



Cape Range Limited

ACN: 009 289 481

Half Year Financial Report for the Six Months
Ended 30 June 2019

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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)

Company Secretary

Mr Michael Higginson

Registered Office

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Share Registry

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Principal Place of Business

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Auditors

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Directors' Report

The Directors submit their report on Cape Range Limited (the "Company" or "CAG") for the half year ended 30 June 2019.

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)

Review and Results of Operations

The loss after tax for the half year ended 30 June 2019 attributable to the members of the Company was \$273,321 (30 June 2018: \$35,096). The loss for the half year ended 30 June 2019 was mainly attributable to a 53% decrease in revenue as a result of a softening of the Malaysian economy and the uncertainty created following the abolishment of GST and the re-introduction of a Sales and Services tax in Malaysia.

Subsequent Events

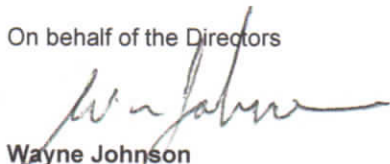
There have not been any matters or circumstances, that have arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Auditor's Independence Declaration

The auditor's independence declaration for the half year ended 30 June 2019 has been received and can be found on page 12.

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: 30th day of August 2019

CAPE RANGE LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Six Months Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$
Revenue	251,003	532,195
Cost of sales	(11,017)	(33,338)
Gross Profit	239,986	498,857
Other income	65,744	370
Total other income	65,744	370
Administration expenses	424,258	421,906
Marketing and promotional expenses	2,780	499
Depreciation and amortization expenses	114,596	69,339
Other operating expenses	29,215	27,023
Finance costs	8,202	15,556
Total expenses	579,051	534,323
Net loss for the period	(273,321)	(35,096)
Income tax expense	-	-
Net loss after income tax expense for the period	(273,321)	(35,096)
Exchange differences on translating foreign operations	19,740	59,226
Total comprehensive profit for the period	(253,581)	24,130
Basic earnings per share	(0.0033)	(0.0005)
Diluted earnings per share	(0.0033)	(0.0005)

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

CAPE RANGE LIMITED

Consolidated Statement of Financial Position

As at 30 June 2019

Notes	30 June 2019	31 December 2018
	\$	\$
Current Assets		
Cash and cash equivalents	4,106,657	4,255,177
Trade and other receivables	132,081	247,108
Total Current Assets	<u>4,238,738</u>	<u>4,502,285</u>
Non-current Assets		
Plant and equipment	90,620	93,707
Right-of-use assets	23,163	-
Intangible assets	1,059,977	965,105
Total Non-current Assets	<u>1,173,760</u>	<u>1,058,812</u>
Total Assets	<u>5,412,498</u>	<u>5,561,097</u>
Current Liabilities		
Trade and other payables	147,143	130,608
Lease liabilities	20,293	-
Deferred revenue	178,863	94,473
Borrowings	38,143	29,256
Total Current Liabilities	<u>384,442</u>	<u>254,337</u>
Non-current Liabilities		
Lease liabilities	3,517	-
Borrowings	85,617	113,893
Total Current Liabilities	<u>89,134</u>	<u>113,893</u>
Total Liabilities	<u>473,576</u>	<u>368,230</u>
Net Assets	<u>4,938,922</u>	<u>5,192,867</u>
Equity		
Issued capital	5	13,417,257
Foreign currency translation reserve		65,467
Accumulated losses		(8,543,802)
Total Equity		<u>4,938,922</u>

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

CAPE RANGE LIMITED

Consolidated Statement of Changes in Equity

For the Six Months Ended 30 June 2019

	Issued Capital \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2019	13,417,257	45,727	(8,270,117)	5,192,867
Cumulative adjustment upon change in accounting policy – AASB16			(364)	(364)
Balance as at 1 January 2019 restated	13,417,257	45,727	(8,270,481)	5,192,503
Net loss for the period	-	-	(273,321)	(273,321)
Foreign exchange translation reserve	-	19,740	-	19,740
Balance as at 30 June 2019	13,417,257	65,467	(8,543,802)	4,938,922
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

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

CAPE RANGE LIMITED

Consolidated Statement of Cash Flows

For the Six Months Ended 30 June 2019

	30 June 2019	30 June 2018
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers	452,971	706,099
Payments to suppliers and employees	(450,339)	(752,195)
Payment of income tax	98	(303)
Interest income	51,781	-
Finance costs	(8,202)	(15,837)
Net cash from/(used in) operating activities	46,309	(62,236)
Cash Flows From Investing Activities		
Payments for property, plant & equipment	(5,558)	(29,236)
Payments for intangibles	(160,602)	(195,481)
Net cash (used in) investing activities	(166,160)	(224,717)
Cash Flows From Financing Activities		
Repayment of loan	-	(35,377)
Repayment of lease liabilities	(9,280)	-
Repayment of hire purchase	-	(3,861)
Repayment of term loan	(19,389)	(32,693)
Repayment of bank overdraft	-	(14,305)
Net cash (used in) financing activities	(28,669)	(86,236)
Net decrease in cash and cash equivalents	(148,520)	(373,189)
Cash and cash equivalents at beginning of period	4,255,177	5,181,923
Effect of movements in exchange rates on cash held	-	4,761
Cash and cash equivalents at end of period	4,106,657	4,813,495

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 2019

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 2019.

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 2018 annual financial report for the financial year ended 31 December 2018 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.

Change in Accounting Policies

This note describes the nature and effect of the adoption of AASB 16: Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods.

(a) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (ie leases with a remaining term of 12 months or less) and leases of low value assets are recognised as operating expenses on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability is as follows:

fixed lease payments less any lease incentives;

variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

the amount expected to be payable by the lessee under residual value guarantees;

the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement day and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2019

(b) Initial Application of AASB 16: Leases

The Group has adopted AASB 16: Leases retrospectively from 1 January 2019. In accordance with AASB 16.C7 the comparatives for the 2018 reporting period have not been restated.

The Group has recognised a lease liability and right-of-use asset for all leases recognised as operating leases under AASB 117: Leases where the Group is the lessee.

Lease liabilities are shown at the present value of the remaining lease payments. The Group's incremental borrowing rate as at 1 January 2019 has been used to discount the lease payments.

The following practical expedients have been used by the Group in applying AASB 16 for the first time:

- For a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied.
- Leases that have remaining lease term of less than 12 months as at 1 January 2019 have been accounted for in the same way as short-term leases.
- The use of hindsight to determine lease terms on contracts that have options to extend or terminate.
- Applying AASB 16 to leases previously identified as leases under AASB 117: Leases and Interpretation 4: Determining whether an arrangement contains a lease without reassessing whether they are, or contain, a lease at the date of initial application.
- Not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4.

The difference between the undiscounted amount of operating lease commitments at 31 December 2018 of \$37,057 and the discounted operating lease commitments as at 1 January 2019 of \$35,816 were \$1,241, which is due to discounting the operating lease commitments at the Group's incremental borrowing rate.

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 \$273,321 (30 June 2018: \$35,096) for the period it had net assets of \$4,938,922 as at 30 June 2019 (31 December 2018 \$5,192,867). The Group has sufficient cash to pay its debts as and when they fall due. At 30 June 2019, the Company had \$4,106,657 in cash.

5. Share Capital

	30 June 2019	30 June 2019	31 Dec 2018	31 Dec 2018
	No.	\$	No.	\$
(a) Ordinary Shares				
Fully paid ordinary shares	<u>83,658,301</u>	<u>13,417,257</u>	<u>83,658,301</u>	<u>13,417,257</u>
	30 June 2019			
	No.	\$		
Issue of ordinary shares during the period				
Balance as at 1 January 2019	83,658,301	13,417,257		
New shares issued	-	-		
Issued capital as at 30 June 2019	<u>83,658,301</u>	<u>13,417,257</u>		

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.

CAPE RANGE LIMITED
Notes to the Financial Statements
For the Six Months Ended 30 June 2019

6. Options and Performance Rights

As at 30 June 2019, zero (31 December 2018: zero) options were on issue.

As at 30 June 2019, 20,000,000 (31 December 2018: 20,000,000) performance rights, each converting into 1 fully paid ordinary share, were on issue.

The 20,000,000 performance rights are convertible into fully paid ordinary shares upon Biztrak achieving pre-determined EBITDA targets during the period commencing on the date that the Company was admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019.

The Directors have assessed that the EBITDA criteria for the conversion to equity of the remaining 20,000,000 performance rights is unlikely to be achieved based on the results of Biztrak to the date of this report.

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 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 2018				
Revenue from external customers	44,087	488,108	-	532,195
Inter-segment revenue	-	-	-	-
Reportable segment profit/(loss) before tax	(232,951)	197,855	-	(35,096)
Period ended 30 June 2019				
Revenue from external customers	-	251,003	-	251,003
Inter-segment revenue	-	-	-	-
Reportable segment loss before tax	(231,067)	(42,254)	-	(273,321)
Reportable segment assets at 31 December 2018	16,230,604	1,266,993	(11,936,500)	5,561,097
Reportable segment assets at 30 June 2019	16,001,271	1,347,727	(11,936,500)	5,412,498
Reportable segment liabilities at 31 December 2018	144,676	504,560	(281,006)	368,230
Reportable segment liabilities at 30 June 2019	146,410	605,964	(278,798)	473,576

8. Subsequent Events

There have not been any matters or circumstances, that have 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.

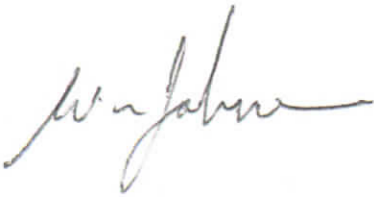
Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 3 to 9 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 2019 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 2019

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Wayne Johnson', with a stylized flourish at the end.

Wayne Johnson
Director

Date: 30th day of August 2019

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

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Sydney NSW 2001

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cape Range Limited, which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, 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 2019 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 2019 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

Dated: 30 August 2019

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
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In accordance with S307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Cape Range Limited. As the lead audit partner for the review of the financial report of Cape Range Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, 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.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

Graham Webb
Partner
Dated: 30 August 2019

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