner
	Sydney
	27 February 2019

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CORPORATE DIRECTORY

Directors

Geoff Raby
Independent Non-Executive Chairman

The Hon. Nick Bolkus
Independent Non-Executive Director

Stephen Chan
Independent Non-Executive Director

Peter Hogan
Independent Non-Executive Director

Florence Tong
Executive Director and Managing Director

Roger Tong
Executive Director and Chief Executive Officer

Company secretary

Mark Ziirsen
Chief Financial Officer and Company Secretary

Registered Office

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Auditor

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Share Registry

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