



28 February 2022

**Wiseway Group Limited**  
**(ASX:WWG)**  
ABN 26 624 909 682

**Registered office:**  
39-43 Warren Avenue  
BANKSTOWN NSW 2200  
T: +612 9790 7888

Wiseway Group Limited (ASX:WWG)

## **Financial Results – Half Year ended 31 December 2021**

Attached are the following documents relating to Wiseway Group Limited's results for the half year ended 31 December 2021:

- ASX Appendix 4D; and
- Half Year Report.

**Authorised for release by the Board of Directors of Wiseway Group Limited.**

**ENDS**

For further information, please contact:

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**About Wiseway Group Limited (the Company)**

WiseWay (ASX: WWG) is a leading provider of integrated logistics solutions, with a global network of strategically located warehouses and facilities and a large modern fleet of trucks and delivery vehicles.

Established in 2005 to serve the growing Australia-Asia Pacific trade industry, Wiseway has grown to become one of the top three outbound air freight logistics providers in Australia. With multiple strategically located operation hubs in Australia, the US, and the Asia Pacific, the Company provides its large base of domestic and international customers with specialist cross-border logistics services including air freight, sea freight, import, domestic transportation, warehousing, and customs clearance.

**For more information, please visit [www.wiseway.com.au](http://www.wiseway.com.au)**

## APPENDIX 4D

### WISEWAY GROUP LIMITED

### For the period ended 31 December 2021

#### Details of reporting period

Current reporting period	1 July 2021 to 31 December 2021
Prior reporting period	1 July 2020 to 31 December 2020

#### Results for announcement to the market

Wiseway Group Limited ("Company") and its subsidiaries, presents its results for the period 1 July 2021 to 31 December 2021. The Group's revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) for the six months ended 31 December 2021 were \$77,887,000 (1 July to 31 December 2020: \$69,661,000) and \$5,835,000 (1 July to 31 December 2020: \$6,472,000) respectively. The profit for the Group for the six months ended 31 December 2021 after providing for income tax amounted to \$1,753,000 (1 July 2020 to 31 December 2020: profit of \$3,441,000).

The Group has calculated the tax expense for the six months ended 31 December 2021 based on the Group's effective tax rate. The tax benefit for the six months ended 31 December 2020 is due to the accounting recognition of temporary differences previously not recognised as tax benefit.

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

	Six months ended 31 December 2021	Six months ended 31 December 2020	Movement
	\$'000	\$'000	\$'000
<b>Profit/(loss) for the period</b>	1,753	3,441	(1,688)
Interest	635	744	(109)
Depreciation expense	2,710	2,615	95
Tax Expense (Benefit)	737	(328)	1,065
EBITDA	5,835	6,472	(637)

	Six months ended 31 December 2021	Six months ended 31 December 2020	Movement
	\$'000	\$'000	\$'000
<b>Statutory Financial Results</b>			
Revenue from ordinary activities	77,887	69,661	8,226
Profit/(loss) from ordinary activities after tax	1,753	3,441	(1,688)
Net profit/(loss) for the period attributable to members	1,748	3,361	(1,613)

	Six months ended 31 December 2021	Six months ended 31 December 2020	Movement
	Cents	Cents	%
Basic earning per share	1.22	2.45	-50%
Diluted earning per share	1.22	2.45	-50%

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**Dividends**

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

**Net tangible assets**

	Six months ended 31 December 2021	Six months ended 31 December 2020	Movement
	Cents	Cents	%
Net tangible assets per security	7.40	7.42	-0.3%

**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 2021, 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 in accordance with a resolution of the  
director:



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Michael Hughes  
Chairman

Dated at Sydney this 28<sup>th</sup> February 2022

Signed in accordance with a resolution of the  
director:



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Florence Tong  
Executive Director and Managing Director

Dated at Sydney this 28<sup>th</sup> February 2022

**WISEWAY GROUP LIMITED**

**ABN 26 624 909 682**

**INTERIM FINANCIAL REPORT**

**31 DECEMBER 2021**

**WISEWAY GROUP LIMITED**

**ABN 26 624 909 682**

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

The Directors present their report together with the consolidated interim financial statements of the Group, comprising of Wiseway Group Limited (the "Company") and its controlled entities, for the six months ended 31 December 2021 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
Florence Tong	Executive Director	Appointed on 16 March 2018
Ken Tong	Non-Executive Director	Appointed on 1 March 2021
Robert McNutt	Independent Non-Executive Director	Appointed on 9 August 2021
Brandon Teo	Independent Non-Executive Director	Appointed on 18 August 2021
Stephen Chan	Non-Executive Director	Resigned 30 September 2021
Lin Xu	Non-Executive Director	Resigned 9 August 2021

## 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 2021 were \$77,887,000 (1 July 2020 to 31 December 2020: \$69,661,000) and \$5,835,000 (1 July 2021 to 31 December 2020 \$6,472,000) respectively. The profit for the Group for the six months ended 31 December 2021 after providing for income tax amounted to \$1,753,000 (1 July 2020 to 31 December 2020 of \$3,441,000).

The Group has calculated the tax expense for the six months ended 31 December 2021 based on the Group's effective tax rate. The tax benefit for the six months ended 31 December 2020 is due to the accounting recognition of temporary differences previously not recognised as tax benefit.

	Six months ended 31 December 2021	Six months ended 31 December 2020	Movement
	\$'000	\$'000	\$'000
<b>Profit/(loss) for the period</b>	1,753	3,441	(1,688)
Interest	635	744	(109)
Depreciation expense	2,710	2,615	95
Tax Expense (Benefit)	737	(328)	1,065
<b>EBITDA</b>	<b>5,835</b>	<b>6,472</b>	<b>(637)</b>

**WISEWAY GROUP LIMITED**  
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**DIRECTORS' REPORT**

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

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

As Wiseway's expansion efforts continue to build momentum, the Company is focused on taking advantage of emerging opportunities and delivering immediate value to its customers and long-term value to shareholders.

The completion of Wiseway's first cross-border acquisition in 1Q22 – that of Singapore-based airfreight company TAF E-Logistics (Asia) Pte Ltd (TAF) – paves the way for increasing engagement within fast-growing markets including Malaysia, Indonesia, Thailand and Vietnam, from its newly established hub within Singapore Changi Airport's Airfreight Centre.

A program of recruitment and upskilling in North America is underway, following the opening of Wiseway's first branch in the region at the end of 2H21 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.

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**DIRECTORS' REPORT**

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

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 2021.

Signed in accordance with a resolution of the director:



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Michael Hughes  
Chairman  
Dated at Sydney this 28<sup>th</sup> February 2022

Signed in accordance with a resolution of the director:



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Florence Tong  
Executive Director and Managing Director  
Dated at Sydney this 28<sup>th</sup> February 2022





# 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 2021 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

Malcolm Kafer

Partner

Sydney

28 February 2022

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

For the six months ended 31 December 2021

	Note	Six months ended 31 December 2021 \$'000	Six months ended 31 December 2020 \$'000
Revenue	7	77,887	69,661
Direct transport and logistics expenses		(59,246)	(51,520)
Employee benefit expenses	8	(10,716)	(9,388)
Occupancy expenses		(701)	(460)
Depreciation expense		(2,710)	(2,615)
Share-based payments expense		(21)	-
Administration and other expenses		(1,368)	(1,821)
<b>Operating profit</b>		<b>3,125</b>	<b>3,857</b>
Finance costs		(635)	(744)
<b>Profit before tax</b>		<b>2,490</b>	<b>3,113</b>
Income tax benefit / (expense)	9	(737)	328
<b>Profit for the period</b>		<b>1,753</b>	<b>3,441</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		(5)	(80)
<b>Other comprehensive (loss) / income for the period</b>		<b>(5)</b>	<b>(80)</b>
<b>Total comprehensive income for the period</b>		<b>1,748</b>	<b>3,361</b>
<b>Profit attributable to:</b>			
Owners of the Company		1,757	3,495
Non-controlling interests		(4)	(54)
		<b>1,753</b>	<b>3,441</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		1,752	3,415
Non-controlling interests		(4)	(54)
		<b>1,748</b>	<b>3,361</b>
Basic earnings per share (cents)		1.22	2.45
Diluted earnings per share (cents)		1.22	2.45

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

# CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31 December 2021 \$'000	30 June 2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	2,263	9,934
Trade and other receivables	11	13,690	6,744
Inventories		120	120
Other assets		4,257	4,235
<b>Total current assets</b>		<b>20,330</b>	<b>21,033</b>
<b>Non-current assets</b>			
Financial assets	12	4,800	451
Property, plant and equipment	13	38,760	40,847
Deferred tax assets		1,329	1,258
<b>Total non-current assets</b>		<b>44,889</b>	<b>42,556</b>
<b>Total assets</b>		<b>65,219</b>	<b>63,589</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	9,485	7,433
Loans and borrowings	15	6,139	9,170
Employee benefits		1,400	1,285
Provisions		127	127
Current tax liabilities		1,520	660
<b>Total current liabilities</b>		<b>18,671</b>	<b>18,675</b>
<b>Non-current liabilities</b>			
Loans and borrowings	15	18,848	19,217
Employee benefits		235	211
<b>Total non-current liabilities</b>		<b>19,083</b>	<b>19,428</b>
<b>Total liabilities</b>		<b>37,754</b>	<b>38,103</b>
<b>Net assets</b>		<b>27,465</b>	<b>25,486</b>
<b>Equity</b>			
Share capital	16	26,237	26,027
Share-based payments reserve		1,509	1,488
Foreign currency translation reserve		(1)	4
Accumulated losses		(254)	(2,011)
Equity attributable to owners of the Company		<b>27,491</b>	<b>25,508</b>
Non-controlling interests		(26)	(22)
<b>Total equity</b>		<b>27,465</b>	<b>25,486</b>

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

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2021

	Note	Share capital \$'000	Share-based payments reserve \$'000	Foreign Currency Translation reserve \$'000	Retained earnings / (Accumulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		26,027	1,488	4	(2,011)	25,508	(22)	25,486
<b>Comprehensive income</b>								
Profit for the period		-	-	-	1,757	1,757	(4)	1,753
Other comprehensive income for the period		-	-	(5)	-	(5)	-	(5)
<b>Total comprehensive income for the period</b>		-	-	(5)	1,757	1,753	(4)	1,748
<b>Transactions with owners, in capacity as owners</b>								
Share capital contributed via employee share scheme/bonuses		66	-	-	-	66	-	66
Consideration paid in shares for the acquisition of TAF-E		144	-	-	-	144	-	144
Share-based payments		-	21	-	-	21	-	21
<b>Total transactions with the owners</b>		210	21	-	-	231	-	231
<b>Balance at 31 December 2021</b>		26,237	1,509	(1)	(254)	27,492	(26)	27,465

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

WISEWAY GROUP LIMITED

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2021

	Note	Share capital \$'000	Share-based payments reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained earnings / (Accumulated losses) \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		26,027	1,458	32	(3,755)	<b>23,762</b>	(14)	<b>23,748</b>
<b>Comprehensive income</b>								
Profit for the period		-	-	-	3,495	<b>3,495</b>	(54)	<b>3,441</b>
Other comprehensive income for the period		-	-	(80)	-	<b>(80)</b>	137	<b>57</b>
<b>Total comprehensive income for the period</b>		-	-	<b>(80)</b>	<b>3,495</b>	<b>3,415</b>	<b>83</b>	<b>3,498</b>
<b>Transactions with owners, in capacity as owners</b>		-	-	-	-	-	-	-
<b>Total transactions with the owners</b>		-	-	-	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>26,027</b>	<b>1,458</b>	<b>(48)</b>	<b>(260)</b>	<b>27,177</b>	<b>69</b>	<b>27,246</b>

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

For the six months ended 31 December 2021

		Six months ended 31 December 2021 \$'000	Six months ended 31 December 2020 \$'000
	Note		
<b>Cash flows from operating activities</b>			
Cash receipts from customers		78,731	69,235
Cash paid to suppliers and employees		(79,860)	(60,956)
Cash generated from operating activities		(1,129)	8,279
Interest received	7	1	2
Interest paid		(635)	(744)
<b>Net cash (used in)/from operating activities</b>		<b>(1,763)</b>	<b>7,537</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of business, net of cash acquired		(46)	-
Acquisition of property, plant and equipment		(172)	(1,509)
Payments for term deposits		(722)	-
<b>Net (cash used) in investing activities</b>		<b>(940)</b>	<b>(1,509)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		2,600	4,961
Repayment of loans and borrowings		(5,000)	(5,000)
Payment of finance lease liabilities		(1,310)	(1,580)
Payment of lease liabilities		(1,257)	(786)
<b>Net cash (used in) financing activities</b>		<b>(4,967)</b>	<b>(2,405)</b>
Net increase/(decrease) in cash and cash equivalents		(7,670)	3,623
Cash and cash equivalents at beginning of the period		9,934	8,607
Effects of movements in exchange rates on cash held		(1)	184
<b>Cash and cash equivalents at end of the period</b>		<b>2,263</b>	<b>12,414</b>

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

### 1. Corporate information

The condensed consolidated interim financial statements for the six months ended 31 December 2021 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 2021. The full accounting policies of the Group are set out in the latest financial report for the year ended 30 June 2021.

The current period is for the six months ended 31 December 2021. The comparative half year is for the period 1 July 2020 to 31 December 2020.

These interim financial statements were authorised for issue by the Group’s Board of Directors on 28 February 2022.

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 2021.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

### 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. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 7. 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 2021 \$'000	Six months ended 31 December 2020 \$'000
Revenue from contracts with customers	77,576	69,414
Other revenue		
Interest income	1	2
Other income	310	245
	<u>311</u>	<u>247</u>
<b>Total revenue</b>	<b><u>77,887</u></b>	<b><u>69,661</u></b>

### a) Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by service type.

	Six months ended 31 December 2021 \$'000	Six months ended 31 December 2020 \$'000
Air freight - general cargo	44,287	49,533
Air freight - perishables	19,497	11,108
Sea freight	3,052	2,699
Road freight	3,178	1,769
Imports	7,562	4,305
	<u>77,576</u>	<u>69,414</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 8. Employee benefit expenses

	Six months ended 31 December 2021	Six months ended 31 December 2020
	\$'000	\$'000
Salaries and wages	5,527	4,528
Contractor costs	4,102	3,804
Contributions to superannuation funds	418	364
Increase in employee benefits	139	172
Other employee expenses	530	520
	<b>10,716</b>	<b>9,388</b>

## 9. Income taxes

### a) Amounts recognised in profit or loss

	Six months ended 31 December 2021	Six months ended 31 December 2020
	\$'000	\$'000
Current period	807	952
Changes in estimates to prior year	-	-
	<b>807</b>	<b>952</b>
<b>Deferred tax expense</b>		
Deferred tax (benefit)/expense	(70)	(1,280)
<b>Income tax (benefit)/expense</b>	<b>737</b>	<b>(328)</b>

### b) Reconciliation of effective tax rate

	Six months ended 31 December 2021	Six months ended 31 December 2020
	\$'000	\$'000
Profit before tax	2,490	3,112
Group's effective tax rate of 30%	(747)	(934)
Tax effect of:		
Non-deductible expenses	(4)	(18)
Changes in estimates to prior years	-	-
Recognition of previously unrecognised deductible temporary differences	-	1,280
Other	14	-
	<b>(737)</b>	<b>328</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 10. Cash and Cash Equivalents

	31 December 2021	30 June 2021
	\$'000	\$'000
Bank balances	<u>2,263</u>	<u>9,934</u>

## 11. Trade and other receivables

	31 December 2021	30 June 2021
	\$'000	\$'000
Trade receivables	13,715	6,658
Less: Provision for doubtful debts	<u>(797)</u>	<u>(787)</u>
Net trade receivables	12,918	5,871
Net GST receivables	469	533
Other receivables	<u>303</u>	<u>340</u>
	<u>13,690</u>	<u>6,744</u>

## 12. Financial assets

	31 December 2021	30 June 2021
	\$'000	\$'000
Term deposit	1,173	451
Security deposit	<u>3,627</u>	<u>-</u>
	<u>4,800</u>	<u>451</u>

## 13. Property, plant and equipment

	Land and buildings	Right-of-use assets	Leasehold improvements	Plant and equipment	Motor vehicles	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	11,327	20,121	6,907	3,894	13,800	56,049
Additions	-	-	75	96	141	312
Addition through business combination	-	-	-	18	-	18
Addition of right-of-use assets	-	293	-	-	-	293
<b>Balance at 31 December 2021</b>	<b>11,327</b>	<b>20,414</b>	<b>6,982</b>	<b>4,008</b>	<b>13,941</b>	<b>56,672</b>
<b>Accumulated depreciation</b>						
Balance at 1 July 2021	(1,280)	(3,970)	(1,841)	(1,146)	(6,965)	(15,202)
Depreciation	(284)	(977)	(354)	(330)	(765)	(2,710)
<b>Balance at 31 December 2021</b>	<b>(1,564)</b>	<b>(4,947)</b>	<b>(2,195)</b>	<b>(1,476)</b>	<b>(7,730)</b>	<b>(17,912)</b>
<b>Carrying amounts</b>						
<b>At 31 December 2021</b>	<b>9,763</b>	<b>15,467</b>	<b>4,787</b>	<b>2,532</b>	<b>6,211</b>	<b>38,760</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 13. Property, plant and equipment (continued)

	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 1 July 2020	11,327	19,873	6,415	3,706	11,998	53,319
Additions	-	-	492	188	1,802	2,482
Addition of right-of-use assets	-	343	-	-	-	343
Disposals	-	(95)	-	-	-	(95)
<b>Balance at 30 June 2021</b>	<b>11,327</b>	<b>20,121</b>	<b>6,907</b>	<b>3,894</b>	<b>13,800</b>	<b>56,049</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 July 2020	(714)	(2,068)	(1,140)	(729)	(5,484)	(10,135)
Depreciation	(566)	(1,997)	(701)	(417)	(1,481)	(5,162)
Disposals	-	95	-	-	-	95
<b>Balance at 30 June 2021</b>	<b>(1,280)</b>	<b>(3,970)</b>	<b>(1,841)</b>	<b>(1,146)</b>	<b>(6,965)</b>	<b>(15,202)</b>
<b>Carrying amounts</b>						
<b>At 30 June 2021</b>	<b>10,047</b>	<b>16,151</b>	<b>5,066</b>	<b>2,748</b>	<b>6,835</b>	<b>40,847</b>

## 14. Trade and other payables

	31 December 2021 \$'000	30 June 2021 \$'000
Trade payables	5,485	4,024
Other payables	4,000	3,409
	<b>9,485</b>	<b>7,433</b>

## 15. Loans and borrowings

	31 December 2021 \$'000	30 June 2021 \$'000
<b>Current liabilities</b>		
Finance lease liabilities	1,270	1,084
Lease liabilities	1,843	3,061
Loans from related parties	218	25
Secured bank loans	2,600	5,000
Other loans	209	-
	<b>6,139</b>	<b>9,170</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	3,962	5,230
Lease liabilities	14,886	13,987
	<b>18,848</b>	<b>19,217</b>

The Group has a secured loan facility of AUD \$5,000,000 of which AUD \$2,400,000 was repaid as at 31 December 2021 (30 June 2021: \$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 April 2022 at a nominal interest rate of 2.61%. The Company is currently in the process of extending the loan facility term for a further 3 years.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 15. Loans and borrowings (continued)

### a) Lease liabilities

Lease liabilities are payable as follows:

	Future minimum lease payments 31 December 2021	Total future interest 31 December 2021	Present value of minimum lease payments 31 December 2021
	\$'000	\$'000	\$'000
Less than one year	4,012	(900)	3,112
Between one and five years	14,289	(2,386)	11,903
More than five years	7,471	(776)	6,695
	<b>25,773</b>	<b>(4,062)</b>	<b>21,711</b>

	Future minimum lease payments 30 June 2021	Interest 30 June 2021	Present value of minimum lease payments 30 June 2021
	\$'000	\$'000	\$'000
Less than one year	5,230	(1,075)	4,155
Between one and five years	16,511	(2,909)	13,602
More than five years	6,226	(621)	5,605
	<b>27,967</b>	<b>(4,605)</b>	<b>23,362</b>

## 16. Capital and reserves

Date	Details	31 December 2021 No.	31 December 2021 Issue price	31 December 2021 \$'000
1 July 2021	Opening Balance	143,818,769	-	26,027
13 August 2021	Ordinary shares issued - issued in business combination	400,000	0.36	144
1 October 2021	Share capital contributed via payment of bonuses paid in shares in lieu of cash	-	0.30	20
20 December 2021	Share capital contributed via employee share scheme	-	0.24	46
<b>31 December 2021</b>	<b>Closing balance</b>	<b>144,218,769</b>	<b>-</b>	<b>26,237</b>

1 July 2020	Opening Balance	140,318,769	-	26,027
7 April 2021	Ordinary shares issued - employees	3,500,000	-	-
<b>30 June 2021</b>	<b>Closing balance</b>	<b>143,818,769</b>	<b>-</b>	<b>26,027</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 17. Contingency

	31 December 2021	31 December 2020
	\$'000	\$'000
Bank guarantees	651	451
	<b>651</b>	<b>451</b>

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

## 18. Related parties

A number of these related parties transacted with the Group during the six months ended 31 December 2021.

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. As at 31 December 2021, the rental expense payable to RFT Investment Management Pty Limited was \$476,681 (30 June 2021: \$28,908).

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 2021 the outstanding balance due from Executive Directors was \$3,356 (30 June 2021: due from Executive Directors \$25,551).

## 19. Subsequent Events

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.

## 20. 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 providing the best services.

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.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2021

## 20.COVID 19 (Continued)

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's subsidiary Wiseway Logistics Pte has completed its strategic acquisition of TAF E-Logistics (Asia) Pte Ltd in August 2021.

## 21. Business combinations

Acquisition of TAF-E Logistics Pte Ltd.

On 13 August 2021, the Company acquired 100% of the ordinary shares of TAF-E Logistics Pte Ltd. ('TAF-E') for the total consideration transferred of \$1,152,111. This is a freight forwarding business and operates in the air freight forwarding division of the group. The acquired business contributed revenues of \$1,479,750 and profit after tax of \$254,167 to the group for the period from 14 August 2021 to 31 December 2021. The values identified in relation to the acquisition are provisional as at 31 December 2021.

Details of the acquisition are as follows:

	Fair value \$'000
Net assets acquired	1,095
Goodwill	57
Acquisition-date fair value of the total consideration transferred	<u>1,152</u>
Representing:	
Cash	1,008
Wiseway Group Pty Ltd shares issued to vendor	144
Total consideration	<u>1,152</u>


The goodwill is attributable to the workforce and the assembled management know-how within one reporting structure, in addition to the synergies obtainable as a Group as a whole.

**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 interim financial statements and notes set out on pages 7 to 20 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 2021 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 director:



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Michael Hughes  
Chairman  
Dated at Sydney this 28<sup>th</sup> February 2022

Signed in accordance with a resolution of the director:



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Florence Tong  
Executive Director and Managing Director  
Dated at Sydney this 28<sup>th</sup> February 2022





# 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 2021 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 interim statement of financial position as at 31 December 2021;
- Condensed consolidated interim statement of profit or loss and other comprehensive income, Condensed consolidated interim statement of changes in equity and Condensed consolidated interim statement of cash flows for the Interim Period ended on that date
- Notes 1 to 21 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

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

The Interim period is 6 months ended on 31 December 2021.

### 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 2021 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

KPMG

Malcolm Kafer

Partner

Sydney

28 February 2022

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

**Directors**

Michael Hughes  
Independent Non-Executive Chairman

Robert McNutt  
Independent Non-Executive Director

Ken Tong  
Non-Executive Director

Florence Tong  
Executive Director and Managing Director

Brandon Teo  
Independent Non-Executive Director

**Company secretary**

Roger 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