

## APPENDIX 4D

### WISEWAY GROUP LIMITED

### For the period ended 31 December 2020

#### Details of reporting period

Current reporting period	1 July 2020 to 31 December 2020
Prior reporting period	1 July 2019 to 31 December 2019

#### Results for announcement to the market

Wiseway Group Limited ("Company") and its subsidiaries, presents its results for the period 1 July 2020 to 31 December 2020. The Group's revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) for the six months ended 31 December 2020 were \$69,661,000 (1 July to 31 December 2019: \$45,056,000) and \$6,472,000 (1 July to 31 December 2019: \$104,000) respectively. The profit for the Group for the six months ended 31 December 2020 after providing for income tax amounted to \$3,441,000 (1 July 2019 to 31 December 2019: loss of \$4,862,000).

#### Reconciliation of statutory profit/(loss) for the period to EBITDA

	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000	Movement \$'000
Profit/(loss) for the period	3,441	(4,862)	8,303
Interest	744	857	(113)
Depreciation expense	2,615	2,535	80
Tax	(328)	1,574	(1,902)
<b>EBITDA</b>	<b>6,472</b>	<b>104</b>	<b>6,368</b>

	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000	Change %
<b>Statutory financial results</b>			
Revenue from ordinary activities	69,661	45,056	55%
Profit/(loss) from ordinary activities after tax attributable to members	3,441	(4,862)	171%
Net profit/(loss) for the period attributable to members	3,361	(4,862)	169%

	Six months ended 31 December 2020 Cents	Six months ended 31 December 2019 Cents	Change %
Basic profit/(loss) per share	2.45	(3.63)	168%
Diluted profit/(loss) per share	2.45	(3.63)	168%

**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**

**Dividends**

There were no dividends recommended, declared or paid during the current reporting period.

**Net tangible assets**

	Six months ended 31 December 2020	Six months ended 31 December 2019	Change
	Cents	Cents	%
Net tangible assets per security	7.24	2.41	200%

**Audit qualification or review**

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

**Attachments**

This Appendix 4D is provided in accordance with ASX Listing Rule 4.2A and is to be read in conjunction with the Interim Financial Report for the current period ended 31 December 2020, where additional disclosures are provided, and any market announcements made by the Company in accordance with continuous disclosure obligations.

The interim financial report is attached below.

Signed:



Roger Tong  
Director  
Wiseway Group Limited  
Dated at Sydney this 23rd day of February 2021

**WISEWAY GROUP LIMITED**

**ABN 26 624 909 682**

**INTERIM FINANCIAL REPORT**

**31 DECEMBER 2020**

**WISEWAY GROUP LIMITED**

**ABN 26 624 909 682**

**CONTENTS**

Directors' Report.....	3
Lead Auditor's Independence Declaration.....	6
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	7
Condensed Consolidated Statement of Financial Position.....	8
Condensed Consolidated Statement of Changes in Equity.....	9
Condensed Consolidated Statement of Cash Flows.....	11
Notes to the Condensed Consolidated Financial Statements.....	12
Directors' Declaration.....	20
Independent Auditor's Review Report.....	21
Corporate Directory.....	23

**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**  
**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 controlled entities, for the six months ended 31 December 2020 and the auditor's review report thereon.

## 1. Directors

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

Michael Hughes	Independent Non-Executive Chairman	Appointed on 30 April 2019
Stephen Chan	Independent Non-Executive Director	Appointed on 16 March 2018
Lin Xu	Non-Executive Director	Appointed on 1 November 2019
Florence Tong	Executive Director and Managing Director	Appointed on 16 March 2018
Roger Tong	Executive Director and Chief Executive Officer	Appointed on 16 March 2018

## 2. Principal activities

The principal activities of the Group during the financial reporting period were the movement 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.

## 3. Review of operations

### a) Financial results

The Group's revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) for the six months ended 31 December 2020 were \$69,661,000 (1 July 2019 to 31 December 2019: \$45,056,000) and \$6,472,000 (1 July 2019 to 31 December 2019: \$104,000) respectively. The profit for the Group for the six months ended 31 December 2020 after providing for income tax amounted to \$3,441,000 (1 July 2019 to 31 December 2019: loss of \$4,862,000).

	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000	Movement \$'000
<b>Profit/(loss) for the period</b>	3,441	(4,862)	8,303
Interest	744	857	(113)
Depreciation expense	2,615	2,535	80
Tax	(328)	1,574	(1,902)
<b>EBITDA</b>	<b>6,472</b>	<b>104</b>	<b>6,368</b>

**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**  
**DIRECTORS' REPORT**

### **3. Review of operations (continued)**

#### **b) Leveraging on investments**

Wiseway's investments over FY20 in people, infrastructure and our operations resulted in increased market share in perishables – exporting seafood, fresh milk, chilled meat, and fresh produce. To accommodate future growth, we have opened a Business Support Office in Guangzhou, China. This new office is in addition to our Shanghai office.

Our customs-bonded warehouses in all major cities in Australia and New Zealand have provided an advantage over other freight forwarders who do not have this capability.

The strength of the business comes from Wiseway's integrated operating platform supporting multiple logistics services that can be combined without our customers having to change service providers.

The first half of FY21 has been a period of growth in both volume weight and revenue compared to prior year. This is a direct result from our FY19 investment pipeline including bonded warehouses, airway, accreditation for Perishable supply and obtaining operational licences in Auckland. Wiseway has been focusing on improving operations through enhanced SOPs, increasing investment in our staff across our new divisions Perishables, Imports, China and New Zealand to meet demand.

#### **c) COVID-19 Update**

As an essential service provider during the COVID-19 pandemic, Wiseway has continued to operate its import and export services between Australia and Asia. Flight restrictions imposed by the Australian Government (1 Feb 2020) have caused disruption to established Australia-Asia trade pathways, as the cargo space previously available on passenger airlines is no longer available. Wiseway recognised the opportunity in this disruption to demonstrate its leadership in Australian-Chinese trade relations. It has leveraged its relationships with airlines, shipping lines and local trucking companies, to ensure customers' cargo can still get in and out of Asia through a combination of alternative routes. With both Australian and Chinese customers turning to Wiseway for help in finding solutions to this difficult logistical challenge, Wiseway has been able to gain new customers and demonstrate their primacy in Australia-Asia trade logistics to a new audience. In the new environment, Wiseway secured cargo space by chartering flights. This has significantly increased Wiseway's capability to continue servicing demand for air freight.

Wiseway has implemented operational 'COVID-19 safe' procedures and have been able to continue operations and service customers across Australia, including those in Victoria throughout the period of the State's border closure.

#### **d) Outlook**

Currently, demand for logistics services remains high. However, due to the unprecedented nature of this global pandemic, this may vary as the situation develops over time. The breadth and depth of our diversified logistics services, our highly experienced management team, and the risk management plans we have put in place, position Wiseway to actively manage its operations and maximise its outcomes in the prevailing operating environment. The Board and Management of Wiseway are focused on supporting our employees, customers, broader community and international trade during these anxious and difficult times. Wiseway will continue to update the market as and when necessary.

**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**  
**DIRECTORS' REPORT**

#### **4. Events after the reporting period**

The secured loan facility of \$5,000,000 was fully repaid on 4 January 2021 and is available for redraw.

Wiseway Group Limited senior management have identified Los Angeles, USA as a suitable location for the company's next phase of expansion in FY21 Q4. A greenfield strategy has been identified, similar to the strategy undertaken to expand into the New Zealand market in FY19.

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

#### **5. Rounding**

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

#### **6. Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 6 and forms part of the Directors' report for the six months ended 31 December 2020.

Signed 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 23rd day of February 2021



# 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 review of Wiseway Group Limited for the interim period ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Malcolm Kafer'.

Malcolm Kafer

*Partner*

Sydney

23 February 2021



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2020

	Note	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000
Revenue	6	69,661	45,056
Direct transport and logistics expenses		(51,520)	(33,892)
Employee benefit expenses	7	(9,388)	(8,807)
Occupancy expenses		(460)	(412)
Depreciation expense		(2,615)	(2,535)
Administration and other expenses		(1,821)	(1,841)
<b>Operating profit/(loss)</b>		<b>3,857</b>	<b>(2,431)</b>
Finance costs		(744)	(857)
<b>Profit/ (loss) before tax</b>		<b>3,113</b>	<b>(3,288)</b>
Income tax benefit/(expense)	8	328	(1,574)
<b>Profit/ (loss) for the period</b>		<b>3,441</b>	<b>(4,862)</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign operations - foreign currency translation differences		(80)	-
<b>Other comprehensive (loss)/income for the period</b>		<b>(80)</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>3,361</b>	<b>(4,862)</b>
<b>Profit/ (loss) attributable to:</b>			
Owners of the Company		3,495	(4,845)
Non-controlling interests		(54)	(17)
		<b>3,441</b>	<b>(4,862)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		3,415	(4,845)
Non-controlling interests		(54)	(17)
		<b>3,361</b>	<b>(4,862)</b>
Basic earnings per share (cents)		2.45	(3.63)
Diluted earnings per share (cents)		2.45	(3.63)

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2020

		31 December 2020	30 June 2020
	Note	\$'000	\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	12,414	8,607
Trade and other receivables	10	8,706	8,299
Inventories		120	120
Current tax assets		-	866
Other assets		2,686	1,663
<b>Total current assets</b>		<b>23,926</b>	<b>19,555</b>
<b>Non-current assets</b>			
Financial assets		451	451
Property, plant and equipment	11	42,400	43,184
Deferred tax assets		1,280	-
<b>Total non-current assets</b>		<b>44,131</b>	<b>43,635</b>
<b>Total assets</b>		<b>68,057</b>	<b>63,190</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	8,750	6,530
Loans and borrowings	13	9,748	10,171
Employee benefits		1,155	1,020
Provisions		23	23
Current tax liabilities		84	-
<b>Total current liabilities</b>		<b>19,760</b>	<b>17,744</b>
<b>Non-current liabilities</b>			
Loans and borrowings	13	20,861	21,548
Employee benefits		190	150
<b>Total non-current liabilities</b>		<b>21,051</b>	<b>21,698</b>
<b>Total liabilities</b>		<b>40,811</b>	<b>39,442</b>
<b>Net assets</b>		<b>27,246</b>	<b>23,748</b>
<b>Equity</b>			
Share capital	14	26,027	26,027
Share-based payments reserve		1,458	1,458
Foreign currency translation reserve		(48)	32
Retained earnings/(accumulated losses)		(260)	(3,755)
Equity attributable to owners of the Company		<b>27,177</b>	<b>23,762</b>
Non-controlling interests		69	(14)
<b>Total equity</b>		<b>27,246</b>	<b>23,748</b>

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2020

	Note	Share capital	Share-based payments reserve	Retained earnings / (accumulated losses)	Total	Non- controlling interests	Total equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>		26,027	1,458	(3,755)	23,762	(14)	23,748
<b>Comprehensive income</b>							
Profit for the period		-	-	3,495	3,495	(54)	3,441
Other comprehensive income for the period		-	-	-	(80)	137	57
<b>Total comprehensive income for the period</b>		-	-	3,495	3,415	83	3,498
<b>Transactions with owners, in capacity as owners</b>		-	-	-	-	-	-
<b>Total transactions with the owners</b>		-	-	-	-	-	-
<b>Balance at 31 December 2020</b>		26,027	1,458	(260)	27,177	69	27,246

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2019

	Note	Share capital \$'000	Share-based payments reserve \$'000	Retained earnings / (accumulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>		21,487	1,370	(355)	22,502	36	22,538
<b>Comprehensive income</b>							
Loss for the period		-	-	(4,845)	(4,845)	(17)	(4,862)
<b>Total comprehensive income for the period</b>		-	-	(4,845)	(4,845)	(17)	(4,862)
<b>Transactions with owners, in capacity as owners</b>							
Issue of ordinary shares	14	4,540	-	-	4,540	-	4,540
Share-based payments		-	57	-	57	-	57
<b>Total transactions with the owners</b>		4,540	57	-	4,597	-	4,597
<b>Balance at 31 December 2019</b>		26,027	1,427	(5,200)	22,254	19	22,273

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

WISEWAY GROUP LIMITED

ABN 26 624 909 682

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2020

		Six months ended 31 December 2020	Six months ended 31 December 2019
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		69,235	47,922
Cash paid to suppliers and employees		(60,956)	(49,822)
Cash generated from operating activities		8,279	(1,900)
Interest received	6	2	10
Interest paid		(744)	(857)
Income taxes paid		-	(342)
<b>Net cash from/(used in) operating activities</b>		<b>7,537</b>	<b>(3,089)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	19
Acquisition of property, plant and equipment		(1,509)	(1,033)
(Acquisition)/disposal of other investments		-	270
<b>Net cash (used in) investing activities</b>		<b>(1,509)</b>	<b>(744)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	14	-	4,540
Proceeds from loans and borrowings		4,961	1,339
Repayment of loans and borrowings		(5,000)	(428)
Payment of finance lease liabilities		(1,580)	(1,747)
Payment of lease liabilities		(786)	(860)
<b>Net cash (used in)/from financing activities</b>		<b>(2,405)</b>	<b>2,845</b>
Net increase/(decrease) in cash and cash equivalents		3,623	(988)
Cash and cash equivalents at beginning of the period		8,607	4,628
Effects of movements in exchange rates on cash held		184	-
<b>Cash and cash equivalents at end of the period</b>		<b>12,414</b>	<b>3,640</b>

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 1. Corporate information

The condensed consolidated interim financial statements for the six months ended 31 December 2020 comprises of Wiseway Group Limited (the “Company”) and its controlled entities (the “Group”). The address of the Company’s registered office is 39-43 Warren Avenue, Bankstown, NSW 2200. The Company is a listed public company, incorporated and domiciled in Australia.

### 2. Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required for a complete set of annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2020. The full accounting policies of the Group are set out in the latest financial report for the year ended 30 June 2020.

The current period is for the six months ended 31 December 2020. The comparative half year is for the period 1 July 2019 to 31 December 2019.

These interim financial statements were authorised for issue by the Group’s Board of Directors on 23 February 2021.

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

### 3. Use of judgements and estimates

In preparing these interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 4. Changes in significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 30 June 2020.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 5. 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.

### 6. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group generates revenue primarily from the provision of freight forwarding services to its customers. Other sources of revenue include interest income from term deposits and rental income.

	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000
Revenue from contracts with customers	69,414	44,725
Other revenue		
Interest income	2	10
Other income	245	321
	<u>247</u>	<u>331</u>
<b>Total revenue</b>	<u><b>69,661</b></u>	<u><b>45,056</b></u>

#### a) Disaggregation of revenue

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

	Six months ended 31 December 2020 \$'000	Six months ended 31 December 2019 \$'000
Air freight - general cargo	49,533	38,064
Air freight - perishables	11,108	2,388
Sea freight	2,699	1,344
Road freight	1,769	1,127
General cargo and eCommerce imports	4,305	1,802
	<u><b>69,414</b></u>	<u><b>44,725</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 7. Employee benefit expenses

	Six months ended 31 December 2020	Six months ended 31 December 2019
	\$'000	\$'000
Salaries and wages	4,528	4,454
Contractor costs	3,804	3,534
Contributions to superannuation funds	364	404
Increase in employee benefits	172	158
Other employee expenses	520	257
	<b>9,388</b>	<b>8,807</b>

## 8. Income taxes

### a) Amounts recognised in profit or loss

	Six months ended 31 December 2020	Six months ended 31 December 2019
	\$'000	\$'000
Current tax expense	952	-
<b>Deferred tax benefit</b>		
Deferred tax (benefit)/expense	(1,280)	1,574
<b>Income tax expense (benefit)/expense</b>	<b>(328)</b>	<b>1,574</b>

### b) Reconciliation of effective tax rate

	Six months ended 31 December 2020	Six months ended 31 December 2019
	\$'000	\$'000
Profit/(loss) before tax	3,113	(3,288)
Tax using the Group's domestic Australian tax rate of 30%	(934)	986
Tax effect of:		
Non-deductible expenses	(18)	13
Recognition of/(write off) of previously unrecognised temporary differences	1,280	(999)
	<b>328</b>	<b>0</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 9. Cash and Cash Equivalents

	31 December 2020	30 June 2020
	\$'000	\$'000
Bank balances	<u>12,414</u>	<u>8,607</u>

## 10. Trade and other receivables

	31 December 2020	30 June 2020
	\$'000	\$'000
Trade receivables	8,829	8,070
Less: Provision for doubtful debts	<u>(898)</u>	<u>(725)</u>
Net trade receivables	7,931	7,345
Net GST receivables	428	312
Other receivables	<u>347</u>	<u>642</u>
	<u><b>8,706</b></u>	<u><b>8,299</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 11. Property, plant and equipment

	Land and buildings \$'000	Right-of-use assets \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
Balance at 30 June 2020	11,327	19,873	6,415	3,706	11,998	53,319
Additions	-	-	84	72	1,353	1,509
Addition of right-of-use assets	-	322	-	-	-	322
<b>Balance at 31 December 2020</b>	<b>11,327</b>	<b>20,195</b>	<b>6,499</b>	<b>3,778</b>	<b>13,351</b>	<b>55,150</b>
<b>Accumulated depreciation</b>						
Balance at 30 June 2020	(714)	(2,068)	(1,140)	(729)	(5,484)	(10,135)
Depreciation	(283)	(1,034)	(348)	(214)	(736)	(2,615)
<b>Balance at 31 December 2020</b>	<b>(997)</b>	<b>(3,102)</b>	<b>(1,488)</b>	<b>(943)</b>	<b>(6,220)</b>	<b>(12,750)</b>
<b>Carrying amounts</b>						
<b>At 31 December 2020</b>	<b>10,330</b>	<b>17,094</b>	<b>5,011</b>	<b>2,835</b>	<b>7,131</b>	<b>42,400</b>

  

	Land and buildings \$'000	Right-of-use assets \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
Balance at 30 June 2020	11,327	19,873	6,415	3,706	11,998	53,319
<b>Accumulated depreciation and impairment losses</b>						
Balance at 30 June 2020	(714)	(2,068)	(1,140)	(729)	(5,484)	(10,135)
<b>Carrying amounts</b>						
<b>Balance at 30 June 2020</b>	<b>10,613</b>	<b>17,805</b>	<b>5,275</b>	<b>2,977</b>	<b>6,514</b>	<b>43,184</b>

## 12. Trade and other payables

	31 December 2020 \$'000	30 June 2020 \$'000
Trade payables	1,188	5,017
Other payables	7,562	1,513
	<b>8,750</b>	<b>6,530</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

## 13. Loans and borrowings

	31 December 2020 \$'000	30 June 2020 \$'000
<b>Current liabilities</b>		
Finance lease liabilities	2,722	2,739
Lease liabilities	1,613	1,511
Loans from related parties	25	921
Secured bank loans	5,204	5,000
DNO Premium Funding Loan	184	-
	<b>9,748</b>	<b>10,171</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	4,660	4,822
Lease liabilities	16,201	16,726
	<b>20,861</b>	<b>21,548</b>

The Group has a secured loan facility of AUD \$5,000,000 of which AUD \$5,000,000 was utilised at 31 December 2020 (30 June 2020: \$5,000,000). The secured bank loan facility is secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd. The bank loan expires in 2022 at a nominal interest rate of 2.61%.

The secured loan facility was fully paid down during the period and was then redrawn on 29 December 2020. The loan was subsequently fully repaid on 4 January 2021 and is available for redraw.

### a) Lease liabilities

Lease liabilities are payable as follows:

	Future minimum lease payments 31 December 2020 \$'000	Total future Interest 31 December 2020 \$'000	Present value of minimum lease payments 31 December 2020 \$'000
Less than one year	5,505	(1,170)	4,335
Between one and five years	12,403	(2,342)	10,061
More than five years	12,463	(1,663)	10,800
	<b>30,371</b>	<b>(5,175)</b>	<b>25,196</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

	Future minimum lease payments 30 June 2020 \$'000	Total future Interest 30 June 2020 \$'000	Present value of minimum lease payments 30 June 2020 \$'000
Less than one year	5,459	(1,209)	4,250
Between one and five years	14,890	(3,010)	11,880
More than five years	11,055	(1,387)	9,668
	<b>31,404</b>	<b>(5,606)</b>	<b>25,798</b>

## 14. Capital and reserves

Date	Details	31 December 2020 No.	31 December 2020 Issue price	31 December 2020 \$'000
1 July 2020	Opening balance	140,318,769	-	26,027
<b>31 December 2020</b>	<b>Closing balance</b>	<b>140,318,769</b>		<b>26,027</b>

  

Date	Details	30 June 2020 No.	30 June 2020 Issue price	30 June 2020 \$'000
1 July 2019	Opening balance	121,074,003	-	21,487
27 August 2019	Ordinary shares issued - AZ Global	18,161,100	0.25	4,540
30 October 2019	Ordinary shares issued - employees	1,083,666	-	-
<b>30 June 2020</b>	<b>Closing balance</b>	<b>140,318,769</b>		<b>26,027</b>

## 15. Related parties

A number of these related parties transacted with the Group during the six months ended 31 December 2020. 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 six months ended 31 December 2020, the rental expense incurred by the group payable to the related party was \$869,661 (1 July 2019 to 31 December 2019: \$762,000).

The Group has historically provided and/or received short-term loans to or from Roger Tong and Florence Tong. The loans are unsecured, repayable on demand and interest free. As at 31 December 2020 the outstanding balance due from Executive Directors was \$24,625 (30 June 2020: due from Executive Directors \$463,966).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2020

### 16. Contingencies

	31 December 2020	30 June 2020
	\$'000	\$'000
Bank guarantees	451	451
	<u>451</u>	<u>451</u>

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

### 17. Subsequent Events

The secured loan facility of \$5,000,000 was fully repaid on 4 January 2021 and is available for redraw.

Wiseway Group Limited senior management have identified Los Angeles, USA as a suitable location for the company's next phase of expansion in FY21 Q4. A greenfield strategy has been identified, similar to the strategy undertaken to expand into the New Zealand market in FY19.

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

### 18. COVID 19

As an essential service provider during the COVID-19 pandemic, Wiseway has continued to operate its import and export services between Australia and Asia. Flight restrictions imposed by the Australian Government (1 Feb 2020) have caused disruption to established Australia-Asia trade pathways, as the cargo space previously available on passenger airlines is no longer available. Wiseway recognised the opportunity in this disruption to demonstrate its leadership in Australian-Chinese trade relations. It has leveraged its relationships with airlines, shipping lines and local trucking companies, to ensure customers' cargo can still get in and out of Asia through a combination of alternative routes. With both Australian and Chinese customers turning to Wiseway for help in finding solutions to this difficult logistical challenge, Wiseway has been able to gain new customers and demonstrate their primacy in Australia-Asia trade logistics to a new audience. In the new environment, Wiseway secured cargo space by chartering flights. This has significantly increased Wiseway's capability to continue servicing demand for air freight.

Wiseway has implemented operational 'COVID-19 safe' procedures and have been able to continue operations and service customers across Australia, including those in Victoria throughout the period of the State's border closure.

**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**  
**DIRECTORS' DECLARATION**

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

- a) the condensed consolidated financial statements and notes set out on pages 7 to 19 are in accordance with the Corporations Act 2001, including:
  - i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;
  - ii) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the six month period ended on that date;
  - iii) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed 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 23rd day of February 2021



# Independent Auditor's Review Report

To the shareholders of Wiseway Group Limited

## Report on the Interim Financial Report

### Conclusion

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

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

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the Interim period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2020;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Interim period ended on that date;
- Notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

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

The Interim period is the 6 months ended on 31 December 2020.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

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

## Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Interim period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

KPMG

Malcolm Kafer  
Partner  
Sydney  
23 February 2021



**WISEWAY GROUP LIMITED**  
**ABN 26 624 909 682**  
**CORPORATE DIRECTORY**

**Directors**

Michael Hughes  
Independent Non-Executive Chairman

Stephen Chan  
Independent Non-Executive Director

Lin Xu  
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