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WISEWAY GROUP LIMITED

ABN 26 624 909 682

ANNUAL REPORT

30 JUNE 2024

WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONTENTS

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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 (the 'Group'), for the financial year ended 30 June 2024 and the auditor's report thereon.

1. Directors

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

Name and independence status	**Experience, special responsibilities and other directorships**
Astrid Raetze *Independent Non-Executive Chair* Member of: - *Audit & Risk Committee* - *Remuneration Committee*	Astrid is the founder and currently leads her own legal and consulting practice, ABML Legal. She has over 21 years of experience across the law, banking, and fintech sectors, with experience as a partner at professional services consultancy KPMG, partner and Global Head of FinTech at multinational law firm Baker McKenzie, and as a director at a number of unlisted entities. KPMG was appointed as the Group's auditors prior to and during the period that Astrid was a partner at KPMG. Astrid was appointed to the Board on 11 April 2022 and as Non-Executive Chair on 27 February 2023.
Florence Tong *Managing Director* Member of: - *Remuneration Committee*	Florence is the Co-Founder and Managing Director of the Company. She has 16 years' experience in the logistics industry, where she led the growth of Wiseway through building strategic partnership with airlines and ecommerce platforms. Florence's experience includes previous roles with Australian banks and working with Fortune 500 companies on expanding their footprint into China and Asia. She was appointed to the Board on 16 March 2018.
Jim Tong *Non-Executive Director* Member of: - *Audit & Risk Committee*	Jim is a Management Consultant at a leading consulting company providing strategic consultation and advisory services to large Australian Companies. As well as delivering business development services to Wiseway, he has previously worked at Quantium, Herbert Smith Freehills, Baker McKenzie and KPMG. He holds a Bachelor of Commerce (Distinction) and Law (First Class Honours) from the University of New South Wales. He was appointed to the board on 27 February 2023.
Brandon Teo *Independent Non-Executive Director* Member of: - *Audit & Risk Committee (Chair)* - *Remuneration Committee (Chair)*	Brandon is the founder of TAF E-Logistics (TAF), a Singapore-based freight and logistics company that was recently been acquired by Wiseway. His career spans 41 years working with well-regarded international companies in the freight industry including Qantas, Northern Airfreight, and Air Express International, where he helped establish their footprint in Southeast Asia. He was appointed to the Board on 18 August 2021.

2. Company Secretary

Ken Tong *Group Chief Operating Officer and Managing Director of ANZ (from 1 July 2024)*	Ken has held the position of Company Secretary from his appointment on 27 February 2023 to the date of this report.

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DIRECTORS' REPORT

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 year are:

Names	Board Meetings		Audit and Risk Committee Meetings		Remuneration and Nomination Committee Meetings	
	Attended	**Held**	**Attended**	**Held**	**Attended**	**Held**
Current Directors						
Florence Tong	8	8	-	-	1	1
Jim Tong	8	8	2	2	-	-
Brandon Teo	8	8	2	2	1	1
Astrid Raetze	8	8	2	2	1	1

4. Principal activities

The principal activities of the Group during the financial year 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 year.

5. Operating and financial review

a) Financial results

The Group is one of Australia's leading integrated freight and logistics operator. The past year has marked a significant turnaround in the Group's performance and profitability, driven by strategic initiatives, operational improvements, and effective cost management.

The Company's revenue and other income for the financial year ended 30 June 2024 (FY2024) was $112.3 million (2023: $106.6 million), up 5.4% driven by strong growth in imports despite a moderation in export revenue on the back of normalized freight rates.

EBITDA for FY2024 was $8.2 million, up 121% on FY2023 EBITDA of $3.7m million, indicating the cumulative results of revenue growth, improved revenue mix and effective cost control measures. The Group reported a net profit after tax of $0.6 million (FY2023: loss of $3.2 million), marking a $3.8 million turnaround from FY2023 and return to full year profits.

The below table provides a reconciliation of the Group's reported statutory profit/(loss) after tax and EBITDA. The Directors believe the additional information included in the report is useful for measuring the financial performance of the Group. The following non-IFRS reconciliation has not been subject to the Group's audit but is extracted from the audited financial statements:

	2024 $'000	2023 $'000
Profit/(loss) for the year	601	(3,160)
Interest	1,896	1,959
Depreciation	5,670	5,675
Tax expense/(income)	-	(783)
EBITDA	8,167	3,691

b) Imports growth and revenue increase

The past year has marked a continued improvement in our performance and profitability, driven by strategic initiatives, client and contract wins, and effective cost management. Group revenue increased 5.4% year on year, which was largely attributed to import eCommerce growth. Despite lower growth in export related revenue, FY24 saw Wiseway achieve an overall increase in revenue driven largely by the growth of the imports division to $37 million, a 127% increase from FY23 of $16 million. This represents a successful execution of Wiseway's strategic priority to invest into Imports and eCommerce to capture market share.

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DIRECTORS' REPORT

5. Operating and financial review (continued)

c) Operational efficiency and cost reduction

EBITDA margin expansion from 3.5% in FY23 to 7.3% in FY24 reflects the cumulative results of increased operating scale of imports, strategic initiatives to right-size business support functions, and the use of outsourcing in areas where Wiseway may not have the operational scale.

d) Acquisition of US Entity

Wiseway, subsequent to the FY24 financial year successfully acquired KWT International Inc., an US-based logistics company with locations in Los Angeles and New York. The acquisition has given Wiseway robust 3PL fulfillment and inbound customs clearance capabilities in the United States. The KWT team has 10 staff, operating 2 warehouses located in Los Angeles and New York, with a revenue of USD11 million in last USA financial year.

e) Outlook and future growth

Overall, Wiseway expects continued growth as it expands further into eCommerce in Australia, New Zealand and United States.

In Australia and New Zealand, Wiseway expects Imports to continue to lead growth for the Group. Wiseway will focus on capturing inbound eCommerce volumes and continue to improve its Imports processing efficiency. Wiseway believes there are further efficiencies that can be unlocked by investing in compliance, process standardization, technology and people to achieve this objective.

Wiseway expects the Air Freight, Perishables and Sea Freight divisions to experience moderated growth due to subdued growth in the Australia to China export market. Wiseway's focus on these divisions will be to shift the client mix towards more profitable clients, while building out a strong sales network. Wiseway's investments in expanding its sales team in FY24 has already yielded a positive return on investment.

In the United States, Wiseway sees opportunities to convert Wiseway's China and Australia based clients to its USA services. A large focus will be looking at capturing China based eCommerce clients to use its newly acquired inbound clearance and 3PL fulfillment capabilities.

f) Risk Management

The Company's Board of Directors ("the Board') has overall responsibility for the establishment and oversight of the Group's risk management framework.

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.

Risk and uncertainties that could impact future results can arise from external or operational sources.

Climate Change – The impacts of climate change, such as more frequent severe weather events like droughts, fires, and floods, may affect performance. These climate-related events could reduce the volume of horticultural and agricultural produce needing transport and logistics services, or cause damage and disruptions to infrastructure, including roads and warehouses. The Group factors in climate-related considerations when allocating capital to property and other investments and has a business continuity plan in place to address natural weather events.

Rising Input Costs – Due to recent shifts in economic conditions, including inflationary pressures, the Group has experienced higher expenses across most of its operations. Notable cost increases impact various areas, including rental and outgoing expenses, labor, port and terminal charges, fleet acquisition and maintenance, and transportation. These rising input costs are regularly assessed and serve as the foundation for customer pricing reviews, which are generally conducted on an annual basis.

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DIRECTORS' REPORT

5. Operating and financial review (continued)

f) Risk Management (continued)

Customer Credit Management – The Group extends credit facilities to customers for services and sales, with non-payment potentially impacting cash flow and increasing debt collection costs or bad debt recognition. To mitigate credit risk, the Group has in place a credit management team and robust credit approval processes. This team actively monitors credit limits and ensures the prompt collection of outstanding funds.

People Resource Management – The ongoing tight labor market has resulted in a shortage of qualified personnel within the logistics industry, impacting the efficiency of supply chain operations. The Group actively addresses these labor shortages through subcontracting and partnerships with recruitment and labor-hire firms. To establish itself as an employer of choice, the Group prioritizes creating a positive and safe work environment, while consistently investing in compliance, facilities, assets, and technology. With labor costs primarily dictated by award rates and enterprise agreements, a tightening market is expected to increase wage pressures. As labor is a key component of the Group's freight forwarding operations, costs are regularly assessed and factored into customer pricing strategies.

Funding – The Board regularly reviews capital and debt structures to ensure adequate funding for both sustaining and growing the business. This includes extending debt facilities, lowering borrowing rates, and generating returns on working capital cash. Effective capital management prioritizes retaining sufficient resources to support ongoing operations. Surplus funds may be directed towards growth initiatives or returned to shareholders through dividend distributions.

6. Dividends

Dividends paid to members are as follows:	**2024 cents**	**2023 cents**
Interim ordinary dividend per share paid on 12th April 2024 (FY2023: Nil)	0.20	-

7. Events subsequent to reporting date

Subsequent to year end, the Group announced it had reached an agreement to acquire KWT International Inc., a US-based logistics company with locations in Los Angeles and New York. Established in 2016, KWT specializes in freight forwarding, 3PL warehousing, customs clearance, and last-mile delivery, generating USD 11 million in revenue last year. The acquisition, completed on the 26 August 2024, saw Wiseway USA, a subsidiary of Wiseway Australia, issue 49% of new shares to KWT's shareholders and inject USD 200,000 into the joint venture, while maintaining a 51% majority stake. The acquisition accounting for this is still being finalised by the Group however this is not expected to have a material impact on the financial position of the Group.

On 27 August, the Group announced it had successfully extended its commercial loan facility with National Australia Bank. The facility of $8.23m will now expire at the end of June 2026.

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 will continue to pursue its policy of increasing the profitability and market share of its major business focus areas during the next financial year as highlighted as part of operations and financial review in section 5 of the directors' report. This will require investments into compliance, process standardisation, technology and people.

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DIRECTORS' REPORT

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 year.

10. Directors' interests

The relevant interest of each Director in the shares 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 2024 and as at the date of this report are as follows:

Director	**Number of ordinary shares held as at 31 August 2024**	**Number of ordinary shares held as at 30 June 2024**
Florence Tong	34,112,197	34,112,197
Jim Tong	1,318,229	1,318,229
Brandon Teo	400,000	400,000

Regnans Capital Pty Ltd holds 11,992,971 shares and is 100% owned by JKT Asset Management Pty Ltd as trustee for the JKT Family Trust, of which Roger Tong, Florence Tong, Ken Tong and Jim Tong are potential beneficiaries.

11. Share options

Refer to the Remuneration Report and Note 25 to the financial report for additional information on performance rights and share options.

As at the date of this report, there were 59,323 performance rights outstanding over unissued ordinary shares which have not yet vested. During the financial year ending 30 June 2024, 59,323 performance rights vested where 59,323 shares were issued to Florence Tong.

At the date of this report unissued shares of the Group under option are:

Expiry date	**Exercise price**	**Number of shares**
1 April 2026	$0.450	1,189,576
1 January 2027	$0.200	452,978
1 January 2027	$0.103	500,000
1 July 2027	$0.101	2,500,000
1 July 2028	$0.101	1,000,000
1 July 2029	$0.101	1,000,000
		$6,642,554

At the end of the financial reporting period, there were 5,452,968 options outstanding over unissued ordinary shares which have not yet vested.

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DIRECTORS' REPORT

12. Indemnification and insurance of officers and auditors

During the financial year, 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 *Corporations Act 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 Group. 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 year under the Deeds of Indemnity. To the extent permitted by law, the Group has not indemnified its auditors, BDO Audit Pty Ltd ("BDO"), 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 BDO during or since the end of the financial year.

13. Non-audit services

During the financial year, BDO Audit Pty Ltd, the Group's auditor, did not perform any other services.

14. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 18 and forms part of the Directors' report for the financial year ended 30 June 2024.

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.

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DIRECTORS' REPORT

16. Remuneration report – Audited

The Directors present Wiseway Group Limited's 2024 Remuneration report which sets out information about the remuneration of the Group's non-executive Directors, executive Directors and other key management personnel (KMP). 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.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

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

Name of Director	Position	Date Appointed	Date Resigned
Florence Tong	Executive Director	16 March 2018	Current
Brandon Teo	Non-Executive Director	18 August 2021	Current
Astrid Raetze*	Non-Executive Chair	11 April 2022	Current
Jim Tong	Non-Executive Director	27 February 2023	Current

* *Transitioned to Chair role effective 27 February 2023*

Other Key Management Personnel:

Name of KMP	Position	Date Appointed	Date Resigned
Roger Tong	Chief Executive Officer	16 March 2018	Current
Ken Tong	Chief Operating Officer	1 March 2023	Current
Simon Yuen	Chief Financial Officer	4 October 2022	Current

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.

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/.

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DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

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 FY24, the fees payable during the year to the current non-executive Directors were $231,406 in aggregate.

The annual Directors' fees currently agreed to be paid to the Chair is $90,407 (inclusive of superannuation) and to the other non-executive Directors is no more than $81,000 (inclusive of superannuation).

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 as required 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 as required by the executive Directors and the performance of executive Directors is reviewed as required 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 as required 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 financial year.

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 of 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.

DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Short term incentives

STIs 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.

The STI scheme involves establishing the STI value for the financial year and is 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.

Payment of the short-term incentive in respect of the 2024 financial year for the Managing Director and the Executive Officers was conditional upon:

a) Financial benchmarks: Group Revenue, EBITDA and EBIT
b) Safety and Compliance
c) Strategic Growth Objectives

KMP	Target STI $	Actual STI $	Actual STI awarded as a % of maximum STI	% of maximum STI award forfeited
Florence Tong	78,000	15,600	20%	80%
Roger Tong	78,000	15,600	20%	80%
Ken Tong	68,677	12,646	18%	82%
Simon Yuen	68,677	27,814	41%	59%

Long term incentives

Prior to this financial year, the Board 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 and options 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. No additional long term incentives have been approved or issued during the year.

The vesting condition is time based. 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. Performance rights will be granted for nil cash consideration. Options were also issued with an exercise price linked to the current market value.

Options and performance rights will be forfeited if the individual is no longer part of the business at the time of vesting. Options and rights granted have a 2 years' service vesting condition from grant date. For options and rights, upon vesting conditions being met, the holder has up to a 2 year period to exercise.

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DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Relationship between remuneration and the Group's performance

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

$ '000	2024	2023	2022	2021	2020
Revenue	112,262	106,552	130,668	126,770	102,590
EBITDA*	8,167	3,691	(186)	8,146	5,003
EBIT	2,497	(1,984)	(5,846)	2,984	(38)
Profit / (Loss) after income tax	601	(3,160)	(8,096)	1,766	(3,450)
Share price at end of financial year ($ per share)	0.11	0.05	0.10	0.30	0.13
Basic earnings per share (cents per share)	0.37	(1.92)	(5.56)	1.26	(2.47)
Dividends per share (cents per share)	0.20	-	-	-	-

******Refer to reconciliation in Note 5a in directors report to reported statutory profit/(loss) after tax.*

Details of remuneration

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

	Short-term employee benefits			Post-employment	Other long term	Share based payments	Total	Performance related
	Salary and fees	STI Cash Bonus	Total	Superannuation		Options and Rights		
	$	$	$	$	$	$		%
30 June 2024								
Non-executive directors								
Astrid Raetze	81,448	-	81,448	8,959	-	-	90,407	-
Brandon Teo	72,727	-	72,727	8,000	-	-	80,727	-
Jim Tong	54,299	-	54,299	5,973	-	-	60,272	-
Non-executive directors	**208,474**	**-**	**208,474**	**22,932**	**-**	**-**	**231,406**	**-**
Executive directors								
Florence Tong	300,000	15,600	315,600	27,399	25,000	37,372	405,371	13%
KMP								
Roger Tong	300,000	15,600	315,600	27,399	25,000	7,668	375,667	6%
Ken Tong	300,000	12,646	312,646	27,399	25,000	11,063	376,108	8%
Simon Yuen	350,000	27,814	377,814	27,399	29,167	7,898	442,278	7%
Total KMP	**950,000**	**56,060**	**1,006,060**	**82,197**	**79,167**	**26,629**	**1,194,053**	**7%**
	1,458,474	**71,660**	**1,530,134**	**132,528**	**104,167**	**64,001**	**1,830,830**	**7%**

DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Details of remuneration (continued)

	Short-term employee benefits			Post-employment	Other long term	Share based payments	Total	Performance related
	Salary and fees	STI Cash Bonus	Total	Superannuation		Options and Rights		
	$	$	$	$	$	$		%
30 June 2023								
Non-executive directors								
Astrid Raetze	75,332	-	75,332	7,910	-	-	83,242	-
Brandon Teo	72,727	-	72,727	7,636	-	-	80,363	-
Ken Tong*	36,630	-	36,630	3,846	-	-	40,476	-
Jim Tong	18,298	-	18,298	1,921	-	-	20,219	-
Non-executive directors	**202,987**	**-**	**202,987**	**21,313**	**-**	**-**	**224,300**	**-**
Executive directors								
Florence Tong	260,000	-	260,000	25,292	21,667	35,592	342,551	10%
KMP								
Roger Tong	260,000	-	260,000	25,292	21,667	3,758	310,717	1%
Ken Tong*	90,002	-	90,002	9,450	7,500	-	106,952	
Simon Yuen	200,087	-	200,087	21,009	16,674	2,063	239,833	1%
Total KMP	**550,089**	**-**	**550,089**	**55,751**	**45,841**	**5,821**	**657,502**	**2%**
	1,013,076	**-**	**1,013,076**	**102,356**	**67,508**	**41,413**	**1,224,353**	**3%**

**Ken resigned from the board on 27th February 2023 upon his appointment to Chief Operating Officer effective 1 March 2023.*

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 and 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. As part of fixed remuneration, 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	327,399	6 months	-
Roger Tong	No fixed term	327,399	6 months	-
Ken Tong	No fixed term	327,399	3 months	-
Simon Yuen	No fixed term	377,399	3 months	-

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DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Rights and options over equity instruments granted as compensation

The following table shows the number of rights and options that were held during the financial year by Directors and key management personnel of the Group.

Rights	Grant date	Fair value at grant date	Vesting date	Number of rights granted	Balance Outstanding	Max value yet to vest
Florence Tong	April 2022	$0.360	Apr 2024	59,323	-	-
Roger Tong	January 2023	$0.085	Jan 2025	59,323	59,323	1,261

Options	Grant date	Fair value at grant date	Vesting date	Exercise Price per option	Number of options granted	Max value yet to vest
Florence Tong	Apr 2022	$0.110	Apr 2024	$0.450	452,978	N/A
Roger Tong	Jan 2023	$0.023	Jan 2025	$0.200	452,978	N/A
Simon Yuen	Jan 2023	$0.017	Jan 2025	$0.103	500,000	N/A
Simon Yuen	Sept 2023	$0.017	Jul 2025	$0.101	500,000	N/A
Ken Tong	Dec 2023	$0.017	Jun 2025	$0.101	1,000,000	N/A
Ken Tong	Dec 2023	$0.017	Jun 2026	$0.101	1,000,000	N/A
Ken Tong	Dec 2023	$0.017	Jun 2027	$0.101	1,000,000	N/A

59,323 shares were issued to Florence Tong pursuant to the vesting of the performance rights. Issuance was via employee share trust and did not result in a change to total issued share capital.

The maximum value of performance rights yet to vest is determined based on the amount of the grant date fair value that is yet to be expensed. The minimum value of performance rights yet to vest is nil since the shares will be forfeited if the vesting conditions are not met.

Equity instruments held by key management personnel and Directors

The following table shows the number of shares that were held during the financial year by Directors and key management personnel of the Group.

	Balance on 1 July 2023	Issued on exercise of options/rights	Shares purchased	Disposals/resigned as director	Balance on 30 June 2024
Non-executive directors					
Brandon Teo	400,000	-	-	-	400,000
Jim Tong	1,318,229	-	-	-	1,318,229
Astrid Raetze	-	-	-	-	-
Total non-executive directors	**1,718,229**	**-**	**-**	**-**	**1,718,229**
Executive directors					
Florence Tong	34,052,874	59,323	-	-	34,112,197
Total executive directors	**34,052,874**	**59,323**	**-**	**-**	**34,112,197**
Total directors	**35,771,103**	**59,323**	**-**	**-**	**35,830,426**

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DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

Equity instruments held by key management personnel and Directors (continued)

	Balance on 1 July 2023	Issued on exercise of options/rights	Shares purchased	Disposals/resigned as director	Balance on 30 June 2024
KMP					
Roger Tong	32,828,502	-	1,540,927	-	34,369,429
Ken Tong	1,312,706	-	648,827		1,961,533
Simon Yuen	-	-	75,280	-	75,280
Total KMP	**34,141,208**	**-**	**2,265,034**	**-**	**36,406,242**

Regnans Capital Pty Ltd holds 11,992,971 (2023: 11,992,971) shares and is 100% owned by JKT Asset Management Pty Ltd as trustee for the JKT Family Trust, of which Roger, Florence, Ken and Jim are potential beneficiaries.

	Balance on 1 July 2022	Issued on exercise of options/rights	Shares purchased	Disposals/resigned as director	Balance on 30 June 2023
Non-executive directors					
Brandon Teo	400,000	-	-	-	400,000
Jim Tong	1,318,229	-	-	-	1,318,229
Astrid Raetze	-	-	-	-	-
Total non-executive directors	**1,718,229**	**-**	**-**	**-**	**1,718,229**
Executive directors					
Florence Tong	33,852,874	-	200,000	-	34,052,874
Total executive directors	**33,852,874**	**-**	**200,000**	**-**	**34,052,874**
Total directors	**35,571,103**	**-**	**200,000**	**-**	**35,771,103**
KMP					
Roger Tong	32,580,623	-	247,879	-	32,828,502
Ken Tong	1,312,706	-	-		1,312,706
Simon Yuen	-	-	-	-	-
Total KMP	**33,893,329**	**-**	**247,879**	**-**	**34,141,208**

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DIRECTORS' REPORT

16. Remuneration report – Audited (continued)

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 financial year ended 30 June 2024. 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. During the financial year ended 30 June 2024, the rental amount incurred to this related entity by the Group was $1,694,223 (2023: $1,726,262). The amount outstanding and payable to this related entity by the Group was $155,304 (2023: $174,711).

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DIRECTORS' REPORT

17. Corporate Governance statement

The Group maintains the highest standards of corporate governance in accordance with the ASX Corporate Governance Principles and Recommendations (4th edition). For the financial reporting period ended 30 June 2024 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:

Astrid Raetze	Florence Tong
Chair of the Board	Managing Director

Dated at Sydney this Friday 30th August 2024

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

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DECLARATION OF INDEPENDENCE BY DANE PERUMAL TO THE DIRECTORS OF WISEWAY GROUP LIMITED AND THE ENTITIES IT CONTROLLED

As lead auditor of Wiseway Group Limited and the entities it controlled the for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Wiseway Group Limited and the entities it controlled during the period.

Dane Perumal

Dane Perumal

Director

BDO Audit Pty Ltd

Sydney

30 August 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Revenue	8	112,262	106,552
Direct transport and logistics expenses		(74,860)	(72,873)
Employee benefit expenses	9	(21,841)	(20,485)
Occupancy expenses		(1,810)	(1,828)
Depreciation expense		(5,670)	(5,675)
Share-based payments expense		(98)	(131)
Administration and other expenses		(5,486)	(7,544)
Operating profit/(loss)		**2,497**	**(1,984)**
Finance costs	10	(1,896)	(1,959)
Profit/(loss) before tax		**601**	**(3,943)**
Income tax benefit/(expense)	11	-	783
Profit/(loss) for the year		**601**	**(3,160)**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations - foreign currency translation differences		(57)	150
Other comprehensive (loss)/income for the year		**(57)**	**150**
Total comprehensive income/(loss) for the year		**544**	**(3,010)**
Profit/(loss) attributable to:			
Owners of the Company		610	(3,153)
Non-controlling interests		(9)	(7)
		601	**(3,160)**
Total comprehensive income/(loss) attributable to:			
Owners of the Company		553	(3,003)
Non-controlling interests		(9)	(7)
		544	**(3,010)**
Earnings per share (cents per share)			
Basic earnings/(loss) per share	12	0.37	(1.92)
Diluted earnings/(loss) per share	12	0.37	(1.92)

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

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WISEWAY GROUP LIMITED

ABN 26 624 909 682

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	13	8,286	9,072
Trade and other receivables	14	14,464	9,084
Inventories	15	149	128
Current tax receivable		-	338
Other assets	16	1,324	1,018
Financial assets	17	1,202	769
Total current assets		**25,425**	**20,409**
Non-current assets			
Other receivables	18	1,000	-
Other assets	16	3,663	3,335
Property, plant and equipment	19	33,805	38,596
Total non-current assets		**38,468**	**41,931**
Total assets		**63,893**	**62,340**
Liabilities			
Current liabilities			
Trade and other payables	20	13,132	6,753
Loans and borrowings	21	12,874	5,797
Employee benefits	22	1,408	1,134
Provisions	23	203	127
Current tax liabilities		20	-
Total current liabilities		**27,637**	**13,811**
Non-current liabilities			
Loans and borrowings	21	17,163	29,847
Employee benefits	22	98	59
Total non-current liabilities		**17,261**	**29,906**
Total liabilities		**44,898**	**43,717**
Net assets		**18,995**	**18,623**
Equity			
Share capital	24	30,159	30,066
Reserves	24	1,826	1,846
Accumulated losses		(12,976)	(13,252)
Equity attributable to owners of the Company		**19,009**	**18,660**
Non-controlling interests	29	(14)	(37)
Total equity		**18,995**	**18,623**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	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
Balance on 1 July 2023		30,066	1,666	180	(13,252)	**18,660**	(37)	**18,623**
Comprehensive income/(loss)								
Profit/(loss) for the year		-	-	-	610	**610**	(9)	**601**
Other comprehensive income for the year		-	-	(57)	-	**(57)**	-	**(57)**
Total comprehensive income/(loss) for the year		**-**	**-**	**(57)**	**610**	**553**	**(9)**	**544**
Transactions with owners, in capacity as owners								
Share capital contributed via employee share scheme/bonuses	24	32	-	-	-	**32**	-	**32**
Share-based payments	25	-	98	-	-	**98**	-	**98**
Transfers from reserve	24	61	(61)	-	-	**-**	-	**-**
Investment in subsidiary with NCI		-	-	-	-	**-**	32	**32**
Dividends paid		-	-	-	(334)	**(334)**	-	**(334)**
Total transactions with the owners		**93**	**37**	**-**	**(334)**	**(204)**	**32**	**(172)**
Balance on 30 June 2024		**30,159**	**1,703**	**123**	**(12,976)**	**19,009**	**(14)**	**18,995**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note	Share capital	Share-based payments reserve	Foreign Currency Translation Reserve	Retained earnings / (accumulated losses)	Total	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance on 1 July 2022		30,044	1,535	30	(10,099)	**21,510**	(30)	**21,480**
Comprehensive income/(loss)								
Loss for the year		-	-	-	(3,153)	**(3,153)**	(7)	**(3,160)**
Other comprehensive income for the year		-	-	150	-	**150**	-	**150**
Total comprehensive income/(loss) for the year		**-**	**-**	**150**	**(3,153)**	**(3,003)**	**(7)**	**(3,010)**
Transactions with owners, in capacity as owners								
Share capital contributed via employee share scheme/bonuses	24	22	-	-	-	**22**	-	**22**
Share-based payments	25	-	131	-	-	**131**	-	**131**
Total transactions with the owners		**22**	**131**	**-**	**-**	**153**	**-**	**153**
Balance on 30 June 2023		**30,066**	**1,666**	**180**	**(13,252)**	**18,660**	**(37)**	**18,623**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Cash receipts from customers		110,440	108,695
Cash paid to suppliers and employees		(102,762)	(106,909)
Cash generated from operating activities		7,678	1,786
Interest received		45	8
Interest paid		(1,896)	(1,967)
Income taxes received		358	220
Net cash generated from operating activities	33	**6,185**	**47**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		287	576
Investment in associates		(50)	-
Acquisition of property, plant and equipment		(2,236)	(641)
Net (Payments of)/Proceeds from term deposits		(433)	946
Net (Payments of)/proceeds from other investments		(329)	1,650
Net cash (used in)/ from investing activities		**(2,761)**	**2,531**
Cash flows from financing activities			
Proceeds from issue of share capital		-	-
Dividends paid		(334)	-
Proceeds from loans and borrowings		2,253	4,937
Repayment of loans and borrowings		(3,359)	(3,050)
Payment of lease liabilities		(2,805)	(2,358)
Net cash used in financing activities		**(4,245)**	**(471)**
Net (decrease)/increase in cash and cash equivalents		(821)	2,107
Cash and cash equivalents at beginning of the period		9,072	6,933
Effects of movements in exchange rates on cash held		35	32
Cash and cash equivalents at end of the period	13	**8,286**	**9,072**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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.

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 p30 August 2024.

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 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 26 c) – provision for expected credit loss of trade receivables
- Note 5 m) – lease classification.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties on 30 June 2024 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 b) – derecognition 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

4. Use of judgements and estimates (continued)

b) Assumptions and estimation uncertainties (continued)

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. Material accounting policy information

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

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

a) Basis of consolidation (continued)

ii) Common control transaction (continued)

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.

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 monthly average exchange rates in the months that the transactions took place.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

c) Revenue

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under AASB 15, revenue is recognised when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.

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 as the service, i.e. the logistics of goods by freight, is being provided.

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

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

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.

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

f) Income tax (continued)

ii) Deferred tax (continued)

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.

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. The cost of inventories is based on the first-in, first-out allocation method.

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
Motor vehicles	3-15 years
Plant and equipment	5-10 years
Right of use assets	Life of lease
Leasehold improvements	10 years
Buildings	20 years

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

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5. Material accounting policy information (continued)

i) Financial instruments

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.

ii) Classification and subsequent measurement

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.

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

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

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

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

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

iii) Derecognition of financial instruments

The Group derecognises a financial asset when:

a) the contractual rights to the cash flows from the financial asset expire; or
b) it transfers the rights to receive the contractual cash flows in a transaction in which either:
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

i) Financial instruments (continued)

iii) Derecognition of financial instruments (continued)

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability, when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv) 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.

v) 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).

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.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

k) Impairment

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.

m) Leases

i) As a lessee

The Group leases many assets, including properties, office equipment and motor vehicles.

Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. Office equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

m) Leases (continued)

i) As a lessee (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in the future lease payments arising from a change in the index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine whether the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right - of - use assets recognised.

ii) 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.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by the lease payment made. It is remeasured when there is a change in the future lease payments arising from a change in the index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine whether the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

iii) 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.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

5. Material accounting policy information (continued)

m) Leases (continued)

iv) 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.

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. The Group has one operating segment.

6. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 July 2024.

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

- *AASB 2020-1 Classification of Liabilities as Current or Non-current*
- *AASB 18 Presentation and Disclosure in Financial Statements*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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.

Revenue by division:

	2024 $'000	2023 $'000
Air freight - general cargo	25,867	32,801
Perishables	23,957	31,569
Sea freight	6,898	7,810
Road freight	2,739	4,432
Imports	37,442	16,493
Overseas freight divisions	14,188	12,342
Other	1,171	1,105
	112,262	**106,552**

Revenue by Geography:

	2024 $'000	2023 $'000
Australia and New Zealand	106,614	99,161
China	1,691	3,617
Singapore	1,778	2,085
USA	2,179	1,689
	112,262	**106,552**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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, fuel tax credits and rent received from subleases.

	2024 $'000	2023 $'000
Revenue from contracts with customers	111,091	105,447
Other revenue		
Interest income	84	8
Other income	1,087	1,097
	1,171	1,105
Total revenue	**112,262**	**106,552**

b) Disaggregation of revenue from contracts with customers

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

	2024 $'000	2023 $'000
Air freight - general cargo	25,867	32,801
Perishables	23,957	31,569
Sea freight	6,898	7,810
Road freight	2,739	4,432
Imports	37,442	16,493
Overseas freight divisions	14,188	12,342
	111,091	**105,447**

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	The performance obligations are completed over the period the customers goods are being transported, specifically as the freight forwarding and import services are being rendered, customs processes have been cleared and the customer's goods are delivered to the designated location, being the origin port or terminal for freight forwarding services, the destination port or terminal for import services or delivery to customer’s location for road freight services. Invoices are generated when services have been provided.	Revenue from providing freight forwarding and import services is 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.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

9. Employee benefit expenses

See accounting policy in Note 5 d).

	2024 $'000	2023 $'000
Salaries and wages	16,091	14,275
Contractor costs	2,872	4,352
Contributions to superannuation funds	1,419	1,190
(Decrease)/increase in employee provisions	312	(662)
Other employee expenses	1,147	1,330
	21,841	**20,485**

10. Finance costs

See accounting policy in Note 5 e).

	2024 $'000	2023 $'000
Financial liabilities measured at amortised cost - interest expense	917	945
Lease liabilities - interest expense	979	1,014
	1,896	**1,959**

11. Income taxes

See accounting policy in Note 5 f).

a) Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Current year tax (benefit)/expense	-	(347)
Tax payable in foreign operation	-	75
Changes in estimates to prior year	-	(511)
	-	**(783)**
Deferred tax expense		
Deferred tax expense	-	-
Income tax expense	**-**	**-**

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

11. Income taxes (continued)

b) Reconciliation of effective tax rate

	2024 $'000	2023 $'000
Profit/(Loss) before tax	601	(3,943)
Tax using the Group's domestic Australian tax rate of 30%	180	(1,183)
Tax effect of:		
- Non-deductible expenses	74	139
- Current year tax loss from Australian operations not recognised as tax benefit	-	454
- Current year tax loss from foreign operations not recognised as tax benefit	383	980
- Changes in estimates to prior years	-	(511)
- Differential tax rates in foreign subsidiaries	-	(58)
- Recognition of previously unrecognised deductible temporary differences	(637)	(604)
	-	**(783)**

The Group has not recognised deferred tax assets to the value of $1,337,000 (FY23: $1,428,000) which will be available for use in future tax years, as currently it is not considered probable that sufficient taxable profit will be generated in the foreseeable future against which the group can use the benefits. These temporary differences do not expire under current tax legislation

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.

	2024 $'000	2023 $'000
Profit/(Loss) attributable to ordinary shareholders (basic)	610	(3,153)
Weighted-average number of ordinary shares (thousands) at year end (basic)	165,088	164,531

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

12. Earnings per share (continued)

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.

	2024 $'000	2023 $'000
Profit/(Loss) attributable to ordinary shareholders (diluted)	610	(3,153)
Weighted-average number of ordinary shares at year end (diluted)	165,148	164,531

13. Cash and cash equivalents

See accounting policy in Note 5 i) iv).

	2024 $'000	2023 $'000
Bank balances	8,286	9,072

14. Trade and other receivables

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

	2024 $'000	2023 $'000
Trade receivables	13,987	8,965
Less: Expected credit loss allowance	(475)	(526)
Net trade receivables	**13,512**	**8,439**
Net GST receivables	773	390
Loan to related party	127	200
Other receivables	52	55
	14,464	**9,084**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

15. Inventories

See accounting policy in Note 5 g).

	2024 $'000	2023 $'000
Pallets	74	70
Fuel	75	58
	149	**128**

16. Other assets

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

	2024 $'000	2023 $'000
Current assets		
Deposits	655	604
Prepayments	669	414
	1,324	**1,018**
Non-current assets		
Other	50	-
Deposits	3,613	3,335
	3,663	**3,335**

The deposits relate to amounts paid to airlines for rights to cargo space and bonds paid for warehouse leases.

17. Financial assets

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

	2024 $'000	2023 $'000
Current assets		
Term deposits	1,202	769

The term deposits relate to bank guarantees as security for leased premises or cash held in interest earning accounts.

18. Other receivables

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

	2024 $'000	2023 $'000
Non-current assets		
Loan to related party	1,000	-

The loan to YTO Global Pty Ltd is to be repaid at the end of 4 years (30 June 2027) and carries interest of 3.88% per annum. The Group holds a 22.5% interest in YTO Global Pty Ltd.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. 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	Right-of-use assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2023	11,327	27,006	6,963	4,437	13,247	62,980
Additions	-	921	155	85	2,019	3,180
Effect of foreign exchange differences	-	(11)	(1)	1	(1)	(12)
Disposals	-	(2,575)	-	-	(830)	(3,405)
Balance at 30 June 2024	**11,327**	**25,341**	**7,117**	**4,523**	**14,435**	**62,743**

Accumulated depreciation	Land and buildings $'000	Right-of-use assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2023	(2,412)	(8,081)	(3,216)	(2,243)	(8,432)	(24,384)
Effect of foreign exchange differences	-	(13)	(1)	1	-	(13)
Depreciation	(566)	(3,106)	(694)	(502)	(802)	(5,670)
Disposals	-	299	-	0	830	1,129
Balance at 30 June 2024	**(2,978)**	**(10,901)**	**(3,911)**	**(2,744)**	**(8,404)**	**(28,938)**
Carrying amounts at 30 June 2024	**8,349**	**14,440**	**3,206**	**1,779**	**6,031**	**33,805**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

19. Property, plant and equipment (continued)

a) Reconciliation of carrying amount (continued)

Cost	Land and buildings $'000	Right-of-use assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2022	11,327	21,295	6,963	4,167	13,938	57,690
Additions	-	8,772	-	269	372	9,413
Effect of foreign exchange differences	-	94	-	1	1	96
Disposals	-	(3,155)	-	-	(1,064)	(4,219)
Balance at 30 June 2023	**11,327**	**27,006**	**6,963**	**4,437**	**13,247**	**62,980**

Accumulated depreciation	Land and buildings $'000	Right-of-use assets $'000	Leasehold improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2022	(1,846)	(6,254)	(2,527)	(1,713)	(8,450)	(20,790)
Effect of foreign exchange differences	-	68	-	-	-	68
Depreciation	(566)	(2,867)	(689)	(530)	(1,023)	(5,675)
Disposals	-	972	-	-	1,041	2,013
Balance at 30 June 2023	**(2,412)**	**(8,081)**	**(3,216)**	**(2,243)**	**(8,432)**	**(24,384)**
Carrying amounts at 30 June 2023	**8,915**	**18,925**	**3,747**	**2,194**	**4,815**	**38,596**

The Group loan finances its motor vehicles under a number of chattel mortgage agreements.

On 30 June 2024, the net carrying amount of loan financed motor vehicles was $3,883,000 (30 June 2024: $4,553,000).

During the year ended 30 June 2024, the Group acquired motor vehicles with a carrying amount of $2,019,000 under loan financing (2023: $371,960).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

20. Trade and other payables

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

	2024 $'000	2023 $'000
Trade payables	7,061	3,949
Other payables	6,071	2,804
	13,132	**6,753**

21. Loans and borrowings

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

	2024 $'000	2023 $'000
Current liabilities		
Lease liabilities	2,630	2,621
Secured bank loans	10,244	3,176
	12,874	**5,797**
Non-current liabilities		
Lease liabilities	13,209	17,719
Secured bank loans	3,954	12,128
	17,163	**29,847**

The secured bank loan facilities of $14.2m (2023: $15.3m) are secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd including Land and Buildings and Motor Vehicles. As at 30 June 2024, the Group had undrawn asset finance facility of $1.2m (2023: nil) .

The motor vehicle loans mature between 1-56 months. At 30 June 2024 the Group's secured bank loan in relation to the commercial property facility was due to expire in May 2025 and therefore has been classified as a current liability. As disclosed in Note 32, subsequent to year end the facility has been extended and will expire at the end of June 2026.

Interest is fixed for motor vehicle loans with commercial property facility set equal to BBSY + margin. There are no covenants on the loan.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. Loans and borrowings (continued)

a) Finance lease and lease liabilities

Finance lease and lease liabilities are payable as follows:

30 June 2024	Future minimum lease payments	Interest	Present value of minimum lease payments
	$'000	$'000	$'000
Less than one year	3,347	717	2,630
Between one and five years	10,192	1,610	8,582
More than five years	5,353	726	4,627
	18,892	**3,053**	**15,839**

30 June 2023	Future minimum lease payments	Interest	Present value of minimum lease payments
	$'000	$'000	$'000
Less than one year	3,564	943	2,621
Between one and five years	13,393	2,390	11,003
More than five years	7,755	1,039	6,716
	24,712	**4,372**	**20,340**

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

	Lease liabilities	Secured Bank Loan
Balance at 1 July 2023	**20,340**	**15,304**
Proceeds from loan and borrowings	-	2,253
Repayment of borrowings	-	(3,359)
Payment of lease liabilities	(2,805)	-
Total changes from financing cashflows	**(2,805)**	**(1,106)**
New Leases	921	-
Lease liabilities derecognised arising from lease termination	(2,617)	-
Balance at 30 June 2024	**15,839**	**14,198**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

21. Loans and borrowings (continued)

c) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Lease liabilities	Secured Bank Loan
Balance at 1 July 2022	**16,317**	**13,417**
Proceeds from loan and borrowings	-	4,937
Repayment of borrowings	-	(3,050)
Payment of lease liabilities	(2,358)	
Total changes from financing cashflows	**(2,358)**	**1,887**
New Leases	8,772	-
Lease liabilities derecognised arising from lease termination	(2,391)	-
Balance at 30 June 2023	**20,340**	**15,304**

22. Employee benefits

See accounting policies in Note 5 d).

	2024	2023
	$'000	**$'000**
Current		
Liability for annual leave	1,333	1,094
Liability for long-service leave	75	40
	1,408	**1,134**
Non- Current		
Liability for long-service leave	98	59
	98	**59**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

23. Provisions

See accounting policy in Note 5 l).

	2024	2023
	$'000	$'000
Provision for lease make good	203	127

24. Capital and reserves

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

a) Share capital

Date	Details	Shares	Issue price	$'000
1 July 2023	Opening Balance	167,293,872	-	30,066
1 December 2023	Ordinary shares issued - employees	-	0.05	32
1 April 2024	transfer from sharebase reserve - rights issue	-	0.36	61
30 June 2024	**Closing balance**	**167,293,872**	**-**	**30,159**

Date	Details	Shares	Issue price	$'000
1 July 2022	Opening Balance	167,293,872	-	30,044
1 December 2022	Ordinary shares issued - employees	-	0.07	22
30 June 2023	**Closing balance**	**167,293,872**		**30,066**

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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

24. Capital and reserves (continued)

b) Nature and purpose of reserves

i) Translation reserve

The translation reserve of $123,000 (2023: $180,000) 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 of $1,703,000 (2023: $1,666,000) 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

Dividends amounting to $334,000 (2023: nil) were distributed from retained earnings by the Company during the period.

Dividend franking account	2024	2023
Amount of franking credits available to shareholders of Wiseway Group Limited for subsequent financial years	521,513	1,075,703

d) 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.

During the year the Group paid dividends of $337,788 (2023: nil)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, raise or retire debt finance or sell assets to reduce debt.

25. Share-based payment arrangements

a) Description of share-based payment arrangements

Equity grant via voluntary salary sacrifice

Since 2019, the Group offered restricted shares who participate in the voluntary salary sacrifice arrangement. Staff have a choice to acquire shares up to a value of $5,000 of which, the Group will contribute 10% of the monetary value. The restricted shares entitle participants to receive fully paid ordinary shares in the Group subject to the earlier of continuing employment for a three-year service period or cessation of employment.

Performance rights and options issued to employees

The Group has established a long-term incentive plan ('LTIP') to encourage high performance of its 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 and options. These performance rights and options have a two-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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. Share-based payment arrangements (continued)

b) Description of share-based payment arrangements (continued)

The following tables shows the movement of the number of performance rights and options that were held during the years ended 30 June 2024 and 2023 by employees of the Group.

30 June 2024	**Opening balance at 1 July**	**Issued during the year**	**Vested/Lapsed**	**Closing balance on 30 June**
Options				
Key management	1,405,956	3,500,000	-	4,905,956
Other employees	863,873	1,000,000	(127,275)	1,736,598
	2,269,829	**4,500,000**	**(127,275)**	**6,642,554**
Rights				
Key management	118,646	-	(59,323)	59,323
Other employees	113,120	-	(113,120)	-
	231,766	**-**	**(172,443)**	**59,323**

30 June 2023	**Opening balance at 1 July**	**Issued during the year**	**Vested**	**Closing balance at 30 June**
Options				
Key management	452,978	952,978	-	1,405,956
Other employees	991,148	-	(127,275)	863,873
	1,444,126	**952,978**	**(127,275)**	**2,269,829**
Rights				
Key management	59,323	59,323	-	118,646
Other employees	128,786	-	(15,666)	113,120
	188,109	**59,323**	**(15,666)**	**231,766**

Options and rights granted have a 2 years’ service vesting condition from grant date. For options and rights, upon vesting conditions being met, the holder has up to a 2-year period to exercise.

c) Measurement of fair values

A Black Scholes option valuation model has been used to determine the fair value of options performance rights at grant date. The Board believes this valuation model to be appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the options.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

25. Share-based payment arrangements (continued)

c) Measurement of fair values (continued)

The inputs used in the measurement of the fair value at grant date:

	Options		Rights	
	2024	**2023**	**2024**	**2023**
Fair value at grant date	$0.017	$0.017	-	$0.085
Share price at grant date	$0.052	$0.053	-	$0.085
Exercise price	$0.101	$0.103	-	-
Expected Volatility	60%	60%	-	60%
Expected dividends	nil	nil	-	nil
Risk-free rate (based on government bonds)	4.27%	3.46%	-	3.46%

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

	2024	2023
	$'000	**$'000**
Shares issued in return for provision of services	10	22
Options and performance rights	88	109
	98	**131**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

26. Financial risk management

a) Accounting classifications

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

	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
30 June 2024			
Financial assets			
Cash and cash equivalents	8,286	-	8,286
Trade and other receivables	14,464	-	14,464
Financial assets	1,202	-	1,202
Total financial assets	**23,952**	**-**	**23,952**
Financial liabilities			
Trade and other payables	-	(13,132)	(13,132)
Loans and borrowings - loans	-	(14,198)	(14,198)
Loans and borrowings – lease liability	-	(15,839)	(15,839)
Total financial liabilities		**(43,169)**	**(43,169)**

	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
30 June 2023			
Financial assets			
Cash and cash equivalents	9,072	-	9,072
Trade and other receivables	9,084	-	9,084
Financial assets	769	-	769
Total financial assets	**18,925**	**-**	**18,925**
Financial liabilities			
Trade and other payables	-	(6,753)	(6,753)
Loans and borrowings - loans	-	(15,304)	(15,304)
Loans and borrowings – lease liability	-	(20,340)	(20,340)
Total financial liabilities		**(42,397)**	**(42,397)**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

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.

The Group has no significant concentration of credit risk other than in respect to the Group's top ten customers that makes up approximately 66% (2023: 43%) 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 45 days from date of invoice, with a maximum payment period of 60 days from date of invoice for individual and corporate customers respectively.

i) 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.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 30 June 2024

30 June 2024	Weighted-average loss rate %	Gross carrying amount $'000	Loss allowance $'000	Credit-impaired
Current (not past due)	0.6%	8,333	48	No
1-30 days past due	0.9%	2,916	25	No
31-60 days past due	2.6%	1,292	33	No
61-90 days past due	5.0%	359	18	No
90-120 days past due	7.2%	161	12	No
120-150 days past due	15%	253	38	No
More than 150 days past due	45%	673	301	Yes
		13,987	**475**	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

26. Financial risk management (continued)

c) Credit risk (continued)

30 June 2023	Weighted-average loss rate %	Gross carrying amount $'000	Loss allowance $'000	Credit-impaired
Current (not past due)	0.4%	4,082	15	No
1-30 days past due	0.4%	2,506	10	No
31-60 days past due	1.2%	1,035	12	No
61-90 days past due	2.2%	422	9	No
90-120 days past due	3.7%	315	12	No
120-150 days past due	20%	171	34	No
More than 150 days past due	100%	434	434	Yes
		8,965	**526**	

The loss allowances above include specific provisions for receivables identified as unlikely to be collected. The movement in loss allowances during the year was as follows:

	2024 $'000	2023 $'000
Balance at 1 July	**526**	**1,250**
Amount written off	(4)	(770)
Net remeasurement of loss allowance	(47)	46
Balance at 30 June	**475**	**526**

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 combined secured loan facilities of $14,198,000 as at 30 June 2024 (30 June 2023: $15,304,000). The secured loan facilities are secured over the assets of Wiseway Group Limited and Wiseway Logistics Pty Ltd. The facilities have maturity profiles between one to 56 months.

The loan carries no covenants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

26. Financial risk management (continued)

d) Liquidity risk (continued)

30 June 2024	Less than one year $'000	Between one and five years $'000	More than five years $'000	Total $'000
Trade and other payables	13,134	-	-	13,134
Secured bank loans	10,244	3,954	-	14,198
Lease liabilities	2,630	8,582	4,627	15,839
	26,008	**12,536**	**4,627**	**43,171**

30 June 2023	Less than one year $'000	Between one and five years $'000	More than five years $'000	Total $'000
Trade and other payables	6,753	-	-	6,753
Secured bank loans	3,176	12,128	-	15,304
Lease liabilities	2,621	11,003	6,716	20,340
	12,550	**23,131**	**6,716**	**42,397**

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'), US Dollars ('USD'), Singapore Dollars ('SGD') 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 year.

ii) Interest rate risk

Interest rate risk is 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 $82,300 (2023: $86,300).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

27. List of subsidiaries

See accounting policy in Note 5 a).

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

	30 June 2024 % ownership	30 June 2023 % ownership
Wiseway Logistics Pty Ltd - Australia	100%	100%
Wiseway Perishables Pty Ltd - Australia	100%	100%
Wiseway Logistics Limited - New Zealand	100%	100%
Wiseway Logistics Hong Kong Limited -Hong Kong	100%	100%
Wiseway Shanghai International Logistics Co., Ltd - China	100%	100%
Wiseway Guangzhou International Logistics Co., Ltd - China	100%	100%
Airnex Pty Ltd - Australia	100%	100%
Airnex Limited - New Zealand	100%	100%
Four Seasons Pty Ltd - Australia	51%	51%
Airtruck Pty Ltd - Australia	100%	100%
Aumake Cold Chain Pty Ltd	100%	100%
Cargo Technology Network Pty Ltd - Australia	100%	100%
Wiseway Logistics Pte Ltd - Singapore	100%	100%
Wiseway Logistics (Singapore) Pte. Ltd.	100%	100%
Wiseway Logistics Inc - United States of America	100%	100%
Wiseway Cargo Airlines (Aruba) N.V.	100%	100%
Wiseway Airlines Pty Ltd – Australia	100%	100%
DG Packaging Oceania Pty Ltd	60%	-

28. Incorporation and acquisition of subsidiaries

See accounting policy in Note 5 a).

During the year, the following subsidiaries were incorporated:

Subsidiary	Country	Date of incorporation
DG Packaging Oceania Pty Ltd	Australia	27 July 2023

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

29. Non-controlling interests

See accounting policy in Note 5 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.

	DG Packaging Oceania 2024 $'000	Four Seasons Pty Ltd 2024 $'000	Four Seasons Pty Ltd 2023 $'000
Non-controlling interest %	**40%**	**49%**	**49%**
Revenue		-	-
Loss	(7)	(13)	(15)
Total comprehensive income	**(7)**	**(13)**	**(15)**
Loss allocated to non-controlling interests	(3)	(6)	(15)
Current assets	106	2	5
Non-current assets	-	5	5
Current liabilities	(33)	(4)	(11)
Non-current liabilities	-	(93)	(76)
Net assets/(liabilities)	**73**	**(90)**	**(77)**
Net assets/(liabilities) attributable to non-controlling interests	30	(44)	(37)
Cash flows used in operating activities	-	-	-
Cash flows used in financing activities	80	-	-
Net increase in cash and cash equivalents	**80**	**-**	**-**

30. Commitments and contingencies

The Group holds term deposits amounting to $1,202,000, of which $977,000 relates to bank guarantees (2023: $574,000).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

31. Related parties

a) Key management personnel compensation

	2024	2023
	$	$
Short-term employee benefits	1,530,134	1,013,076
Post-employment benefits	132,527	102,356
Other long-term benefits	104,167	67,508
Share-based payments	63,849	41,413
	1,830,677	**1,224,353**

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

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 year ended 30 June 2024. 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.

RFT 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 financial year ended 30 June 2024, the rental amount incurred to this related entity by the Group was $1,694,223 (2023: $1,726,262). The amount outstanding and payable to this related entity by the Group was $155,304 (2023: $174,711).

The Group has also loaned $14,000 (2023: $88,000) to a director of a subsidiary in which it has a non-controlling interest via that subsidiary. The loan is unsecured and repayable on demand.

YTO Global Pty Ltd, an associate, utilises the services of the Group from time to time. Revenue recognised during the financial year ended 30 June 2024 from this related party was $5,178,803 (2023: $3,218,184). The amount outstanding and receivable from this related entity to the Group was $1,989,561 (2023: $1,622,499) which includes a loan of $1,000,000 (2023: $nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

32. Subsequent events

Subsequent to year end, the Group announced it had reached an agreement to acquire KWT International Inc., a US-based logistics company with locations in Los Angeles and New York. Established in 2016, KWT specializes in freight forwarding, 3PL warehousing, customs clearance, and last-mile delivery, generating USD 11 million in revenue last year. The acquisition, completed on the 26 August 2024, saw Wiseway USA, a subsidiary of Wiseway Australia, issue 49% of new shares to KWT's shareholders and inject USD 200,000 into the joint venture, while maintaining a 51% majority stake. The acquisition accounting for this is still being finalised by the Group however this is not expected to have a material impact on the financial position of the Group.

On 27 August, the Group announced it had successfully extended its commercial loan facility with National Australia Bank. The facility of $8.23m will now expire at the end of June 2026

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.

33. Reconciliation of cash flows from operating activities

	2024	**2023**
	$'000	**$'000**
Profit/(loss) for the period	601	(3,160)
Adjustments for:		
- Depreciation expense	5,670	5,675
- Gain on sale of fixed assets	(629)	(718)
- Share capital contributed via employee share scheme/bonuses	32	22
Share-based payment expense	98	131
Net cash provided by operating activities before changes in asset or liabilities	**5,772**	**1,950**
Changes in:		
- Trade and other receivables	(6,380)	426
- Inventories	(21)	99
- Current tax assets or liabilities	358	(564)
- Other assets	(416)	339
- Trade and other payables	6,379	(906)
- Provisions	76	(550)
- Employee benefits	313	(662)
- Unrealised foreign exchange movements	(60)	(85)
Net cash from operating activities	**6,021**	**47**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

34. Auditors' remuneration

	2024	2023
Audit and review services		
Audit and review of financial statements - BDO	185,000	-
Audit and review of financial statements - KPMG	-	280,000
	185,000	**280,000**

35. Deed of cross guarantee

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785* the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under the other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Wiseway Logistics Pty Ltd
- Wiseway Perishables Pty Ltd
- Airnex Pty Ltd
- Airtruck Pty Ltd

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

35. Deed of cross guarantee (continued)

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between the parties to the Deed of Cross Guarantee, for the year ended 30 June 2024 is set out as follows:

	2024 $'000	2023 $'000
Statement of profit or loss and other comprehensive income and retained earnings		
Revenue	98,600	92,716
Direct transport and logistics expenses	(66,758)	(60,799)
Operating expenses	(30,034)	(28,723)
Finance costs	(1,612)	(1,651)
Profit before tax	**196**	**1,543**
Income tax benefit/ (expense)	-	783
Profit for the year	**196**	**2,326**
Total comprehensive income for the year, net of tax	**196**	**2,326**
Accumulated losses at beginning of year	(3,701)	(6,027)
Dividend Paid	(334)	-
Accumulated losses at end of year	**(3,839)**	**(3,701)**
Attributable to:		
Owners of the Company	196	2,326
Non-controlling interests	-	-
Profit for the year	**196**	**2,326**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

35. Deed of cross guarantee (continued)

Statement of financial position	2024 $'000	2023 $'000
Assets		
Cash and cash equivalents	7,018	6,794
Trade and other receivables, including receivables from other Group entities not party to the Deed	24,758	19,569
Inventories	122	123
Current tax assets	-	413
Other assets	511	493
Financial assets	977	657
Current assets	**33,386**	**28,049**
Other receivables	1,000	-
Other Assets	2,640	2,717
Financial assets	-	-
Property, plant and equipment	31,909	33,642
Deferred tax assets		
Non-current assets	**35,549**	**36,359**
Total assets	**68,935**	**64,408**
Liabilities		
Trade and other payables	11,443	4,999
Loans and borrowings	12,043	12,949
Employee benefits	1,380	1,081
Provisions	127	127
Current tax liabilities	-	-
Current liabilities	**24,993**	**19,156**
Loans and borrowings	15,820	17,161
Employee benefits	98	59
Non-current liabilities	**15,918**	**17,220**
Total liabilities	**40,911**	**36,376**
Net assets	**28,024**	**28,032**
Equity		
Share capital	30,159	30,066
Reserves	1,704	1,667
Accumulated losses	(3,839)	(3,701)
Total equity	**28,024**	**28,032**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

36. Parent entity disclosures

As at, and throughout, the financial reporting period ended 30 June 2024 the parent entity of the Group was Wiseway Group Limited.

	2024 $'000	2023 $'000
Result of the parent entity		
Profit/(loss) for the period	544	(3,010)
Total comprehensive loss for the period	**544**	**(3,010)**
Financial position of the parent entity at year end		
Current assets	285	155
Total assets	**18,963**	**18,623**
Total equity of the parent entity comprising of:		
Share capital	30,159	30,066
Share-based payments reserve	1,703	1,666
Accumulated losses	(12,899)	(13,109)
Total equity	**18,963**	**18,623**

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 35.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

Entity name	Body corporate, partnership or Trust	Place incorporate d / formed	% of share capital held or indirectly held by the company	Australian resident or foreign resident (for tax purposes)	Jurisdiction (s) of foreign residents
Wiseway Logistics Pty Ltd - Australia	Body Corporate	Australia	100%	Australia	N/A
Wiseway Perishables Pty Ltd - Australia	Body Corporate	Australia	100%	Australia	N/A
Wiseway Logistics Limited - New Zealand	Body Corporate	New Zealand	100%	Foreign*	New Zealand
Wiseway Logistics Hong Kong Limited -Hong Kong	Body Corporate	Hong Kong	100%	Foreign*	Hong Kong
Wiseway Shanghai International Logistics Co., Ltd - China	Body Corporate	China	100%	Foreign*	China
Wiseway Guangzhou International Logistics Co., Ltd - China	Body Corporate	China	100%	Foreign*	China
Airnex Pty Ltd - Australia	Body Corporate	Australia	100%	Australia	N/A
Airnex Limited - New Zealand	Body Corporate	New Zealand	100%	Foreign*	New Zealand
Four Seasons Pty Ltd - Australia	Body Corporate	Australia	51%	Australia	N/A
Airtruck Pty Ltd - Australia	Body Corporate	Australia	100%	Australia	N/A
Aumake Cold Chain Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
Cargo Technology Network Pty Ltd - Australia	Body Corporate	Australia	100%	Australia	N/A
Wiseway Logistics Pte Ltd - Singapore	Body Corporate	Singapore	100%	Foreign*	Singapore
Wiseway Logistics (Singapore) Pte. Ltd.	Body Corporate	Singapore	100%	Foreign*	Singapore
Wiseway Logistics Inc - United States of America	Body Corporate	USA	100%	Foreign*	USA
Wiseway Cargo Airlines (Aruba) N.V.	Body Corporate	Aruba	100%	Foreign*	Aruba
Wiseway Airlines Pty Ltd – Australia	Body Corporate	Australia	100%	Australia	N/A
DG Packaging Oceania Pty Ltd	Body Corporate	Australia	60%	Australia	N/A
Wiseway Employee Trust	Trust	Australia	100%	Australia	N/A

**The central management and control of these entities is in Australia and therefore the entities will be dual tax residents in their country of incorporation and Australia.*

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WISEWAY GROUP LIMITED

ABN 26 624 909 682

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 61 and the Remuneration report in section 16 of the Directors' report, are in accordance with the *Corporations Act 2001*, including:

   ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the period ended on that date; and

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

b) the Consolidated entity disclosure statement as at 30 June 2024 set out on page 62 is true and correct; and

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

There are reasonable grounds to believe that the Company and the group entities identified in Note 36 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

The Directors have been given declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer for the year ended 30 June 2024.

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:

Astrid Raetze	Florence Tong
Chair of the Board	Managing Director

Dated at Sydney this 30th day of August 2024

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Sydney NSW 2000
Australia

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INDEPENDENT AUDITOR'S REPORT

To the members 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) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is 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 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial report of Wiseway Group Limited for the year ended 30 June 2023 was audited by another auditor, KPMG, who expressed an unmodified opinion on the report on 31 August 2023.

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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. These matters were 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 these matters.

Revenue recognition

Key Audit Matter	How the matter was addressed in our audit
Refer to note 8 of the financial report. Recognition of revenue is a key audit matter due to: • The significance of revenue to the financial report. For the year ended 30 June 2024 the Group recognised \$111.1m (2023: \$105.4m) of revenue from contracts with customers; • The Group has a range of logistical services that it provides consisting of airfreight, sea freight and road freight, across multiple businesses with varying performance obligations; and • The level of judgment to determine the period over which revenue is recognised, in particular for revenue recognised over the year end period.	Our procedures included: • Understanding and documenting the processes and controls used by the group for each material revenue stream, and evaluating the Group's revenue recognition accounting policies for revenue recognition against the requirements of AASB 15 *Revenue from contracts with customers;* • Testing, on a sample basis, revenue transactions across the various streams by tracing revenue recorded to supporting documentation including delivery information (specifically the date of delivery, pricing and weighted goods) and cash receipts; • Performing cut-off procedures to ensure for revenue transactions around the year end, or for sales over the year end, that revenue has been recorded in the correct period; and • Assessment of the disclosures in the financial report against the requirements of AASB 15 and the understanding obtained from our testing.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 16 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Wiseway Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

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

BDO Audit Pty Ltd

BDO
Dane Perumal

Dane Perumal
Director

Sydney, 30 August 2024

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 7 August 2024.

Distribution of shareholders

Range	Securities	%	No. of holders	%
100,001 and Over	161,553,026	96.56	61	16.44
10,001 to 100,000	5,010,996	3.00	132	35.58
5,001 to 10,000	376,999	0.23	49	13.21
1,001 to 5,000	349,347	0.21	110	29.65
1 to 1,000	3,504	0.00	19	5.12
Total	**167,293,872**	**100.00**	**371**	**100.00**

Substantial shareholders

Name	Number of Shares	% of Issued Shares
ROGER SHIGANG TONG	34,369,429	20.54
FLORENCE YANLI TONG	34,112,197	20.39
AZ GLOBAL CO., LIMITED	27,707,786	16.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,536,458	8.69
REGNANS CAPITAL PTY LTD	11,992,971	7.17

Voting rights of Ordinary Shares

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 options and performance rights

At the end of the financial reporting period, there were 59,323 performance rights outstanding over unissued ordinary shares which have not yet vested.

At the end of the financial reporting period unissued shares of the Group under option are:

Expiry date	Exercise price	Number of shares
1 April 2026	$0.450	1,189,576
1 January 2027	$0.200	452,978
1 January 2027	$0.103	500,000
1 July 2027	$0.101	2,500,000
1 July 2028	$0.101	1,000,000
1 July 2029	$0.101	1,000,000
		$6,642,544

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ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Securities exchange

The Company is listed on the Australian Securities Exchange. The Home exchange is Sydney.

Other information

Wiseway Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Twenty largest shareholders

Name	Number of Shares	% of Issued Shares
ROGER SHIGANG TONG	34,369,429	20.54
FLORENCE YANLI TONG	34,112,197	20.39
AZ GLOBAL CO., LIMITED	27,707,786	16.56
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,536,458	8.69
REGNANS CAPITAL PTY LTD	11,992,971	7.17
BNP PARIBAS NOMINEES PTY LTD	6,028,019	3.60
UBS NOMINEES PTY LTD	4,971,286	2.97
MOGGS CREEK PTY LTD	4,550,190	2.72
PACIFIC CUSTODIANS PTY LIMITED	3,182,892	1.90
MR KEN TONG	1,961,533	1.17
HOPLITE CAPITAL PTY LIMITED	1,500,000	0.90
WEEWAC PTY LTD	1,432,000	0.86
JIM TONG	1,318,229	0.79
DEBUSCEY PTY LTD	1,040,000	0.62
M & M WORLDWIDE GROUPS PTY LTD	957,970	0.57
ACTON 70 PTY LTD	910,000	0.54
ZHIKUN TANG	798,309	0.48
ZZL HOLDINGS PTY LTD	798,309	0.48
LAUREL CAPITAL PTY LTD	798,309	0.48
IVAN LIM	593,142	0.35
Total Top 20	**153,559,029**	**91.78**

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CORPORATE DIRECTORY

Directors

Astrid Raetze

Independent Non-Executive Chair of the Board

Jim Tong

Non-Executive Director

Brandon Teo

Independent Non-Executive Director

Florence Tong

Executive Managing Director

Company secretary

Ken Tong

Company Secretary and Chief Operating Officer

Registered Office

Wiseway Group Limited

39-43 Warren Avenue

Bankstown NSW 2000

Auditor

BDO Audit Pty Ltd

Level 11, 1 Margaret Street

Sydney NSW 2000

Share Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

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