



29 April 2021

Quarterly Activities Report – Quarter ended 31 March 2021

The Directors of Cape Range Limited (**Company**) present the quarterly activities report for the 3 months ended 31 March 2021 for its operating subsidiary, Biztrak Business Solutions Sdn Bhd (**Biztrak**).

For the first quarter of the 2021 financial year, Biztrak recorded revenue of \$119k (MYR 374k), which is a 21% decline when compared to the December 2020 quarter of \$159k (MYR 472k) and a 60% decline when compared to the March 2020 quarter of \$336 (MYR 924k). Biztrak also posted a loss after tax of \$3k (MYR 9.6k) for the March 2021 quarter, compared to the loss of \$1k (MYR 2.7k) in the corresponding quarter of 2020. The decline in revenue resulted from lower sales driven by a decline in domestic demand due to the COVID-19 situation in Malaysia.

Since 11 January 2021, the Malaysia government has activated a range of staged levels of lockdown in the country in an effort to contain the spread of the COVID-19 outbreak. Sudden surges in COVID-19 cases has resulted in tighter restrictions, which have adversely impacted the market, business confidence, spending decisions and even the viability of many Malaysian businesses.

The strategic direction of the Company, however, remains committed to its technology focus, the Biztrak business and its continued development and growth. The operational objectives of Biztrak have been focused on tightly controlling costs as the impact of COVID-19 across Asia has escalated.

Business and Product Highlights

Upgraded Website

During the quarter, Biztrak launched an upgraded and enhanced website. The new website delivers a more user-friendly browsing experience, which includes streamlined menus, simplified navigation, a responsive layout (that provides optimum viewing for all devices) and enhanced software solutions and services content.

Furthermore, the upgraded website deployed an upgraded Call-to-Action feature, including Online Enquiry Forms that allow customers to submit requests for support, demonstrations, questions and responses. In addition, a Newsletter Sign Up was created, together with Support via a WhatsApp option to increase customer service delivery.

The upgraded website contains integrated social media buttons for Biztrak's official Facebook, Instagram, Twitter, LinkedIn and YouTube channels, enabling improved communication with business partners and customers. These platforms are regularly updated with informative posts that relate to Biztrak's solutions and services, news updates, events and training seminars.

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Biztrak MSB

In the first quarter of 2021, Biztrak launched the import and export functions in the **Budget/Forecast Analysis** module. This function allows users to include their budget/forecast in their chart of accounts. By doing so, users can instantly and automatically compare their budget/forecast figures with the actual figures.

During the quarter, Biztrak also launched its **ePay Module** which is integrated with Malaysia's UOB and Hong Leong banks. The ePay Module allows Biztrak customers to schedule and remit payments through the banking system. The module allows customers to generate an 'ePayment' file, which is uploaded to their bank's portal for payment processing.

In addition, Biztrak completed the following development tasks, which are currently pending customer user acceptance testing prior to going live:

- **Intercompany Billing Function** – provides an easy way to track and issue Accounts Receivable Debit Notes based on the "Payment on behalf" or "Purchase on behalf" transactions and auto-creates Accounts Payable Debit Note transactions within the Biztrak database of the Biztrak MSB application;
- **Accounts Receivable Aging by Analysis Code Program** – a plug-in application which allows users to track outstanding Accounts Receivable Sales Invoice/Debit Notes with respective detailed account and analysis codes; and
- **Re-calculate Cost by Command Line Switches** - a plug-in tool allowing users to set a schedule to undertake the inventory item cost calculation without any third-party intervention.

The Biztrak MSB team is currently working on the **Payment Contra Wizard** development task, which is expected to be completed in the second quarter of 2021. The Payment Contra Wizard program allows transactions with a party who acts as both vendor and customer, to offset a sales invoice, debit note and/or credit note against the vendor invoice, debit note and/or credit note before generating payment to the vendor. Additionally, the Payment Contra Wizard program will auto-generate sales invoices based on prompt payment discounts provided by the vendor.

On 8 April 2021, Biztrak launched (via a virtual event) its new **Cloud Hosting Solution** for Biztrak MSB and Biztrak WMS customers. Supported by Virtual Private Server (**VPS**) technology, Biztrak's Cloud Hosting Solution is a flexible and scalable server hosting platform that allows users access to Biztrak MSB and Biztrak WMS applications anytime, anywhere 24/7 (except China) via a cloud hosting network. Users can connect to Biztrak applications securely with the VPS technology using a remote connection from any compatible desktop or laptop.

On 4 May 2021, Biztrak will virtually launch its new Biztrak MSB **E-Statement Module**. This module allows Biztrak MSB users to schedule the monthly despatch (by email) of customer statement of accounts.

Biztrak Online

During the quarter, the Biztrak Online team completed the **Financial KPI** dashboard, which is currently pending customer user acceptance test feedback. The Financial KPI

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dashboard includes 8 Profit & Loss Financial KPIs that provide management with the ability to regularly track an entity's ongoing financial performance. The Financial KPI dashboard is targeted to be launched in the second quarter of 2021.

The Biztrak Online team is working on the following developments:

- **Inventory Control Modules** – to provide total control and visibility of inventory; and
- **Open Web API Services** – for 3rd party interconnection with Biztrak Online.

Biztrak WMS

The Biztrak WMS team completed, during the quarter, a number of feature enhancements. These feature enhancements, include:

- **Biztrak Customer Web Portal** – that allows users from different locations and 3rd party logistics customers to:
 - i) submit Inbound Booking/Advanced Shipping Note (**ASN**)
 - ii) submit Inbound Booking /ASN by bulk
 - iii) tracking an ASN/Receive Status;
- **Combined Packing Wizard** – module that allows the packer to pack multiple order items in one packing. Once the combined packing process is completed, the packer can print out a "Packing Note Report". The Packing Note Report displays all outbound carton numbers and the respective packed items and quantities.
- **Mobile Application Combined Pick Module** – allows the system to generate multiple orders in one warehouse picking (**Combined Pick**) transaction through to posted status and then auto-generates the transaction if all items are fully picked as per the required quantities in the Combined Pick transaction.

Moving forward, Biztrak WMS is to be upgraded as follows:

- i) **extend the web API services** – for e-Commerce integration;
- ii) **billing module** – to allow users to enter sales invoices that include storage, loading, unloading and repacking charges; and
- iii) **develop a kitting master file setting and kitting wizard** – to simplify the ordering process.

Marketing Initiatives

Given the current Malaysian Covid-19 restrictions and uncertainty, Biztrak will focus on increasing its online efforts and initiatives to market its accounting and software solutions and services to both customers and prospective customers in order to attract new business.

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As part of these initiatives, to source new Biztrak Online users, Biztrak will undertake a series of complimentary Biztrak Online Cloud Accounting tutorials in different languages (English, Malay and Chinese).

In addition, Biztrak will conduct a Virtual Briefing Session (via Zoom) for the introduction of the Web Portal and Mobile Application for Biztrak WMS. The session is designed to give customers a better understanding of the Biztrak WMS Web Portal and Mobile application, including key features, functionality and capability, as well as a live demonstration.

As previously mentioned, the launch of the new E-Statement Module for customer Statements of Account is scheduled to take place via a virtual Zoom event on 4 May 2021.

Furthermore, Biztrak continues to enhance and utilise its prospect database.

Expenditure (A\$'000)

Biztrak expenditure on the business activities undertaken during the quarter and described in this report are as set out below:

- Website – \$5k (MYR 15k), which includes Malaysian staff costs and direct expenditure
- Biztrak MSB – \$67k (MYR 218k), which includes Malaysian staff costs, business partners referral fees and direct expenditure attributable to the product/service
- Biztrak Online – \$51k (MYR 158k), which includes Malaysian staff costs
- Biztrak WMS – \$21k (MYR 66k), which includes Malaysian staff costs

During the quarter, a total of \$60.8k was paid to related parties of the Company as follows:

- \$55k for director fees paid to non-executive directors (including superannuation)
- \$4.3k for the provision of services by a non-executive director
- \$1.5k to a director for office rent

Authorised for release by the Board

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