

Cape Range Limited
Supplementary Appendix 4E information
For the financial year ended 31 December 2017

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

Cape Range Limited and its controlled entities
ABN 43 009 289 481

Reporting period – For the year ended 31 December 2017

Previous period – For the year ended 31 December 2016

Results for Announcement to the Market

Cape Range Limited (**Company**) was admitted to the Official List of the Australian Securities Exchange on 28 November 2017 and trading in the Company's securities commenced on 30 November 2017. The reported loss for the year of \$4,085,173 includes a one off reverse acquisition cost (ie deemed cost of acquisition) of \$3,323,216 (for further explanation please refer to the accounts and note 2, acquisition accounting) and a one off share based payment expense of \$450,000 in relation to the issue of 2,250,000 incentive shares.

	31 Dec 2017	31 Dec 2016	Change	Change
	\$	\$	\$	%
Revenue	783,841	977,488	(193,647)	-19.8
(Loss)/profit for the period after tax	(4,085,173)	366,182	(4,451,355)	-1,216
(Loss)/profit attributable to members of the parent entity	(4,085,173)	366,182	(4,451,355)	-1,216

Dividends

No Dividends have been declared or paid during the financial year ended 31 December 2017.

Review of operations

On 2 February 2017, Mr R Y Ong associated with Biztrak Business Solutions Sdn Bhd was appointed as a director of the Company.

On 28 April 2017, the Company raised \$350,000 in working capital pursuant to the issue of 350 convertible notes each with a face value of \$1,000. The convertible notes were unsecured, non-redeemable, interest free and only convertible on the date the Company was admitted to the Official List of the Australian Securities Exchange (**ASX**). The conversion price of the convertible notes being \$0.10 per share (on a post 1 for 8 consolidation basis).

On 22 June 2017, the Company, Biztrak Business Solutions Sdn Bhd (**Biztrak**) and the shareholders of Biztrak entered into a binding heads of agreement (**Biztrak Agreement**), pursuant to which the Company agreed to acquire 100% of the fully paid ordinary shares in Biztrak from the Biztrak shareholders (**Biztrak Acquisition**). Biztrak is a Malaysian headquartered company involved in the provision of accounting and business intelligence software solutions.

On 14 July 2017, Mr R Y Ong resigned as a director of the Company.

On 13 September 2017, a 1 for 8 consolidation of the Company's share capital was completed.

On 24 November 2017, Mr Gary Lim was appointed as a director of the Company and Mr John Georgiopoulos resigned as a director of the Company.

On 27 November 2017, the Company completed the following:

- the Biztrak Acquisition;
- pursuant to the Biztrak Agreement, the Company issued 30,000,000 shares, 10 million class A performance rights and 20 million class B performance rights;
- issued 3,500,000 shares at an issue price of \$0.10 per share to the convertible note holders;
- the raising of \$5,616,004 in working capital pursuant to the issue of 28,080,021 shares at an issue price of \$0.20 per share;

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- issued 1,666,667 shares to directors in lieu of outstanding fees;
- issued 1,750,000 shares to the Company's lead manager and other brokers/advisors;
- issued 2,250,000 incentive shares to directors.

On 28 November 2017, the Company was admitted to the Official List of ASX.

On 30 November 2017, Official Quotation of the Company's securities on ASX commenced.

Net Tangible Assets

	31 Dec 2017	31 Dec 2016
Net tangible assets per share (cents/share)	\$0.074	\$0.038

Control gained over entities

Details of entities over which control has been gained or lost during the period:

On 27 November 2017 and following the receipt of shareholder approval, the Company acquired 100% of the issued share capital of Biztrak Business Solutions SDN BHD (**Biztrak**) (an entity incorporated in Malaysia). Biztrak also has a 100% owned subsidiary, Biztrak R&D SDN BHD (**R&D**) (an entity incorporated in Malaysia). The transaction resulted in Biztrak and R&D becoming 100% owned subsidiaries of the Company and the Company acquiring the Biztrak business.

The consideration paid by the Company for the acquisition of Biztrak was 30,000,000 fully paid ordinary shares and 30,000,000 performance rights (note: the shares and performance rights issued were issued post completion of a 1 for 8 consolidation of the Company's share capital).

Details of associates and joint venture entities

The company has no associates or joint venture entities

Audit Status

This report is based on accounts which are in the process of being audited. The Audited Annual Report is expected to be released by 29 March 2018.

Attachments forming part of the Appendix 4E:

Preliminary Financial Report of Cape Range Limited for the year ended 31 December 2017 is attached.

Signed By

28 February 2018

Wayne Johnson
Chairman
Sydney

Cape Range Limited
Preliminary Statement of Profit or Loss and Other Comprehensive Income
for the financial year ended at 31 December 2017

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Revenue	783,841	977,488
Cost of sales	(53,976)	(8,359)
Gross profit	<u>729,865</u>	<u>969,129</u>
Other operating income	2,878	2,571
	<u>732,743</u>	<u>971,700</u>
Administration expenses	(892,408)	(506,883)
Marketing & promotional expenditure	(69,616)	(27,782)
Other operating expenses	(49,681)	(53,484)
Finance costs	(32,940)	(17,369)
Share based payment	(3,773,216)	-
Total expenses	<u>(4,817,861)</u>	<u>(605,518)</u>
(Loss)/profit before income tax	(4,085,118)	366,182
Income tax expense	(55)	-
(Loss)/profit for the year	(4,085,173)	366,182
Exchange differences on translating foreign operations	23,275	(25,886)
Total comprehensive income for the year	<u>(4,061,898)</u>	<u>340,296</u>
	Cents	Cents
Basic and diluted (loss)/profit per share (cents per share)	<u>(36.3)</u>	<u>7.9</u>

Cape Range Limited
Preliminary Statement of Financial Position
as at 31 December 2017

	Consolidated	
	31 Dec 2017	31 Dec 2016
	\$	\$
Current assets		
Cash and cash equivalents	5,181,923	125,955
Trade and other receivables	740,026	492,745
Total current assets	5,921,949	618,700
Non-current assets		
Plant and equipment	79,538	77,217
Intangible assets	694,773	509,016
Total non-current assets	774,311	586,233
Total assets	6,696,260	1,204,933
Current liabilities		
Trade and other payables	468,555	79,399
Borrowings	90,513	90,342
Bank overdraft	60,465	36,617
Total current liabilities	619,533	206,358
Non-current liabilities		
Borrowings	229,670	374,420
Total non-current liabilities	229,670	374,420
Total liabilities	849,203	580,778
Net assets	5,847,057	624,155
Equity		
Issued capital	10,767,257	1,482,456
Foreign currency translation reserve	(2,612)	(25,886)
Accumulated losses	(4,917,588)	(832,415)
Total equity	5,847,057	624,155

Cape Range Limited
Preliminary Statement of Changes in Equity
for the financial year ended 31 December 2017

	Issued Capital Ordinary Shares	Performance Rights \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<u>Consolidated</u>					
Balance at 01/01/2016	1,482,456			(1,198,597)	283,859
Total comprehensive profit for the period	-	-	-	366,182	366,182
Foreign exchange translation reserve	-	-	(25,886)	-	(25,886)
Balance at 31/12/2016	1,482,456	-	(25,886)	(832,415)	624,155
Balance at 01/01/2017	1,482,456	-	-	(832,415)	624,155
Total comprehensive loss for the year	-	-	-	(4,085,173)	(4,085,173)
Foreign exchange translation reserve	-	-	23,274	-	23,274
Transactions with owners, in their capacity as owners and other transfers					
Shares and performance rights issued	6,081,660	3,000,000	-	-	9,081,660
Equity raising costs	(846,859)	-	-	-	(846,859)
Share based payments	1,050,000	-	-	-	1,050,000
Balance at 31/12/2017	10,767,257	3,000,000	(2,612)	(4,917,588)	5,847,057

Cape Range Limited
Preliminary Statement of Cash Flows
for the financial year ended 31 December 2017

	Note	Consolidated	
		31 Dec 2017 \$	31 Dec 2016 \$
Cash flows from operating activities			
Receipts from customers		551,381	624,800
Payments to suppliers and employees		(1,023,398)	(687,462)
Payment of income tax		(410)	-
Finance costs		(32,940)	(17,369)
Net cash from operating activities		<u>(505,367)</u>	<u>(80,031)</u>
Cash flows from investing activities			
Payments for property, plant & equipment		(23,482)	(67,755)
Payment for intangibles		(304,103)	25,210
Net cash received/(used) in investing activities		<u>(327,585)</u>	<u>(42,545)</u>
Cash flows from financing activities			
Proceeds from issue of shares		5,763,584	(44,439)
Loan from director		34,890	4,496
Repayment of hire purchase		(9,717)	(19,172)
Repayment of term loan		(50,354)	325,013
Repayment of long term loan		(84,509)	(78,298)
Net cash provided by financing activities		<u>5,653,894</u>	<u>187,600</u>
Net increase in cash and cash equivalents held		4,820,942	65,024
Cash acquired on acquisition		211,177	-
Cash and cash equivalents at the beginning of the year		125,955	24,315
Cash and cash equivalents at the end of the financial year		<u>5,121,458</u>	<u>89,338</u>

Cape Range Limited
Notes to the financial statements
For the financial year ended 31 December 2017

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Cape Range Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of Cape Range Limited and its controlled entities, comply with International Financial Reporting Standards as issued by the International Accounting Standards Board

Functional and presentation currency

The preliminary financial report is presented in Australian dollars.

Note 2. Acquisition accounting

On 27 November 2017, Cape Range Limited completed the legal acquisition of Biztrak (company incorporated in Malaysia). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations, with Biztrak deemed to be the accounting acquirer. The acquisition has been treated using the principles of reverse acquisition accounting. Effectively Biztrak has acquired the net assets of Cape Range Limited.

Accordingly the preliminary financial statements of the Cape Range Limited have been prepared as a continuation of the business and operations of Biztrak and the transaction measured at the fair value of the equity instruments that would have been given by the controlled entity, Biztrak, to have exactly the same percentage holding in the new structure at the date of acquisition. In accordance with AASB 2 Share Based Payments, the excess of the assessed value of the share based payment over the net assets of the Company as at the acquisition date has been expensed to the income statement as a deemed cost of acquisition.

The implications of the acquisition on the preliminary financial statements are as follows;

Preliminary Statement of Comprehensive Income, Preliminary Statement of Changes in Equity and Preliminary Statement of Cash flow.

- The 31 December 2017 statements comprise 12 months of Biztrak and its subsidiaries and the period from acquisition date to 31 December 2017 for Cape Range Limited.
- The 31 December 2016 comparative statements comprises the period from 1 January 2016 to 31 December 2016 of Biztrak only.

Preliminary Statement of Financial Position

- The preliminary statement of financial position as at 31 December 2017 comprises of Cape Range Limited and Biztrak.
- The comparative statement of financial position at 31 December 2016 comprises Biztrak.

Cape Range Limited
Notes to the preliminary financial statements
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Note 3. Segment reporting

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 \$
Year ended 31 December 2016				
Revenue from external customers	-	977,488	-	977,488
Inter-segment revenue	-	-	-	-
Reportable segment profit before tax	-	366,182	-	366,182
Year ended 31 December 2017				
Revenue from external customers	3,040	780,801	-	783,841
Inter-segment revenue	-	-	-	-
Reportable segment profit/(loss) before tax	(4,354,014)	268,841	-	(4,085,173)
Reportable segments assets at 31 December 2016	-	1,204,934	-	1,204,934
Reportable segments assets at 31 December 2017	14,174,722	1,607,104	(9,085,566)	6,696,260

Note 4. Contingent Assets and Liabilities

There are no contingent assets and or liabilities at the date of this report.

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Notes to the preliminary financial statements
for the financial year ended 31 December 2017

Note 5. Controlled entities

	Date control gained	Country of Incorporation	Principal Activities	Ownership %
Parent entity				
Cape Range Limited		Australia	Parent	
Name of Controlled Entity				
Biztrak Business Solutions SDN BHD	27 November 2017	Malaysia	Accounting software business	100%
Controlled entity of Biztrak Business Solutions SDN BHD				
Biztrak R&D SDN BHD	27 November 2017	Malaysia	Technology development	100%