WISEWAY GROUP LIMITED

ABN 26 624 909 682

ANNUAL REPORT

30 JUNE 2019

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DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of the Group, comprising of Wiseway Group Limited (the 'Company') and its subsidiaries, for the financial reporting period from 16 March 2018 (date of the Company's incorporation) to 30 June 2019 (the 'financial reporting period') and the auditor's report thereon.

1. Directors

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

Name and independence status	**Experience, special responsibilities and other directorships**
The Hon. Nick Bolkus *Independent Non-Executive Chairman*	Former Australian Senator. Currently independent non-executive director of AustChina Holdings Limited ('AUH'), Chair of Nuturf Australia Pty Ltd and Envirogreen Pty Ltd, and director of 12 companies privately owned by Cheung Kong Corporation. Also, Adviser to the Australian Hokkien Association. Appointed on 5 July 2018 and as Non-Executive Chairman on 1 May 2019.
Stephen Chan *Independent Non-Executive Director*	Currently the CEO of SCF Global Group. Has over 53 years' experience in the freight forwarding and supply chain industries. Awarded Honorary Fellows Award from Supply Chain Asia. Appointed on 16 March 2018.
Michael Hughes *Independent Non-Executive Director*	Currently Commercial Director of ASX listed company, Sealink Travel Group Limited ('SLK'). Significant experience in both equity capital and debt markets and has held senior roles in funds management. Appointed on 10 April 2019.
Florence Tong *Executive Director and Managing Director*	Co-founder and Managing Director of the Company with 14 years' experience in the logistics industry. Former experience in Australian banks and Fortune 500 companies. Appointed on 16 March 2018.
Roger Tong *Executive Director and Chief Executive Officer*	Co-founder and CEO of the Company with over 21 years of logistics industry experience in both Australia and China. Former marketing director for a large Chinese national logistics company. Appointed on 16 March 2018.
Dr Geoff Raby *Former Independent Non-Executive Chairman*	Non-executive, independent director of ASX listed Yancoal Australia ('YAL') and OceanaGold Corp ('OGC'). Served as Australia's Ambassador to China, the World Trade Organisation ('WTO') and the Asia-Pacific Economic Cooperation ('APEC'). Appointed on 18 July 2018 and resigned on 30 April 2019.
Peter Hogan *Former Independent Non-Executive Director*	Chartered Accountant with many years' experience at the Australian Taxation Office and PwC. Non-executive Chairman of Carbon Energy Limited ('CNX'), non-executive director of OneAll International Limited ('1AL') and an Advisory Board Member of the Australian Charities and Not-for-Profits Commission ('ACNC'). Appointed on 10 July 2018 and resigned on 30 April 2019.

2. Company Secretary

The Company Secretary is Florence Tong who was appointed on 1 July 2019 as well as serving in that position from 16 March 2018 to 10 September 2018. The former Company Secretaries were Mark Ziirsen who was appointed on 10 September 2018 and resigned on 1 July 2019, Anthony Roberts who was appointed on 13 April 2018 and resigned on 10 September 2018.

3. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Group during the financial reporting period are:

Names	Board Meetings		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings	
	A	B	A	B	A	B
The Hon. Nick Bolkus	9	9	1	1	-	-
Stephen Chan	9	6	1	1	-	-
Michael Hughes	4	4	-	-	-	-
Florence Tong	9	9	1	1	-	-
Roger Tong	9	9	1	1	-	-
Dr Geoff Raby	5	4	1	1	-	-
Peter Hogan	5	3	1	1	-	-

A - Number of meetings held during the time the Director held office during the year

B - Number of meetings attended

4. 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. There were no significant changes in the nature of the activities of the Group during the financial reporting period.

5. Operating and financial review

Incorporation

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

Acquisition and incorporation of subsidiaries

A group restructure commenced on 16 March 2018 and completed on 19 March 2018 resulted in the acquisition of 100% of Wiseway Logistics Pty Ltd (and its subsidiaries) by the Company.

During the year, the following wholly owned subsidiaries were incorporated:

Subsidiary	Country	Date of incorporation
Wiseway Logistics Limited	New Zealand	20 August 2018
Wiseway Logistics Hong Kong Limited	Hong Kong	6 December 2018
AirNex Pty Ltd	Australia	22 January 2019
Wiseway Shanghai International Logistics Company Limited	China	8 February 2019
AirNex Limited	New Zealand	8 May 2019

5. Operating and financial review (continued)

Initial public offering ('IPO')

The Company was admitted to the Official List of the Australian Securities Exchange ('ASX') on 31 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 $3,082,000 worth 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.

Property acquisitions and relocations

In December 2018, the Group committed to purchase an 8,900m^2 property, including 5,000m^2 of warehouse space, in Chipping Norton (Sydney) for $11,327,000 (including acquisition costs). The consideration for the new property was funded from existing cash reserves and a new debt facility established with the Group's current bank. Settlement on the new property occurred in March 2019.

In April 2019, the Group relocated to a 5,700m^2 property, including 1,200m^2 of warehouse space, located in the prime industrial area of Kewdale (Perth) within close proximity to all major transport linkages including rail, road and airport.

In May 2019, the Group commenced occupying a 2,500m^2 facility in the Airport Oaks precinct, a short distance from Auckland International Airport (New Zealand).

In June 2019, the Group relocated to a 3,800m^2 property, including approximately 1,700m^2 of warehouse space and 200m^2 of office space (total lettable area 1,883m^2), located in the centrally located industrial area of Beverley (Adelaide) within close proximity to all major transport linkages including rail, road and airport.

RACA accreditation

From 1 March 2019, Wiseway became fully accredited and designated as a Regulated Air Cargo Agent ('RACA') allowing the Group to scan and examine outbound air cargo, which was mandatory for all outbound air cargo from that date. Wiseway's ability to scan and examine its own outbound air cargo, as well as offering the service to third parties, has generated incremental revenue and improved margins in the second half of FY19.

These investments in security and x-ray machines across Wiseway's national footprint of seven warehouses have established the foundations for future growth in capacity and capability.

Bonded warehouse capabilities

In April 2019, the Group's Thomastown (Melbourne) facility was granted a Depot Licence by the Department of Home Affairs, enabling Wiseway to have bonded warehouse capability in Melbourne, in addition to the existing bonded warehouse in Bankstown (Sydney). The application for bonded warehouse capability in the Group's Beverley (Adelaide) facility was recently approved. Applications for bonded warehouse capability in Brisbane and Perth are currently in progress.

The bonded warehouse capability has boosted the Group's import business, including import customs clearance of both e-commerce and general imports, deconsolidation of air and sea freight and distribution of that freight within Australia.

5. Operating and financial review (continued)

New Zealand

In April 2019, the Group expanded its operations into Auckland, New Zealand as part of its growth strategy. During its first quarter of operations, the Group's capital investment achieved RACA and MPI accreditation, and became a designated Customs Controlled Area (CCA) to commence operations with initial revenue contributed in FY19.

The Group anticipates that the granting of these accreditations will enable Wiseway's New Zealand operations to grow strongly in FY20 and beyond.

China

The Group's Shanghai office has assisted the Group's revenue growth in the second half and has established a foothold as an agile new entrant in the cross-border e-commerce market. The growth expected from Wiseway's China operations underpins the Group's expansion in both Australia and China, as a trusted logistics partner.

Financial review

The Group's results are reported under Australian Accounting Standards ("AASB") and represents financial information that is presented in accordance with all relevant accounting standards. Non-AASB information is financial information that is presented other than in accordance with all relevant accounting standards. The Group provides these Non-AASB financial measures to better understand key aspects of the performance and drivers of the Group's results.

The following table provides a "bridge" of the Group's performance from the 15 months statutory historical results to the 12 months statutory and Non-AASB pro-forma historical results.

Statement of profit or loss $ million	15 months 30 June 2019[1]	3 months Apr-Jun 2018[1]	12 months Jul 18 - Jun 19[1]	IPO related adjustments	Pro-forma Jul 18 - Jun 19
Revenue	**116.9**	**22.4**	**94.5**	**-**	**94.5**
Direct expenses	(91.5)	(17.8)	(73.7)	-	(73.7)
Gross profit	**25.4**	**4.6**	**20.8**	**-**	**20.8**
Gross margin	*21.7%*	*20.5%*	*22.0%*		*22.0%*
Operating expenses					
Employment benefit expenses	(16.0)	(2.8)	(13.2)	-	(13.2)
Occupancy expenses	(3.1)	(0.4)	(2.7)	-	(2.7)
Share-based payment expense	(1.4)	-	(1.4)	(1.4)	-
Initial public offering costs	(1.3)	-	(1.3)	(1.3)	-
Administration and other expenses	(2.7)	(0.6)	(2.1)	-	(2.1)
Total operating expenses	**(24.5)**	**(3.8)**	**(20.7)**	**(2.7)**	**(18.0)**
EBITDA	**0.9**	**0.8**	**0.1**	**(2.7)**	**2.8**
EBITDA margin	*0.8%*	*3.6%*	*0.1%*		*3.0%*
Depreciation expense	(2.0)	(0.3)	(1.7)	-	(1.7)
EBIT	**(1.1)**	**0.5**	**(1.6)**	**(2.7)**	**1.1**
Finance costs	(0.6)	(0.1)	(0.5)	-	(0.5)
Net profit (loss) before tax	**(1.7)**	**0.4**	**(2.1)**	**(2.7)**	**0.6**
Income tax expense	(0.2)	(0.3)	0.1	0.9	(0.8)
Net profit (loss) after tax	**(1.9)**	**0.1**	**(2.0)**	**(1.8)**	**(0.2)**

The Group's pro-forma revenue for the financial year ended 30 June 2019 ('FY19') was $94,523,000 driven by outbound air freight volumes of approximately 71,000 tonnes resulting in a pro-forma EBITDA of $2,802,000 (including $150,000 start-up costs for China and New Zealand operations).

5. Operating and financial review (continued)

Financial review (continued)

The Group's revenue from operations for the financial reporting period was $116,944,000, resulting in an after-tax loss of $1,873,000. The results for the period were impacted by a combination of the following:

- lower than anticipated freight volume growth on the back of a subdued Chinese economy in the second half of the financial year;
- investment in new growth initiatives including Shanghai, China and Auckland, New Zealand and expanded operations in Australia (as mentioned above);
- increased staff numbers to support identified growth opportunities;
- higher occupancy costs associated with new and expanded facilities;
- development costs to become compliant for RACA accreditation as a result of new regulations;
- development of bonded warehouses;
- increased consultancy costs due to public listed company listing requirements; and
- one-off costs associated with the IPO

Overall, the Group's first year result was heavily impacted by strategic expansion activities and one-off costs associated with the Company's IPO.

Outlook

In FY20, the Group will continue to focus on growing its customer base to increase freight volume. The Group has no further expansionary plans that require significant capital outlay, other than the remaining capital commitments of $2,125,000 to renovate the Chipping Norton warehouse, install fumigation facilities and extra x-ray machines in Sydney and Melbourne and cool rooms in Perth.

Over the next 12 months, Wiseway anticipates that outbound dry cargo air-freight volumes from Australia will be stable in an environment of subdued economic growth. The sea freight, perishables and imports businesses are anticipated to be stronger, consistent with the Group's growth strategy. The New Zealand and China businesses are also anticipated to contribute to the Group's growth in FY20.

The Group anticipates that overall revenues in FY20 will be higher than those reported in the 12 months to 30 June 2019.

The Group is pleased with the improvement in gross margins that were achieved in the second half of FY19 as a result of its investment in ULD (aircraft unit loading devices) packaging facilities, as well as the positive impact of the introduction of RACA across the business. The Group anticipates that the gross margins achieved in FY19 will remain stable in FY20, assuming current business and trading conditions.

6. Dividends

No dividends were paid or declared by the Group during or since the end of the financial reporting period.

7. Events subsequent to reporting date

On 27 August 2019 the Group entered into a share purchase and subscription agreement ('SPSA') with AZ Global Limited ('AZ Global'). Under the SPSA, AZ Global were issued 18,161,100 new shares in the Company, being 15% of the currently issued shares in the Company, at $0.25 per share for a total consideration of $4,540,275.

7. Events subsequent to reporting date (continued)

No matters or circumstances, other than those mentioned above, 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 years.

8. Likely developments

The Group has entered into contracts to upgrade existing warehouse facilities, build fumigation facilities in Sydney and Melbourne, build cool rooms in Perth and purchase extra scanning equipment to be funded by hire purchase loans and existing cash reserves for a total value of $2,125,000.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

9. Environmental regulation

The Group's operations are not subject to significant environmental regulations under both Commonwealth and State legislation. However, the Directors believe that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group during the financial reporting period covered by this report.

10. Directors' interests

The relevant interest of each Director in the shares, debentures, interests in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G (1) of the *Corporations Act 2001*, as at 30 June 2019 and as at the date of this report are as follows:

Director	**Number of ordinary shares held as at 27 September 2019**	**Number of ordinary shares held as at 30 June 2019**
The Hon. Nick Bolkus	40,000	40,000
Stephen Chan*	874,309	874,309
Michael Hughes	60,000	60,000
Florence Tong	26,771,202	31,544,545
Roger Tong	26,796,089	31,569,432
Dr Geoff Raby	65,000	65,000
Peter Hogan	40,000	40,000

*Stephen Chan holds 76,000 shares in his own name and 798,309 shares beneficially through Golden Fortune Sky Limited of which he is the sole director and 100% shareholder.

11. Share options

No options over issued shares or interests in the Company were granted during or since the end of the financial reporting period and there were no options outstanding at the date of this report.

DIRECTORS' REPORT

12. Indemnification and insurance of officers and auditors

During the financial reporting period, the Group entered into a contract insuring the Directors of the Company and all executive officers of the Group and of any related body corporate against a liability incurred in their capacity as Directors, secretary or executive officer to the extent permitted by the *Corporation Acts 2001*. The contract of insurance prohibits disclosure of the nature of the liability cover and the amount of the premium.

The Group is party to Deeds of indemnity in favour of each of the Directors, referred to in this report who held office during the year and certain officeholders of the consolidated entity. The indemnities operate to the full extent permitted by law and are not subject to monetary limit. The Group is not aware of any liability having arisen, and no claims have been made, during or since the end of the financial reporting period under the Deeds of Indemnity.

To the extent permitted by law, the Group has not indemnified its auditors, KPMG, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify KPMG during or since the end of the financial reporting period.

13. Non-audit services

During the year, KPMG, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements.

The Board of Directors (the 'Board') has considered the non-audit services provide during the year by the auditor and in accordance with written advice provided by the resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and

- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, and its networks firms for audit and non-audit services provided during the financial reporting period are set out in Note 35 to the financial statements.

14. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 17 and forms part of the Directors' report for the financial reporting period ended 30 June 2019.

15. Rounding off

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 consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

16. Remuneration report – Audited

The Directors present Wiseway Group Limited's 2019 Remuneration report which sets out information about the remuneration of the Group's non-executive Directors, executive Directors and other key management personnel. The information provided in this report has been audited as required by section 308 (3C) of the *Corporations Act 2001* and forms part of the Directors' report.

The key management personnel of the Group for the financial period consisted of the following Directors and key management personnel of Wiseway Group Limited:

Name of Director	Position	Date Appointed	Date Resigned
The Hon. Nick Bolkus	Non-Executive Chairman	5 July 2018	Current
Stephen Chan	Non-Executive Director	16 March 2018	Current
Michael Hughes	Non-Executive Director	10 April 2019	Current
Florence Tong	Executive Director	16 March 2018	Current
Roger Tong	Executive Director	16 March 2018	Current
Dr Geoff Raby	Non-Executive Chairman	18 July 2018	30 April 2019
Peter Hogan	Non-Executive Director	10 July 2018	30 April 2019
Mark Ziirsen	Chief Financial Officer	10 September 2018	1 July 2019

Remuneration governance

The Remuneration and Nomination Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- the overall executive remuneration framework;
- operation of the incentive arrangements which apply to executive Directors and senior executives, including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive Director fees.

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with long-term interests of the Group.

In the Group's first year of operations, no separate Remuneration and Nomination Committee meetings were held as the committee's authority was delegated to the Board.

The Corporate Governance Statement provides further information on the role of this committee and the committee's charter is set out on the Company's website: https://www.wiseway.com.au/.

Non-executive Director remuneration policy

Under the Constitution, the Board may decide the remuneration from the Group to which each non-executive Director is entitled for their service as a Director. However, under the Constitution and ASX Listing Rules, the total amount of fees paid to all non-executive Directors in any financial year must not exceed the aggregate amount of non-executive Director fees approved by shareholders at the Group's annual general meeting. This amount has initially been fixed by the Group at $700,000. In respect of FY19, the fees payable to the current non-executive Directors will not exceed $370,000 in aggregate. The annual Directors' fees currently agreed to be paid to the chairman is $100,000 (inclusive of superannuation) and to the other non-executive Directors is $80,000 (inclusive of superannuation).

16. Remuneration report – Audited (continued)

Executive remuneration policy

Executive Directors and senior executives receive a base salary, superannuation, and performance incentives. The Remuneration and Nomination Committee reviews executive Director and senior executive packages annually by reference to Group performance, executive Director performance, senior executive performance and, where appropriate, comparable information from industry sectors, other listed companies and independent advice. The performance of senior executives is reviewed annually by the executive Directors and executive Directors are reviewed annually by the Remuneration and Nomination Committee. Revised remuneration packages generally take effect on cycles in accordance with employment terms.

Short term and long-term incentive payments are reviewed by the Remuneration and Nomination Committee annually as part of the review of executive Director and senior executive remuneration and a recommendation is put to the Board for approval. The Board may exercise discretion in approving performance incentives and can recommend changes to the Remuneration and Nomination Committee recommendations.

Remuneration consultant

From time to time, the Remuneration and Nomination Committee may engage advisors to assist in the continual evolution and development of the Group's remuneration policies and framework. No remuneration consultants have been engaged during the current financial period.

Executive remuneration framework

Subject to specific roles and responsibilities, there are three general components of remuneration used to reward permanent employees, including senior executives:

1. Total fixed remuneration;
2. Short term incentives ('STI'); and
3. Long term incentives ('LTI').

The STI and LTI components paid to permanent senior executives are generally determined as a percentage of fixed remuneration package or base salary and are payable in cash, shares, performance rights or options in the Company.

Remuneration structures are implemented to enable the Group to attract and retain key talent and align strategic and business objectives with growth of long-term shareholder value.

Total fixed remuneration

Total fixed remuneration comprises base salary and statutory superannuation. Total fixed remuneration is set with reference to market data and adjustments, reflecting the scope of the role and employee performance. Remuneration is reviewed annually, with reference to various sources of data as appropriate, to ensure market competitiveness. Due to the nature of the business, fixed remuneration of senior executives is not linked to the performance of the Group due to the requirement to retain these employees to develop the Group and meet its current strategic objectives.

Short term incentives

STI's are offered to permanent senior executives, including executive Directors, primarily to align senior executives with the achievement of key targets and individual contribution for sustained and improved business performance; and to reward and recognise superior performance. Metrics, weightings and performance measures are reviewed annually to ensure the business needs are met and the overall STI are consistent with general market practices.

DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Short term incentives (continued)

The STI scheme involves establishing the STI value for the financial year and is generally cash settled, subject to company performance metrics and the satisfactorily meeting of key performance indicators on an annual basis at the end of each financial year or in accordance with employment terms.

Long term incentives

During the financial reporting period, the Board has approved an incentive plan for the Group to be a key part of the Group's remuneration strategy going forward and to assist in the alignment of interests. The incentive plan is intended to furnish an incentive to Directors, officers, senior executives and other employees of the Group, as well as consultants and service providers providing ongoing services to the Group, and when such eligible participants are granted awards, to continue their services for the Group and to encourage eligible participants whose skills, performance and loyalty to the objectives and interests of the Group are necessary to its success. The incentive plan will permit the granting of performance rights to eligible participants of the Group. The incentive plan will be administered by the Board or by a committee appointed by a resolution of the Board.

The vesting condition is time based and the grant date is set annually on 31 October. The time-based approach is used to retain talented employees in the business. Upon vesting, each performance right shall confer the right, upon exercise, to receive one share in the Company. The performance rights will be granted for nil cash consideration. The performance rights will be forfeited if the individual is no longer part of the business at the time of the grant.

Relationship between remuneration and the Group's performance

The table below details the last four years earnings and total shareholders return.

$ '000	**2019****	**2018***	**2017***	**2016***
Revenue	94,523	82,248	64,854	43,497
EBITDA	127	4,088	2,720	971
EBIT	(1,594)	2,548	1,560	330
Profit / (Loss) after income tax	(1,993)	1,162	928	40
Share price at end of financial year	0.20	N/A	N/A	N/A
Basic earnings per share	(2.40)	N/A	N/A	N/A

*Based on audited consolidated financial statements of Wiseway Logistics Pty Ltd only.

**Refer to summary on page 6 of this report.

16. Remuneration report – Audited (continued)

Details of remuneration

The remuneration for each Director and key management personnel of the Group during the financial reporting period is noted as follows:

2019	Cash salary & fees	Bonus*	Superannuation contributions	Termination costs	Total cash payments
	Cash				
	Short-term employee benefits			Post employment benefits	
Non-executive directors					
The Hon. Nick Bolkus	51,750	-	4,916	-	56,667
Stephen Chan***	53,333	-	-	-	53,333
Michael Hughes	12,177	-	1,157	-	13,333
Dr Geoff Raby	59,361	-	5,639	-	65,000
Peter Hogan	36,530	-	3,470	-	40,000
Total non-executive directors	**213,151**	**-**	**15,183**	**-**	**228,333**
Executive directors					
Florence Tong	275,192	75,000	23,729	-	373,921
Roger Tong	275,192	75,000	23,729	-	373,921
Total executive directors	**550,384**	**150,000**	**47,458**	**-**	**747,842**
Total directors	**763,535**	**150,000**	**62,641**	**-**	**976,175**
Key management personnel					
Mark Ziirsen****	242,815	90,000	19,524	161,754	514,092
Total key management personnel	**242,815**	**90,000**	**19,524**	**161,754**	**514,092**

2019	Shares**	Rights	Total	Performance related %
	Non-cash			
	Share-based payments expense			
Non-executive directors				
The Hon. Nick Bolkus	20,000	-	76,667	-
Stephen Chan***	520,000	-	573,333	-
Michael Hughes	-	-	13,333	-
Dr Geoff Raby	32,500	-	97,500	-
Peter Hogan	20,000	-	60,000	-
Total non-executive directors	**592,500**	**-**	**820,833**	
Executive directors				
Florence Tong	-	-	373,921	20%
Roger Tong	-	-	373,921	20%
Total executive directors	**-**	**-**	**747,842**	
Total directors	**592,500**	**-**	**1,568,675**	
Key management personnel				
Mark Ziirsen****	-	186,800	700,892	39%
Total key management personnel	**-**	**186,800**	**700,892**	

*The bonuses paid to the Directors and key management personnel was for the successful listing of the Company on the Australian Securities Exchange. The bonus was agreed and forms part of each individual's executive service agreement ('ESA').

**The Group's non-executive directors were issued 185,000 shares in total on 31 October 2018 at the IPO listing price of $0.50 to the total value of $92,500 in return for provision of services during the IPO.

16. Remuneration report – Audited (continued)

Details of remuneration (continued)

***Golden Fortune Sky Limited (a company owned by Independent Non-Executive Director, Stephen Chan) was issued 798,309 shares on 6 July 2018 in return for provision of services valued at $500,000. The fair value of the services received was measured with reference to the market price of the Company's shares at grant date.

**** The Group made an accrual for 934,000 performance rights issued to the Group's former Chief Financial Officer, Mark Ziirsen, on 28 June 2019 in accordance to the terms of his termination agreement. The first 454,545 performance rights vested on 31 July 2019 at a price of $0.22 with the remainder to vest within 21 days following the Company's Annual General Meeting.

Service agreements of executive Directors and key management personnel

The Group's executive Directors and key management personnel are employed under individual contracts of employment with the Group. The contracts set out the individual's total fixed compensation, including fixed cash remuneration and the Group's superannuation contribution, eligibility to participate in any incentive scheme (e.g. annual bonuses or securities ownership plans) which may be implemented by the Group, notice and termination provisions, and employee entitlements including leave. The Group makes contributions with respect to the senior executives to complying superannuation funds in accordance with relevant superannuation legislation and the individual contracts of employment.

Name	Term of agreement	Total fixed remuneration (per annum)	Notice period	Termination payments
Florence Tong	No fixed term	250,000	6 months	-
Roger Tong	No fixed term	250,000	6 months	-
Mark Ziirsen	No fixed term	300,000	6 months	-

Equity instruments held by key management personnel

The following table shows the number of shares that were held during the financial reporting period by key management personnel of the Group.

2019	Balance at 16 March 2018	Granted as remuneration	Shares issued / purchased	Disposals	Balance at 30 June 2019
Non-executive directors					
The Hon. Nick Bolkus	-	40,000	-	-	40,000
Stephen Chan	-	874,309	-	-	874,309
Michael Hughes	-	60,000	-	-	60,000
Dr Geoff Raby	-	65,000	-	-	65,000
Peter Hogan	-	40,000	-	-	40,000
Total non-executive directors	**-**	**1,079,309**	**-**	**-**	**1,079,309**
Executive directors					
Florence Tong	-	-	31,544,545	-	31,544,545
Roger Tong	-	-	31,569,432	-	31,569,432
Total executive directors	**-**	**-**	**63,113,977**	**-**	**63,113,977**
Total directors	**-**	**1,079,309**	**63,113,977**	**-**	**64,193,286**
Key management personnel					
Mark Ziirsen	-	-	-	-	-
Total key management personnel	**-**	**-**	**-**	**-**	**-**

16. Remuneration report – Audited (continued)

Equity instruments held by key management personnel (continued)

The Group has established a long-term incentive plan ('LTIP') to encourage high performance of its key management personnel and other senior management personnel in order to promote the long-term success of the Group. The LTIP is an equity-based plan which is delivered in the form of performance rights. These performance rights have a three-year vesting period and will only vest if the participants remain employees of any member entity of the Group as at the relevant vesting date.

The following table shows the number of performance rights that were held during the financial reporting period by key management personnel of the Group.

2019	Balance at 16 March 2018	Rights issued	Rights vested	Rights lapsed	Balance at 30 June 2019
Key management personnel					
Mark Ziirsen	-	1,868,000	-	(934,000)	934,000
Total key management personnel	**-**	**1,868,000**	**-**	**(934,000)**	**934,000**

On 31 October 2018, 934,000 performance rights were issued to Mark Ziirsen at a fair value of $467,000 based on the share price of $0.50 on that date. These performance rights subsequently lapsed upon his resignation.

On 28 June 2019, 934,000 performance rights were issued to Mark Ziirsen, in accordance to the terms of his termination agreement, at a fair value of $186,800 based on the share price of $0.20 on that date.

Other transactions with key management personnel or related parties

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 30 June 2019. 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.

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 Group on normal commercial terms and conditions. During the period ended 30 June 2019, the rental amount paid to this related entity by the Group was $1,616,822.

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. The Group repaid outstanding loans of $1,369,106 to Executive Directors during the year. As at 30 June 2019 the outstanding balance due from Executive Directors was $3,201.

17. Corporate Governance statement

The Group maintains the highest standards of corporate governance in accordance with the ASX Corporate Governance Principles and Recommendations (3rd edition). For the financial reporting period ended 30 June 2019, the Group's Corporate Governance Statement together with the ASX Appendix 4G as applicable to the Corporate Governance Statement is available at https://www.wiseway.com.au/ and a copy of the statement has been lodged with the ASX.

This Directors' 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 September 2019

Lead Auditor's Independence Declaration under Section 307C 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 audit of Wiseway Group Limited for the period since the date of incorporation, being, 16 March 2018 to 30 June 2019 there have been:

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

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

KPMG

KPMG

Chris Allenby

Partner

Sydney

27 September 2019

Liability limited by a scheme approved under Professional Standards Legislation.

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WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period 16 March 2018 to 30 June 2019

	Note	2019 $'000
Revenue	8	116,944
Direct transport and logistics expenses		(91,585)
Employee benefit expenses	9	(15,953)
Occupancy expenses		(3,079)
Depreciation expense	18	(2,021)
Share-based payments expense	25	(1,370)
Initial public offering costs recorded as expenses		(1,317)
Administration and other expenses		(2,756)
Operating loss		**(1,137)**
Finance costs	10	(571)
Loss before tax		**(1,708)**
Income tax expense	11	(165)
Loss for the period		**(1,873)**
Total comprehensive loss for the period		**(1,873)**
Loss attributable to:		
Owners of the Company		(1,872)
Non-controlling interests	29	(1)
		(1,873)
Total comprehensive loss attributable to:		
Owners of the Company		(1,872)
Non-controlling interests	29	(1)
		(1,873)
Earnings per share		
Basic earnings per share (cents)	12	(2.26)
Diluted earnings per share (cents)	12	(2.26)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 $'000
Assets		
Cash and cash equivalents	13	4,628
Trade and other receivables	14	11,393
Inventories	15	119
Current tax assets		29
Other assets	16	3,181
Current assets		**19,350**
Financial assets	17	812
Property, plant and equipment	18	24,965
Deferred tax assets	11	1,578
Non-current assets		**27,355**
Total assets		**46,705**
Liabilities		
Trade and other payables	19	9,890
Loans and borrowings	20	2,889
Employee benefits	21	993
Provisions	22	23
Current liabilities		**13,795**
Loans and borrowings	20	10,372
Non-current liabilities		**10,372**
Total liabilities		**24,167**
Net assets		**22,538**
Equity		
Share capital	23	21,487
Reserves	23	1,370
Retained earnings		(355)
Equity attributable to owners of the Company		22,502
Non-controlling interests	29	36
Total equity		**22,538**

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period 16 March 2018 to 30 June 2019

	Note	Share capital	Share-based payments reserve	Retained earnings	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000
Balance at 16 March 2018		-	-	-	-	-	-
Comprehensive income							
Loss for the period		-	-	(1,872)	**(1,872)**	(1)	**(1,873)**
Total comprehensive income for the period		**-**	**-**	**(1,872)**	**(1,872)**	**(1)**	**(1,873)**
Transactions with owners of the Company							
Issue of ordinary shares	23	23,082	-	-	**23,082**	-	**23,082**
Transaction costs related to issue of share capital	23	(1,595)	-	-	**(1,595)**	-	**(1,595)**
Acquisition of common control entities	28	-	-	1,517	**1,517**	37	**1,554**
Share-based payments	25	-	1,370	-	**1,370**	-	**1,370**
Total transactions with the owners of the Company		**21,487**	**1,370**	**1,517**	**24,374**	**37**	**24,411**
Balance at 30 June 2019		**21,487**	**1,370**	**(355)**	**22,502**	**36**	**22,538**

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period 16 March 2018 to 30 June 2019

	Note	2019 $'000
Cash flows from operating activities		
Cash receipts from customers		123,469
Cash paid to suppliers and employees		(125,418)
Cash generated from operating activities		(1,949)
Interest received	8	156
Interest paid	10	(571)
Income taxes paid		(1,901)
Net cash used in operating activities		**(4,265)**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment		181
Cash acquired from acquisition of common control entities	28	2,273
Acquisition of land and buildings	18	(11,327)
Acquisition of property, plant and equipment	18	(7,077)
Acquisition of other investments		(386)
Net cash used in investing activities		**(16,336)**
Cash flows from financing activities		
Proceeds from issue of share capital	23	23,082
Proceeds from loans and borrowings	20	6,977
Repayment of loans and borrowings	20	(987)
Payment of finance lease liabilities	20	(931)
Transaction costs related to issue of share capital - expensed		(1,317)
Transaction costs related to issue of share capital - equity	23	(1,595)
Net cash from financing activities		**25,229**
Net increase in cash and cash equivalents		**4,628**
Cash and cash equivalents at 16 March 2018		-
Cash and cash equivalents at 30 June 2019	**13**	**4,628**

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

1. Corporate information

Wiseway Group Limited (the 'Company') is domiciled in Australia.

The Company's registered office is at 39-43 Warren Avenue, Bankstown, NSW 2200. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is a for-profit entity and is primarily involved in the movement and logistics of goods by freight to cater to the needs of those interstate or overseas.

The financial period is from 16 March 2018 (date of the Company's incorporation) to 30 June 2019.

2. Basis of accounting

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with *Australian Accounting Standards* ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements comply with the International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board (IASB). They were authorised for issue by the Board of Directors on 27 September 2019.

Details of the Group's accounting policies are included in Note 5.

3. Functional and presentation currency and rounding

These consolidated financial statements are presented in Australian dollars which is the Company's and the Group's functional currency.

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 consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 30 – lease classification.

4. Use of judgements and estimates (continued)

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2019 that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 11 c) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses can be utilised; and
- Note 26 c) – measurement of expected credit losses allowances for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2:* inputs other than quotes prices included in Level 1 that are observable for the asset or liability; either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 25 – share-based payment arrangements.

5. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also Note 5).

a) Basis of consolidation

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see a) iii)). 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 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 Group. The Group '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

Non-controlling interests 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.

5. Significant accounting policies (continued)

a) Basis 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

i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into 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 into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

ii) Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

c) Revenue

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related interpretations. 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.

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.

Information about the Group's accounting policies relating to contracts with customers is provided in Note 8.

5. Significant accounting policies (continued)

d) 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 are 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 employee benefits 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) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally 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. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

iii) 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.

iv) Termination benefits

Termination benefits are expensed when the Group can no longer withdraw the offer of those benefits. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

e) Finance income and costs

Interest income or expense is recognised using the effective interest rate method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest reverts to the gross basis.

5. Significant accounting policies (continued)

f) Income 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.

Wiseway Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are 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 purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused 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 used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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; such reductions are reversed when the probability of future taxable profits improves.

5. Significant accounting policies (continued)

f) Income tax (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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.

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

g) Inventories

Inventories are measured at the lower of cost and net realisable value.

h) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any 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.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for are as follows:

Class of fixed asset	Useful life
Vehicles	3-15 years
Furniture and fixtures	5-10 years
Office equipment	5-10 years
Leasehold improvements	10 years
Buildings	20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5. Significant accounting policies (continued)

i) Financial instruments

AASB 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

The Group has adopted consequential amendments to AASB 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. However, impairment of trade receivables is presented under 'administration and other expenses', and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations. Similarly, impairment losses on other financial assets are presented under 'finance costs', like the presentation under IAS 39, and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations.

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. Additional information about how the Group measures the allowance for impairment is described in Note 26 c).

i) Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Group 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).

A financial asset or financial liability is initially measured at fair value plus transactions costs, except where the instrument is classified as 'at fair value through profit or loss' ('FVTPL') in which case transactions costs are recognised as expensed immediately in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVPTL.

Financial assets are not classified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

ii) Classification and subsequent measurement

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.

5. Significant accounting policies (continued)

i) Financial instruments (continued)

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.

iii) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. 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.

iv) 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.

j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with AASB 112 (see Note 5 f)).

k) Impairment

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).

5. Significant accounting policies (continued)

k) Impairment (continued)

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.

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.

l) Provisions

A provision is recognised if, as a result of a past event, the 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.

5. Significant accounting policies (continued)

m) 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.

ii) Leased assets

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. 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 the Group's statement of financial position.

iii) 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.

n) Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes finance costs and income taxes.

o) 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.

5. Significant accounting policies (continued)

p) 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 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.

6. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Of those standards that are not yet effective, AASB 16 is expected to have a material impact on the Group's financial statements in the period of initial application.

a) AASB 16 *Leases*

The Group is required to adopt AASB 16 *Leases* from 1 July 2019. The Group has assessed the estimated impact that initial application of AASB 16 will have on its consolidated financial statements, as described below. The actual impacts of adopting the standard on 1 July 2019 may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

i) Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of corporate premises and warehouse facilities (see Note 31). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

No significant impact is expected for the Group's finance leases.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities of $23,078,000 as at 1 July 2019.

ii) Transition

The Group plans to apply AASB 16 initially on 1 July 2019, using 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.

6. Standards issued but not yet effective (continued)

b) Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- AASB Interpretation 23 *Uncertainty over Tax Treatments*
- *Prepayment Features with Negative Compensation (Amendments to AASB 9)*
- *Long-term Interests in Associates and Joint Ventures (Amendments to AASB 128)*
- *Plan Amendment, Curtailment or Settlement (Amendments to AASB 119)*
- *Annual Improvements to IFRS Standards 2015-2017 Cycle* – various standards
- *Amendments to References to Conceptual Framework in IFRS Standards*
- AASB 17 *Insurance Contracts*

7. Operating segments

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*. The Managing Director and Chief Executive Officer (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.

8. Revenue

a) Revenue streams

The Group generates revenue primarily from the provision of freight forwarding services to its customers (see Note 5 c)). Other sources of revenue include interest income from term deposits.

	2019
	$'000
Revenue from contracts with customers	116,536
Other revenue	
Interest income	156
Other income	252
	408
Total revenue	**116,944**

b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by business division.

Air freight - general cargo	106,824
Air freight - perishables	3,251
Sea freight	1,043
Road freight	3,038
General cargo and eCommerce imports	2,380
	116,536

8. Revenue (continued)

c) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under AASB 15
Provision of freight forwarding and import services	Customers obtain control of their goods once the freight forwarding and import services have been rendered, being the point at which the customer's goods are delivered to the designated location. Invoices are generated as services have been provided. Payment terms generally range from 7 days to a maximum of 30 days from date of invoice.	Revenue from providing freight forwarding and import services would be recognised over time in relation to the services provided. It usually takes the Group less than one day to deliver the customer's goods to the designated location.

9. Employee benefit expenses

See accounting policy in Note 5 d).

	2019 $'000
Wages and salaries	10,097
Contractor costs	4,367
Contributions to superannuation funds	636
Expenses related to annual and long-service leave	278
Other employee benefit expenses	575
	15,953

10. Finance costs

See accounting policy in Note 5 e).

	2019 $'000
Financial liabilities measured at amortised cost - interest expense	571
	571

11. Income taxes

See accounting policy in Note 5 f).

a) Amounts recognised in profit or loss

	2019
Current tax expense	**$'000**
Current year	(67)
Changes in estimates to prior years	103
	36
Deferred tax expense	
Deferred tax benefit	129
Income tax expense	**165**

b) Reconciliation of effective tax rate

Loss before tax	(1,708)
Tax using the Group's domestic Australian tax rate of 30%	(512)
Tax effect of:	
Non-deductible expenses	445
Changes in estimates to prior years	103
Recognition of previously unrecognised deductible temporary differences	129
	165

c) Movement in deferred tax balances

Share issue costs	760
Trade and other receivables	88
Property, plant and equipment	84
Employee benefits	297
Other payables	249
Tax losses carried forward	100
Deferred tax assets	**1,578**

A deferred tax asset of $100,000 has been recognised for unused tax losses carried forward of $334,000. Management has prepared a detailed financial forecast for the next 12 months which indicates that it is probable that the Group will have future taxable profits available against which they can be used.

12. Earnings per share

a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2019 $'000
Profit / (loss) attributable to ordinary shareholders (basic)	(1,872)
Weighted-average number of ordinary shares at 30 June 2019 (basic)	82,764

b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

	2019 $'000
Profit / (loss) attributable to ordinary shareholders (diluted)	(1,872)
Weighted-average number of ordinary shares at 30 June 2019 (diluted)	82,764

13. Cash and cash equivalents

See accounting policy in Note 5 i) iii).

	2019 $'000
Bank balances	4,628
Cash and cash equivalents in the statement of financial position	**4,628**
Cash and cash equivalents in the statement of cash flows	**4,628**

14. Trade and other receivables

See accounting policies in Notes 5 i) i)-ii) and k) i).

	2019 $'000
Trade receivables	8,811
Less: Provision for doubtful debts	(297)
Net trade receivables	8,514
Net GST receivables	2,503
Other receivables	376
	11,393

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 26.

15. Inventories

See accounting policy in Note 5 g).

	2019
	$'000
Pallet inventory	119
Inventories	**119**

16. Other assets

See accounting policies in Notes 5 i) i)-ii) and k) i).

	2019
	$'000
Deposits	1,773
Prepayments	1,408
	3,181

The deposits relate to amounts paid to airlines for rights to cargo space.

17. Financial assets

See accounting policies in Notes 5 i) i)-ii) and k) i).

	2019
	$'000
Term deposits for bank guarantees	812
	812

The term deposits relate to bank guarantees as security for leased premises.

18. Property, plant and equipment

See accounting policies in Notes 5 h), k) ii) and m) ii).

a) Reconciliation of carrying amount

Cost	**Land and buildings $'000**	**Leasehold improvements $'000**	**Plant and equipment $'000**	**Motor vehicles $'000**	**Total $'000**
Balance at 16 March 2018	-	-	-	-	-
Acquisition of subsidiaries	-	1,881	721	9,634	12,236
Additions	11,327	4,286	1,113	1,678	18,404
Disposals	-	-	(2)	(369)	(371)
Balance at 30 June 2019	**11,327**	**6,167**	**1,832**	**10,943**	**30,269**
Accumulated depreciation and					
Balance at 16 March 2018	-	-	-	-	-
Acquisition of subsidiaries	-	(141)	(167)	(3,245)	(3,553)
Depreciation	(142)	(346)	(171)	(1,362)	(2,021)
Disposals	-	-	-	270	270
Balance at 30 June 2019	**(142)**	**(487)**	**(338)**	**(4,337)**	**(5,304)**
Carrying amounts					
At 30 June 2019	**11,185**	**5,680**	**1,494**	**6,606**	**24,965**

18. Property, plant and equipment (continued)

b) Leased plant and equipment

The Group leases motor vehicles under a number of finance leases. At 30 June 2019, the net carrying amount of leased motor vehicles was $6,606,000.

During 2019, the Group acquired motor vehicles with a carrying amount of $1,678,000 under finance leases.

19. Trade and other payables

See accounting policies in Notes 5 i) i)-ii).

	2019
	$'000
Trade payables	7,999
Other payables	1,891
	9,890

20. Loans and borrowings

See accounting policies in Notes 5 i) i)-ii) and m).

	2019
Current liabilties	**$'000**
Finance lease liabilities	2,612
Loans from related parties	277
	2,889
Non-current liabilities	
Finance lease liabilities	5,872
Secured bank loans	4,500
	10,372

The Group has a secured loan facility of AUD $5,000,000 of which AUD $4,500,000 was utilised at 30 June 2019. The secured bank loan facility is secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd. The bank loan matures in 2022 at a nominal interest rate of 4.46%.

Information about the Group’s exposure to interest rate and liquidity risks is included in Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 16 March 2018 to 30 June 2019

20. Loans and borrowings (continued)

a) Finance lease liabilities

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2019 $'000	Interest 2019 $'000	Present value of minimum lease payments 2019 $'000
Less than one year	2,994	(382)	2,612
Between one and five years	6,337	(465)	5,872
More than five years	-	-	-
	9,331	**(847)**	**8,484**

b) Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities		
	Secured bank loans 2019 $'000	Finance lease liabilities 2019 $'000	Loans from related parties 2019 $'000	Total 2019 $'000
Balance at 16 March 2018	**-**	**-**	**-**	**-**
Proceeds from loans and borrowings	4,500	2,477	-	**6,977**
Repayment of loans and borrowings		(931)	(987)	**(1,917)**
Total change from financing cash flows	**4,500**	**1,546**	**(987)**	**5,060**
Acquisition of subsidiaries	-	6,938	1,264	**8,201**
Balance at 30 June 2019	**4,500**	**8,484**	**277**	**13,261**

21. Employee benefits

See accounting policies in Note 5 d).

	2019 $'000
Liability for annual leave	389
Liability for long-service leave	104
Other employee benefit liabilities	500
	993

For details on the related employee benefit expenses, see Note 9.

22. Provisions

See accounting policy in Note 5 l).

	2019 $'000
Provision for make good expenses	23
	23

23. Capital and reserves

See accounting policies in Notes 5 b), i) ii), d) ii) and j).

a) Share capital

Date	Details	2019 No.	2019 Issue price	2019 $'000
16 March 2018	Opening balance	-	-	-
6 July 2018	Ordinary shares issued - existing shareholders	79,830,863	-	3,038
31 August 2018	Ordinary shares issued - existing shareholders	878,140	-	44
31 October 2018	Ordinary shares issued - non-exective directors	185,000	-	-
31 October 2018	Ordinary shares issued - IPO	40,000,000	0.50	20,000
31 October 2018	Ordinary shares issued - employee gift offer	180,000	-	-
31 October 2018	Share issue costs, net of tax	-	-	(1,595)
30 June 2019	**Closing balance**	**121,074,003**		**21,487**

Holders of these ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

b) Nature and purpose of reserves

i) Translation reserve

The translation reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign operations.

ii) Share-based payments reserve

The share-based payments reserve comprises of all share-based payment arrangements granted to employees that has been recognised as an expense, with a corresponding increase in the reserve, over the vesting period of the awards.

c) Dividends

There were no dividends declared or paid by the Company during the period.

Dividend franking account	**2019 $'000**
Amount of franking credits available to shareholders of Wiseway Group Limited for subsequent financial years	-

24. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

25. Share-based payment arrangements

a) Shares issued in return for provision of services

Golden Fortune Sky Limited (a company owned by Independent Non-Executive Director, Stephen Chan) and Laurel Capital Pty Ltd were each issued 798,309 shares on 6 July 2018 in return for provision of services valued at $500,000 each. The fair value of the services received was measured with reference to the market price of the Company's shares at grant date.

The Group's non-executive directors were issued 185,000 shares in total on 31 October 2018 at the IPO listing price of $0.50 to the total value of $92,500 in return for provision of services during the IPO.

A total expense of $1,092,500 for shares issued in return for provision of services for the period has been included in 'share-based payments expense'.

b) Performance rights issued to employees

The Group has established a long-term incentive plan ('LTIP') to encourage high performance of its key management personnel and other senior management personnel in order to promote the long-term success of the Group. The LTIP is an equity-based plan which is delivered in the form of performance rights. These performance rights have a three-year vesting period and will only vest if the participants remain employees of any member entity of the Group as at the relevant vesting date.

The Group made an accrual for 934,000 performance rights issued to the Group's former Chief Financial Officer, Mark Ziirsen, on 28 June 2019 in accordance to the terms of his termination agreement. The first 454,545 performance rights vested on 31 July 2019 at a price of $0.22 with the remainder to vest within 21 days following the Company's Annual General Meeting.

The following table shows the movement of the number of performance rights that were held during the financial reporting period by employees of the Group.

2019	Opening balance at 16 March 2018	Rights issued to employees	Rights vested / lapsed	Closing balance at 30 June 2019
Key manangement personnel	-	1,868,000	(934,000)	**934,000**
Other employees	-	467,000	(18,000)	**449,000**
	-	**2,335,000**	**(952,000)**	**1,383,000**

On 31 October 2018, 934,000 performance rights were issued to Mark Ziirsen at a fair value of $467,000 based on the share price of $0.50 on that date. These performance rights subsequently lapsed upon his resignation.

On 28 June 2019, 934,000 performance rights were issued to Mark Ziirsen, in accordance to the terms of his termination agreement, at a fair value of $186,800 based on the share price of $0.20 on that date.

25. Share-based payment arrangements (continued)

b) Performance rights issued to employees (continued)

Number of performance rights issued to all other employees: 449,000

Grant date: 31 October 2018

Vesting date	% vested	Probablilty for vesting	Share price at 31 October 2018	Fair value
31 October 2019	33%	1	0.50	74,833
31 October 2020	33%	1	0.50	74,833
31 October 2021	33%	1	0.50	74,833
	100%			**224,500**

A total expense of $277,713 for the period in relation to performance rights issued to employees has been included in 'share-based payments expense'.

A summary of the share-based payments expense recognised in the statement of profit or loss and other comprehensive income is provided below.

	2019 $'000
Shares issued in return for provision of services	1,092
Fair value of performance rights issue to employees	278
	1,370

26. Financial risk management

a) Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

Financial assets	Financial assets at amortised cost $'000	Other financial liabilities $'000	Total $'000
Cash and cash equivalents	4,628	-	4,628
Trade and other receivables	8,514	-	8,514
Financial assets	812	-	812
Total financial assets	**13,954**	**-**	**13,954**
Financial liabilities			
Trade and other payables	-	(9,890)	(9,890)
Loans and borowings	-	(13,261)	(13,261)
Total financial liabilities	**-**	**(23,151)**	**(23,151)**

26. Financial risk management (continued)

b) Risk management framework

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's Board of Directors (the Board') has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the maximum credit exposure.

Impairment losses on financial assets recognised in the profit or loss for the period was $297,000.

The Group has no significant concentration of credit risk other than in respect to the Group's top six customers that makes up approximately 50% of the trade receivables balance.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed regularly. The Group limits its exposure to credit risk from trade receivables by establishing payments terms which generally range from 7 to 21 days from date of invoice, with a maximum payment period of 30 days from date of invoice for individual and corporate customers respectively.

The Group uses an allowance matrix to measure ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on the Group's view of economic conditions over the expected lives of the receivables.

26. Financial risk management (continued)

c) Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 30 June 2019.

	Weighted-average loss rate %	Gross carrying amount $'000	Loss allowance $'000	Credit-impaired
Current (not past due)	0%	5,052	-	No
1-30 days past due	0%	2,424	-	No
31-60 days past due	5%	613	(31)	No
61-90 days past due	10%	239	(24)	No
90-120 days past due	20%	46	(9)	No
120-150 days past due	30%	136	(41)	No
More than 150 days past due	64%	301	(192)	Yes
		8,811	**(297)**	

d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has a secured loan facility of $5,000,000 of which $4,500,000 was utilised at 30 June 2019. The secured loan facility is secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd. The loan is repayable within three years. The loan contains covenants which state that at the end of each financial year 12 month period, the Group's equity ratio (the Group's total shareholder funds divided by total assets) must not be less than 35%, the Group's debt service cover (gross interest expense plus gross principal repayments) must not be less than 1.1 times the Group's EBITDA (excluding one-off IPO costs) less income tax expense, and the Group's interest cover (the Group's gross interest expense) must not be less than 2.0 times the Group's EBIT (excluding one-off IPO costs). A breach in the covenants would result in the loan becoming repayable on demand. The Group's bank confirmed that the Group was not in breach of its covenants for the financial year ended 30 June 2019.

26. Financial risk management (continued)

d) Liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

	Less than one year 2019 $'000	Between one and five years 2019 $'000	More than five years 2019 $'000	Total 2019 $'000
Trade and other payables	9,890	-	-	9,890
Secured bank loans	-	4,500	-	4,500
Finance lease liabilities	2,994	6,337	-	9,331
Loans from related parties	277		-	277
	13,161	**10,837**	**-**	**23,998**

e) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Group is exposed to foreign currency risk to the extent that the assets, liabilities, income and expenses of foreign operations are translated into the functional currency of the Group, being Australian Dollars (‘AUD’). The currencies of the foreign operations are primarily denominated in New Zealand Dollars (‘NZD’) and Chinese Yuan (‘CNY’). The Group considers the impact of foreign currency differences arising on translation of foreign operations not to be material for the period.

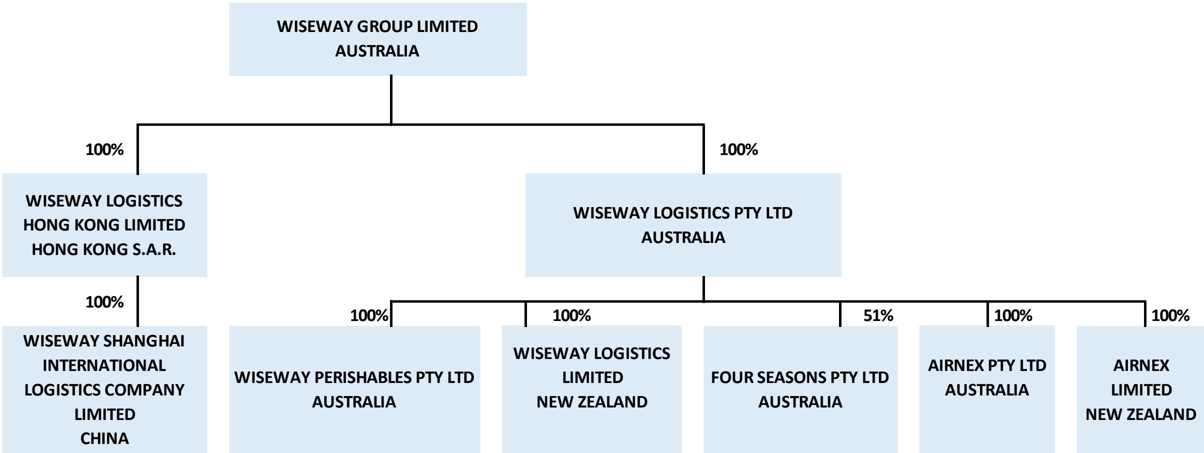
ii) Interest rate risk

Interest rate risk the risk that the Group incurs financial loss due to adverse movement in interest rates. The Group is subject to interest rate risk on its secured bank loans. A change of one percent in interest rates at the reporting date would have increased or decreased the Group’s equity and other comprehensive income by $7,875, net of tax.

27. List of subsidiaries

See accounting policy in Note 5 a).

Set out below is a list of material subsidiaries of the Group.



28. Acquisition of subsidiaries

See accounting policy in Note 5 a).

A group restructure commenced on 16 March 2018 and completed 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 $1,517,000, which is recorded in retained earnings. The $1,517,000 of net assets included $2,273,000 of Wiseway Logistics' cash balances.

During the year, the following wholly owned subsidiaries were incorporated:

Subsidiary	Country	Date of incorporation
Wiseway Logistics Limited	New Zealand	20 August 2018
Wiseway Logistics Hong Kong Limited	Hong Kong	6 December 2018
AirNex Pty Ltd	Australia	22 January 2019
Wiseway Shanghai International Logistics Company Limited	China	8 February 2019
AirNex Limited	New Zealand	8 May 2019

28. Acquisition of subsidiaries (continued)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets and liabilities assumed at the date of acquisition of 100% of Wiseway Logistics (as described above).

	2019
	$'000
Cash and cash equivalents	2,273
Trade and other receivables	6,454
Inventories	25
Financial assets	865
Property, plant and equipment	8,683
Deferred tax assets	63
Trade and other payables	(8,323)
Loans and borrowings	(8,201)
Employee benefits	(109)
Provisions	(21)
Current tax liabilities	(192)
Total identifiable net assets acquired	**1,517**

29. Non-controlling interests

See accounting policy in Note 6 a).

The following table summarises the information relating to each of the Group's subsidiaries that has non-controlling interests, before any intra-group eliminations.

	Four Seasons Pty Ltd
	$'000
Non-controlling interest %	**49%**
Revenue	1,523
Profit / (loss)	(2)
Other comprehensive income	-
Total comprehensive income	**(2)**
Profit / (loss) allocated to non-controlling interests	(1)
Other comprehensive income allocated ot non-controlling interests	-
Current assets	382
Non-current assets	4
Current liabilities	(313)
Non-current liabilities	-
Net assets	**73**
Net assets attributable to non-controlling interests	36
Cash flows from operating activities	(267)
Cash flows from investment activities	(4)
Cash flows from financing activites	281
Net increase / (decrease) in cash and cash equivalents	**10**

30. Operating leases

See accounting policy in Note 6 m).

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.

a) Future minimum lease payments

At 30 June 2019, the future minimum lease payments under non-cancellable leases were payable as follows.

	2019
	$'000
Less than one year	2,851
Between one and five years	10,998
More than five years	15,851
	29,700

b) Amounts recognised in profit or loss

	2019
	$'000
Lease expense	2,550
	2,550

31. Commitments and contingencies

The Group has entered into contracts to upgrade existing warehouse facilities, build fumigation facilities in Sydney and Melbourne, build cool rooms in Perth and purchase extra scanning equipment to be funded by hire purchase loans and existing cash reserves for a total value of $2,125,000.

The Group holds bank guarantees in the form of term deposits amounting to $812,000, which are described in Note 17.

32. Related parties

a) Key management personnel compensation

	2019
Short-term employee benefits	1,246,349
Post-employment benefits	82,164
Termination benefits	161,754
Share-based payments	779,300
	2,269,568

Compensation of the Group's key management personnel include salaries, non-cash benefits and contributions to superannuation funds (see Note 9).

Information regarding individual Director's and executive's compensation is provided in the remuneration report section of the Directors' report.

b) Other related party transactions

Golden Fortune Sky Limited (a company owned by Independent Non-Executive Director, Stephen Chan) and Laurel Capital Pty Ltd were each issued 798,309 shares on 6 July 2018 in return for provision of services valued at $500,000 each. The fair value of the services received was measured with reference to the market price of the Company's shares at grant date.

The Group's non-executive directors were issued 185,000 shares in total on 31 October 2018 at the IPO listing price of $0.50 to the total value of $92,500 in return for provision of services during the IPO.

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 30 June 2019. 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.

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 Group on normal commercial terms and conditions. During the period ended 30 June 2019, the rental amount paid to this related entity by the Group was $1,616,822.

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. The Group repaid outstanding loans of $1,369,106 to Executive Directors during the year. As at 30 June 2019 the outstanding balance due from Executive Directors was $3,201.

33. Subsequent events

On 27 August 2019 the Group entered into a share purchase and subscription agreement ('SPSA') with AZ Global Limited ('AZ Global'). Under the SPSA, AZ Global were issued 18,161,100 new shares in the Company, being 15% of the currently issued shares in the Company, at $0.25 per share for a total consideration of $4,540,275.

No matters or circumstances, other than those mentioned above, 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 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period 16 March 2018 to 30 June 2019

34. Reconciliation of cash flows from operating activities

	2019 $'000
Loss for the period	(1,873)
Adjustments for:	
Depreciation expense	2,021
(Gain) / loss on sale of fixed assets	53
Share-based payment expense	1,370
Initial public offering costs recorded as expenses	1,317
	2,888
Changes in:	
Trade and other receivables	(4,939)
Inventories	(94)
Current tax assets	(759)
Other assets	(2,742)
Deferred tax assets	(977)
Trade and other payables	1,472
Employee benefits	884
Provisions	2
Net cash from operating activities	**(4,265)**

35. Auditors' remuneration

	2019
Audit and review services	
Auditors of the Company - KPMG	
Audit and review of financial statements	250,000
	250,000
Other services	
Auditors of the Company - KPMG	
Transaction related services	743,000
Other services	6,000
	749,000

36. Parent entity disclosures

As at, and throughout, the financial reporting period ended 30 June 2019 the parent entity of the Group was Wiseway Group Limited.

	2019
Result of the parent entity	**$'000**
Profit (loss) for the period	(274)
Other comprehensive income	-
Total comprehensive income for the period	**(274)**
Financial position of the parent entity at year end	
Current assets	314
Total assets	**22,583**
Current liabilities	-
Total liabilities	**-**
Total equity of the parent entity comprising of:	
Share capital	21,487
Share-based payments reserve	1,370
Retained earnings	(274)
Total equity	**22,583**

37. Going concern basis for the financial report

The financial report has been prepared on the going concern basis of accounting, which assumes the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for a period of at least twelve months from the date of signing these financial statements.

The Group incurred a loss and had cash outflows from operating activities of $1,873,000 and $4,265,000 respectively for the financial reporting period ended 30 June 2019. These financial results were impacted by the strategic expansion activities and one-off costs associated with the Company's IPO, as described in the Operating and Financial Review section of the Directors' Report. Management has prepared a detailed financial forecast for the next 12 months, including the consideration of $4,540,275 received from AZ Global for the issue of new shares on 27 August 2019 referred to in Note 33, which indicates that the Group has the ability to meet its debts as and when they fall due. Accordingly, the Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

DIRECTORS' DECLARATION

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

a) the consolidated financial statements and notes that are set out on pages 18 to 52 and the Remuneration report in section 16 of the Directors' report, are in accordance with the *Corporations Act 2001*, including:

   i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the period ended on that date; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001;* 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.

The Directors have been given declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the period ended 30 June 2019.

The Directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

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

Dated at Sydney this 27th day of September 2019

Independent Auditor's Report

To the shareholders of Wiseway Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Wiseway Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2019 and of its financial performance for the period since the date of incorporation, being 16 March 2018 to 30 June 2019; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2019
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the period since the date of incorporation, being 16 March 2018 to 30 June 2019
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of Wiseway Group Limited (the Company) and the entities it controlled at the period end or from time to time during the financial period since the date of incorporation, being 16 March 2018 to 30 June 2019.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue recognition of air freight forwarding services ($110.1m)

Refer to Note 8 to the Financial Report

The key audit matter	How the matter was addressed in our audit

Revenue recognition of air freight forwarding services is a key audit matter due to:
• the significant audit effort required by us to test the high volume of transactions recorded by the Group as revenue; and
• revenue from the provision of air freight forwarding services represents 94% of the Group's revenue.
The Group has manual processes and controls which may increase the risk of potential bias, in particular in the last quarter of the reporting period. This increased our audit effort to test higher samples of freight revenue transactions in the last quarter of the reporting period.
	Our procedures included:
	• We considered the relevant features of the underlying air freight forwarding services contract in assessing the Group's application of AASB 15 revenue recognition, including what the Group identified as performance obligations, against the criteria in the accounting standard and those in the Group's policy.
	• We selected a statistical sample of air freight forwarding revenue transactions for the period up to the last quarter of the reporting period. We selected a higher statistical sample during the last quarter of the reporting period due to the increased risk of potential bias. For each sample selected, we:
	  • checked the amount of revenue recorded by the Group against the amount of the underlying sales invoice and to the customer and cash receipts obtained from the Group's bank statements; and
	  • checked the nature and date the revenue was recognised by the Group to the date of completion of freight forwarding services from underlying freight documents such as the waybill.
	• We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of AASB 15.

Other Information

Other Information is financial and non-financial information in Wiseway Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Wiseway Group Limited for the period since the date of incorporation, being, 16 March 2018 to 30 June 2019, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 10 to 15 of the Directors' report for the period since the date of incorporation, being, 16 March 2018 to 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG.

KPMG

Chris Allenby

Partner

Sydney

27 September 2019

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

ASX additional information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 27 September 2019.

Distribution of shareholders

	Fully paid ordinary shares		
	Total holders	Shares	% Issued capital
1 - 1,000	3	799	0.00%
1,001 - 5,000	74	257,429	0.18%
5,001 - 10,000	48	400,295	0.29%
10,001 - 100,000	161	7,058,252	5.07%
100,001 - 9,999,999,999	74	131,518,328	94.46%
Total	**360**	**139,235,103**	**100.00%**

Substantial shareholders

Shareholder	Shares	% Issued capital
AZ GLOBAL CO., LIMITED	27,707,786	19.90
ROGER TONG	26,796,089	19.25
FLORENCE TONG	26,771,202	19.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,765,945	6.30
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,031,105	5.05

Voting rights

The Company only has ordinary shares on issue. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Unlisted employee performance rights

There were 913,455 unlisted performance rights on issue held by 16 different persons. Of these rights, all have no exercise price and vest between 31 October 2019 and 31 October 2021 subject to the fulfilment of the relevant vesting conditions.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Twenty largest shareholders

Rank	Shareholder	Shares	% Issued capital
1	AZ GLOBAL CO., LIMITED	27,707,786	19.90
2	MR ROGER SHIGANG TONG	26,796,089	19.25
2	MRS FLORENCE YANLI TONG	26,771,202	19.23
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8,765,945	6.30
4	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	7,031,105	5.05
5	UBS NOMINEES PTY LTD	4,300,000	3.09
6	MOGGS CREEK PTY LTD	3,279,290	2.36
7	NATIONAL NOMINEES LIMITED	2,975,000	2.14
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,097,821	1.51
9	MR CRAIG GRAEME CHAPMAN	1,087,917	0.78
10	M & M WORLDWIDE GROUPS PTY LTD	957,970	0.69
11	WEEWAC PTY LTD	835,000	0.60
12	ZZL HOLDINGS PTY LTD	798,309	0.57
12	ZHIKUN TANG	798,309	0.57
12	JIM TONG	798,309	0.57
12	LAUREL CAPITAL PTY LTD	798,309	0.57
12	KEN TONG	798,309	0.57
12	GOLDEN FORTUNE SKY LIMITED	798,309	0.57
13	A T G PTY LTD	576,418	0.41
14	EMS ARCADIA PTY LTD	547,823	0.39
15	ROCKMAN CAPITAL PTY LTD	542,285	0.39
16	DEFENDER EQUITIES PTY LTD	500,000	0.36
16	GURRAVEMBI INVESTMENTS PTY LTD	500,000	0.36
17	PACIFIC CUSTODIANS PTY LIMITED	479,455	0.34
18	MIN XU	478,985	0.34
19	GINGA PTY LTD	450,000	0.32
20	MR XUELIN XIE	449,000	0.32
	TOTAL TOP 20 SHAREHOLDERS	**121,918,945**	**87.57**
	REMAINING SHAREHOLDERS	17,316,158	12.43
	TOTAL	**139,235,103**	**100.00**

CORPORATE DIRECTORY

Directors

The Hon. Nick Bolkus
Independent Non-Executive Chairman

Michael Hughes
Independent Non-Executive Director

Stephen Chan
Independent Non-Executive Director

Florence Tong
Executive Director and Managing Director

Roger Tong
Executive Director and Chief Executive Officer

Company secretary

Florence Tong
Company Secretary

Registered Office

Wiseway Group Limited
39-43 Warren Avenue
Bankstown NSW 2000

Auditor

KPMG
Level 38, Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000