



Cape Range Limited

ACN: 009 289 481

Half Year Financial Report for the Six Months
Ended 30 June 2018

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Corporate Information

ASX Code: CAG

Directors

Mr Wayne Johnson (Non-Executive Chairman)

Mr Michael Higginson (Non-Executive Director)

Mr Gary Lim (Non-Executive Director)

Mr Raja Ahmad Raja Jallaludin (Non-Executive Director) – appointed 13 March 2018

Company Secretary

Mr Michael Higginson

Registered Office

29 Brookside Place
Lota Queensland 4179
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Share Registrar

Advanced Share Registry
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Principal Place of Business

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Auditor

Hall Chadwick
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2 Park Street
Sydney NSW 2000
Tel: +61 2 9263 2600
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Chairman's Letter

Dear Shareholder

I am pleased to present Cape Range Limited's (the **Company**) Half Year Report for the 6 months ended 30 June 2018.

As the report shows, your Company incurred a small operating loss for the period as the Company focussed on finalising the development of its cloud based accounting software package. As at 30 June 2018, the Company retained a strong cash balance of \$4.8M.

The results achieved during the half year represent further progress and follows last year's very successful ASX listing that occurred on 30 November 2017. The results are most satisfying and provide a foundation for future growth, particularly in terms of demonstrating Biztrak's management's credibility to deliver. I believe that this sentiment precipitated the market response to the Company's announcement on 10 July 2018, when it was announced that Phase 1 of the Company's cloud based accounting software applications, software as a service (SaaS), had been delivered on time and in accordance with the Company's prospectus.

As you may be aware, shortly following that announcement there was a surge in the market price of the Company's securities that included independent sector commentaries such as Morning Star's market analytics on 21 July 2018. Further rapid share price appreciation followed. Whilst this was very gratifying, it resulted in the ASX issuing price and volume queries on 16 July, 23 July and 30 July 2018. On 30 July 2018, ASX imposed a suspension in the trading of the Company's securities, pending further queries.

It goes without saying that your Company's Board has fully and proactively assisted the regulatory authorities with their enquiries and will continue to do so. I confirm that your Company has been fully compliant with its disclosure obligations and is not aware of any information which would otherwise explain this recent trading history.

Together with our shareholders, the Board feels the frustration of having the Company's securities placed in a protracted suspension whilst the regulatory authorities continue their investigation.

On behalf of the Board, I wish to express our very sincere gratitude for the enormous support of our staff and most importantly the enormous support that our shareholders have given since our listing on 30 November 2017.

Wayne Johnson
Chairman

Directors' Report

The Directors submit their report on Cape Range Limited (the "Company" or "CAG") for the half year ended 30 June 2018.

In order to comply with the provisions of the Corporations Act 2001, the Directors' Report as follows:

Directors

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

Mr Wayne Johnson (Non-Executive Chairman)
Mr Michael Higginson (Non-Executive Director)
Mr Gary Lim (Non-Executive Director)
Mr Raja Ahmad Raja Jallaludin (Non-Executive Director) – appointed 13 March 2018

Review and Results of Operations

The loss after tax for the half year ended 30 June 2018 attributable to the members of the Company was \$35,096 (30 June 2017: profit \$116,706). The loss for the half year ended 30 June 2018 was mainly attributable to its focus on finalising the development of its cloud based accounting software package.

On 13 March 2018, Mr Raja Ahmad Raja Jallaludin was appointed as a Director.

Subsequent Events

On 10 July 2018, the Company announced the completion of Phase 1 of the Company's cloud based accounting software as a service (SAAS) applications package. As a consequence of the attainment of Phase 1 of the cloud based accounting software package, 10,000,000 performance rights were converted into 10,000,000 fully paid ordinary shares. The Company's management is in the process of completing the formal launch of the SAAS products to the market.

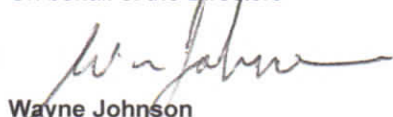
There has not been any other matter or circumstance, that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 30 June 2018 has been received and can be found on page 14.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



Wayne Johnson
Director and Chairman

Date: 31st day of August 2018

CAPE RANGE LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the Six Months Ended 30 June 2018

	30 June 2018	30 June 2017
	\$	\$
Revenue	532,195	383,880
Cost of sales	(33,338)	(435)
Gross Profit	498,857	383,445
Other income	370	806
Total other income	370	806
Administration expenses	491,245	213,551
Marketing & promotional expenses	499	12,550
Other operating expenses	27,023	24,726
Finance costs	15,556	16,718
Total expenses	534,323	267,545
Net (loss)/profit for the period	(35,096)	116,706
Income tax expense	-	-
Net (loss)/profit after income tax expense for the period	(35,096)	116,706
Exchange differences on translating foreign operations	59,226	(36,097)
Total comprehensive profit for the period	24,130	80,609
Basic earnings per share	(0.0005)	0.025
Diluted earnings per share	(0.0005)	0.025

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

CAPE RANGE LIMITED

Statement of Financial Position

As at 30 June 2018

	Notes	30 June 2018	31 December 2017
		\$	\$
Current Assets			
Cash and cash equivalents		4,813,495	5,181,923
Trade and other receivables		621,293	740,026
Total Current Assets		5,434,788	5,921,949
Non-current Assets			
Plant and equipment		104,906	79,538
Intangible assets		869,432	694,773
Total Non-current Assets		974,338	774,311
Total Assets		6,409,126	6,696,260
Current Liabilities			
Trade and other payables		184,288	468,555
Borrowings		109,180	150,978
Total Current Liabilities		293,468	619,533
Non-current Liabilities			
Borrowings		244,471	229,670
Total Current Liabilities		244,471	229,670
Total Liabilities		537,939	849,203
Net Assets		5,871,187	5,847,057
Equity			
Issued capital	5	10,767,257	10,767,257
Reserves		56,614	(2,612)
Accumulated losses		(4,952,684)	(4,917,588)
Total Equity		5,871,187	5,847,057

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

CAPE RANGE LIMITED

Statement of Changes in Equity For the Six Months Ended 30 June 2018

	Issued Capital \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2018	10,767,257	(2,612)	(4,917,588)	5,847,057
Net loss for the period	-	-	(35,096)	(35,096)
Foreign exchange translation reserve	-	59,226	-	59,226
Balance as at 30 June 2018	10,767,257	56,614	(4,952,684)	(5,871,187)
Balance as at 1 January 2017	1,482,456	-	(1,198,597)	283,859
Net profit for the period	-	-	116,706	116,706
Foreign exchange translation reserve	-	(36,097)	-	(36,097)
Balance as at 30 June 2017	1,482,456	(36,097)	(1,081,891)	364,468

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

CAPE RANGE LIMITED

Statement of Cash Flows

For the Six Months Ended 30 June 2018

	30 June 2018	30 June 2017
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	706,099	362,898
Payments to suppliers and employees	(752,195)	(196,842)
Payment of income tax	(303)	
Finance costs	(15,837)	(16,718)
Net cash (used in) operating activities	(62,236)	149,338
Cash Flows From Investing Activities		
Payments for property, plant & equipment	(29,236)	(17,800)
Payments for intangibles	(195,481)	(87,485)
Net cash (used in) investing activities	(224,717)	(105,285)
Cash Flows From Financing Activities		
Repayment of loan	(35,377)	-
Repayment of hire purchase	(3,861)	(6,242)
Repayment of term loan	(32,693)	(26,705)
Repayment of bank overdraft	(14,305)	21,300
Repayment of long term loan	-	(88,078)
Loan from directors	-	7,072
Net cash from financing activities	(86,236)	(92,653)
Net decrease in cash and cash equivalents	(373,189)	(48,600)
Cash and cash equivalents at beginning of period	5,181,923	125,955
Effect of movements in exchange rates on cash held	4,761	(2,366)
Cash and cash equivalents at end of period	4,813,495	74,989

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

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2018

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 29 Brookside Place, Lota, Queensland 4179.

2. Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and considered together with any public announcements made by Cape Range Limited during the half year ended 30 June 2018.

3. Basis of Preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The half-year financial report does not include all the types of notes normally included within the annual financial report and therefore cannot be expected to provide as full understanding of the financial position, financial performance and financing and investing activities of the Company as the year-end financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2017 annual financial report for the financial year ended 31 December 2017 and the previous corresponding half-year period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Presentation currency

These financial statements are presented in Australian dollars, which is the Company's presentation currency.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

In the current half year Cape Range Ltd has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

4. Going Concern

The half year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst the Group incurred an operating loss after tax of \$35,096 (30 June 2017: profit \$116,706) for the period it had net assets of \$5,871,187 as at 30 June 2018 (31 December 2017 \$5,847,057). Following the acquisition of Biztrak and the raising of \$5,616,004 (before costs) in capital in the previous financial year, the Group has sufficient cash to pay its debts as and when they fall due. At 30 June 2018, the Company had \$4,813,495 in cash.

5. Share Capital

	30 June 2018	30 June 2018	31 Dec 2017	31 Dec 2017
	No.	\$	No.	\$
(a) Ordinary Shares				
Fully paid ordinary shares	<u>73,658,301</u>	<u>10,767,257</u>	<u>73,658,301</u>	<u>10,767,257</u>
	30 June 2018			
	No.	\$		
Issue of ordinary shares during the period				
Balance as at 1 January 2018			73,658,301	10,767,257
New shares issued			-	-
Issued capital as at 30 June 2018	<u>73,658,301</u>	<u>10,767,257</u>		

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2018

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number and amounts paid on the shares held. On show of hands every shareholder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

6. Options and Performance Rights

As at 30 June 2018, zero (2017: zero) options were on issue.

As at 30 June 2018, 30,000,000 (2017: zero) performance rights, each converting into 1 fully paid ordinary share, were on issue.

10,000,000 performance rights are convertible into 10,000,000 fully paid ordinary shares on the Company delivering Phase 1 of the cloud based accounting software within 8 months of the Company being admitted to the official list of ASX (being 28 November 2017). These 10,000,000 performance rights were converted on 10 July 2018 (refer Note 8).

20,000,000 performance rights are convertible into that number of fully paid ordinary shares referred to in the table below upon Biztrak achieving the corresponding EBITDA target during the period commencing on the date that the Company is admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019.

EBITDA Target	Shares Issued
\$375,000 - \$449,999.99	1,250,000
\$450,000 - \$524,999.99	2,500,000
\$525,000 - \$599,999.99	3,750,000
\$600,000 - \$674,999.99	5,000,000
\$675,000 - \$749,999.99	6,250,000
\$750,000 - \$849,999.99	7,500,000
\$850,000 - \$949,999.99	8,750,000
\$950,000 - \$1,049,999.99	10,000,000
\$1,050,000 - \$1,149,999.99	11,250,000
\$1,150,000 - \$1,249,999.99	12,500,000
\$1,250,000 - \$1,349,999.99	13,750,000
\$1,350,000 - \$1,449,999.99	15,000,000
\$1,450,000 - \$1,549,999.99	16,250,000
\$1,550,000 - \$1,649,999.99	17,500,000
\$1,650,000 - \$1,749,999.99	18,750,000
\$1,750,000+	20,000,000

7. Segment Information

For management purposes the Group is organised into two strategic units:

- Corporate head office in Australia
- Operations and technology development based in Malaysia

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information to the Board.

The operating segment analysis presented in these preliminary financial statements reflects operations analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the preliminary financial statements. The

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2018

information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

	Australia \$	Malaysia \$	Eliminations \$	Total \$
Period ended 30 June 2017				
Revenue from external customers	-	383,880	-	383,880
Inter-segment revenue	-	-	-	-
Reportable segment profit before tax	-	116,706	-	116,706
Period ended 30 June 2018				
Revenue from external customers	44,087	488,108	-	532,195
Inter-segment revenue	-	-	-	-
Reportable segment profit/(loss) before tax	(232,949)	197,855	-	(35,096)
Reportable segment assets at 31 December 2017	14,174,722	1,607,104	(9,085,566)	6,696,260
Reportable segment assets at 30 June 2018	13,853,269	1,746,787	(9,190,930)	6,409,126
Reportable segment liabilities at 31 December 2017	243,935	691,104	(85,836)	849,203
Reportable segment liabilities at 30 June 2018	155,432	571,940	(189,433)	537,939

8. Subsequent Events

On 10 July 2018, the Company announced the completion of Phase 1 of the Company's cloud based accounting software as a service (SAAS) applications package. As a consequence of the attainment of Phase 1 of the cloud based accounting software package, 10,000,000 performance rights were converted into 10,000,000 fully paid ordinary shares. The Company's management is in the process of completing the formal launch of the SAAS products to the market.

There has not been any other matter or circumstance, that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

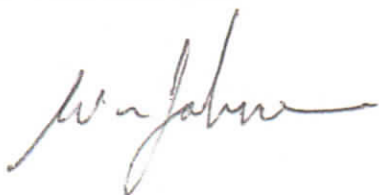
Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the six months ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 *Interim Financial Reporting*.
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial period ended 30 June 2018

On behalf of the Board

A handwritten signature in dark ink, appearing to read 'Wayne Johnson', with a stylized, flowing script.

Wayne Johnson
Director

Date: 31st day of August 2018

CAPE RANGE LIMITED
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CAPE RANGE LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cape Range Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Cape Range Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Cape Range Limited's financial position as at 30 June 2018 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cape Range Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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CAPE RANGE LIMITED
ABN 43 009 289 481

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
CAPE RANGE LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Cape Range Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Cape Range Limited's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Date: 31 August 2018

CAPE RANGE LIMITED
ABN 43 009 289 481

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE
DIRECTORS OF CAPE RANGE LIMITED**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

NM Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Date: 31 August 2018

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