



For personal use only

Annual Report

For the year ended 31 December 2019

Contents

Operating and Financial Review	Page 3
Directors' Report	Page 8
Auditor's Independence Declaration	Page 14
Remuneration Report	Page 15
Financial Statements	Page 25
Directors Declaration	Page 59
Independent Auditor's Report	Page 60
Shareholder Information	Page 66

For personal use only

Operating and Financial Review

Business Summary

In 2019 Range continued its primary objective of stabilising the Company's business and resetting the Company's platform for growth. During the period the Company sought to optimise the Company's operations by reviewing processes and implementing cost-effective improvements. Unfortunately, sales remained in line with 2018 and this is of course an area of focus for the Board and CEO. We completed the year with a A\$2.40 million capital raise via a placement to professional investors and an oversubscribed SPP. We would like to thank our shareholders for their continued support.

Sales

We see sustainability as a key driver for many companies within SE Asia including Indonesia. There is a change in the attitude towards recycling in Indonesia and recently President Joko Widodo declared a target of a 70% reduction in plastic waste by 2025. This will add impetus for Governments, Provinces and Companies to take care of their waste. There are additional tailwinds starting to form favourably for our business including the drafting of producer responsibility legislation to ensure that manufacturers have responsibility for their packaging and a move towards plastic pallets from timber pallets in the food and beverage industry in Indonesia. We remain well positioned to benefit from these market forces as well as the drive to stop deforestation under Sustainable Development Goals.

Sales in 2019 were disappointing and we are trying to address the core reasons. We are recruiting new salespeople, as we have remained under resourced in this area, and adding new pallet designs to our portfolio. In 2019 we completed the HD1210L mold (used by Nestle, LF Logistics and others) and there were unfortunately many iterations of this pallet through the client testing process which slowed our pallet development down. We are looking to address this by investigating outsourcing some components of pallet mold manufacture, and retaining some in-house.

I am very pleased that Unilever Oleochemical, Nestle Philippines, Givaudan Indonesia, and DynaPlast provided repeat orders in 2019. These repeat orders from large brands are encouraging, and as well as Re>Pal making a quality pallet, the repeat orders reflect the desire for large multi-nationals to purchase a zero waste, recycled product.

As part of the testing of client packaging in 2019, Re>Pal partnered with Danone using its Oriented Poly Propylene (OPP) plastic label waste successfully in our pallet, though at the time of writing we are still waiting for delivery of the first offtake from the Pasuruan factory; and DynaPack with their HDPE factory waste being used in their pallets during 2019. Re>Pal pallets provide a pathway for reuse of corporate waste rather than risking it reaching landfill in Indonesia. Active conversations are being held with a range of multinational corporations within Indonesia about how Re>Pal can uniquely help their environmental footprint by recycling multi-layer laminated plastics, sachets and foils.

At the time of writing we have successfully completed testing of TetraPak's waste into pallets. We hope that we can market this capability in collaboration with them to their client base. We have also successfully tested HDPE oil bottles into pallets as we look to build relationships with the larger logistic distributors of such products, as well as looking to receive sources of these plastics.

As a part of this investigation for oil bottles we have successfully obtained a license for hazardous non-B3 waste to be stored at Re>Pal.

As a way to improve our client's 'circularity' we can also credit them for any broken pallets under the Take>Bak scheme where old or damaged pallets are re-ground and/ or clients' waste is taken to re-process in our factory, and a credit given to a client's account. This should help us provide a residual value for the pallet to help sales, as well as providing a stream of lower cost raw materials for the factory in the future at pallet end of life.

Our Unique Sales Proposition, is that we can add client's waste into the Re>Pal pallet (we don't use pellets like other companies, and we are 100% recycled) so we can have a direct waste-to-pallet conversion. Given the focus of FMCG and packaging companies on 'zero waste' we believe that this can help our sales in 2020, though there are also significant lead times on testing various types and levels or concentrations of wastes that work in our pallets. However, it is an exciting time for producer responsibility related testing and I hope that Re>Pal can collaborate with many top brands to help them upcycle their waste into a pallet asset.

Operations

Operationally, the pelletizer was reviewed by the initial equipment supplier during May 2019, with the aim of improving throughput, to allow for more efficient pellet production and cost reductions per unit produced.

Improving the waste-cleaning quality and throughput, as well as expanding the sources from which raw materials are obtained, are key to ongoing successful and efficient operations. In 2019 instead of purchasing clean and 'dry' plastics, we achieved operational capability of our in-house wash plant, using two raw material wash lines in September 2019 and leveraged existing equipment, electricity, and in-house labour to further reduce the price of raw materials. We have reallocated under-utilised staff to the wash process. To further improve the quality of our in house washing plant we have

engaged an expert Indonesian company to ensure that our previously redundant Waste Water Treatment Plant works to specification. We also added an additional 'dry-friction' wash plant during December 2019, from re-purposed equipment available in the factory which has added to the capacity to clean waste plastic internally at a lower cost than purchasing clean plastic externally. An additional benefit of the dry friction plant is that it adds flexibility to 'clean' waste in a different way that works for the TetraPak style waste or the oil bottle waste for example.

To further improve operations in 2020, an additional drying stage, pre-pelletising, is being considered to reduce pellet humidity and therefore improve throughput. It will increase the efficiency of the pelletiser and reduce rejected pallets in the extrusion process at a relatively small capital cost.

Reducing the price of dirty plastic pricing is a key focus for the Company as well as maximising throughput and quality. Reducing this cost by diversifying suppliers, collaborating with companies that have factory waste or with NGO's where Re>Pal can provide long term offtake arrangements, among other initiatives, does have an immediate and direct impact on our bottom line if we can achieve reductions. Consequently, Range continues to work on raw material initiatives with many new potential partners to add supply at lower pricing. Our ideal client is one with high demand for pallets and a high volume of processed plastic waste, such that it only needs pelletising or extruding rather than pre-processing/washing.

Outlook/Growth

With the rapid onset of COVID-19 the outlook for our business in 2020 has become very difficult to predict. We will most likely continue to see small and medium size orders as we have in the past 2 years but the likelihood of securing one or more anchor clients has become clouded as other business priorities may distract our current and future clients from making the choice between our product and other less environmentally sustainable products less urgent than it was just several months ago.

Notwithstanding the challenges our business faces, Range's key objectives for 2020 are to land other marquee clients and as a result generate a higher volume of sales of pallets than we achieved in 2019 within our core market of Indonesia and near-Asia, as the shift to the 'circular economy' continues. Of course, all sales need to be delivered at a sustainable Cost of Goods Sold.

To generate more sales opportunities, at the time of writing the Company has added 2 additional sales people and as mentioned above we are aiming to add 2-3 new pallet molds in 2020 to deliver new pallets for prospective customers. As shareholders are acutely aware, the sales cycle for pallets is complicated and long and we have a limited range of pallets sizes and types. Due to development times of molds, taking up to 5 months, we will investigate the outsourcing of the mold manufacture with parallel manufacture in-house.

We remain focused on improving the sales pipeline, building our social media footprint to help with lead generation and partnering, and the building out the sales team. We require new products to meet market demand and hopefully our close collaboration with clients will result in sales as well as successful fruition of the waste-into-pallets opportunities.

We remain vigilant on optimising head office and subsidiary structure costs, as well as board costs and sizing ensuring that they are appropriate for a company of Range's market capitalisation.

Financial Review

Results for the year

The Group reported a loss after tax of \$9.2 million for the 2019 reporting period (2018: \$7.2 million). The results include impairment of \$5.4 million, (2018: significant items, \$1.1 million). Note: All amounts in this Operating and Financial Review are in US dollars unless otherwise stated.

	2019 US\$'000	2018 US\$'000	YOY%
Sales revenue	1,655	1,655	0%
Cost of goods sold	(3,056)	(3,791)	(19%)
Gross loss	(1,401)	(2,136)	(34%)
Significant items	(5,409)	(1,974)	174%
Other expenses	(2,397)	(3,636)	(34%)
Income tax	-	-	0%
Statutory net loss after tax	(9,207)	(7,746)	19%

Revenue for the reporting period was \$1.7 million, the same as 2018 revenue. As the Company increased sales capacity within Indonesia and Philippines, sales in other jurisdictions, where the Group previously had a presences declined. This was offset by a reset in market selling prices in the second half of 2019. Further detail of revenue by operating segment is disclosed in note 2.

Cost of goods sold decreased during the reporting period by \$0.73 million in total, due to lower costs across all cost of goods sold categories. Labour costs decreased by \$0.14 million. Raw materials costs were lower by \$0.23 million due to the in-house material washing line providing a portion of lower priced raw materials. Electricity costs were lower by \$0.18 million due to optimizing non-peak electricity usage and a change in shift patterns. Other production costs were lower by \$0.18million.

Other expenses decreased compared to 2018, as a result of cost cutting to stabilise the Company, which provided savings in sales and marketing expenses of \$0.39 million and other operating costs savings of \$0.39 million was recorded.

Significant items during 2019 are primarily related to an impairment at the 2019 half year of Intellectual Property and Property Plant and equipment of \$5.4 million compared to impairment of one extruder in 2018. Whilst a number of key relationships have been established, and the circular economy movement is becoming more pertinent in Indonesian, the impairment charge was driven by the delays in the receipt of actual sales orders and lower projected cash flows within the business plans resulting from a reassessment of expected timing of the said orders.

In order to provide support to the fair value of the Company's assets, the Company obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress (Assets). All Assets valued are carried at the lower of fair value or carrying value, in particular, the land is carried at \$1.1 million less than its fair value as at 30 June 2019.

Range's focus has been to increase sales, optimise the current overheads structure with a view to extending the Company's cash flow runway. As at the end of December 2019, the Group had \$0.57 million in cash. The Company has no debt.

During December 2019 the Company successfully completed a conditional placement ("Placement") which was approved by shareholders at an Extraordinary General Meeting held on 6 January 2020. In addition the Company concluded a share purchase plan ("SPP") which was oversubscribed and consequently, in accordance with the terms and conditions of the SPP, the Company scaled back the allotment of new shares under the SPP to A\$0.9 million on a pro-rata basis across all eligible SPP applicants and has returned monies to eligible SPP applicants.

The total amount raised under the Placement completed in December 2019 was A\$1.5m and the SPP A\$0.9million a total of approximately A\$2.4 million.

The new shares under the SPP and Placement were issued on 14 January 2020, with holding statements were despatched on 15 January 2020.

The attached annual report for the year ended 31 December 2019 contains an independent auditor's report which includes a material uncertainty related to going concern paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 1 to the financial statements, together with the auditor's report.

Risk

The Group’s business is exposed to a range of risks that have the potential to impact the Group’s financial and operational business performance.

The Board is responsible for recognising and managing risk and has established the Audit and Risk Committee to assist it in fulfilling these responsibilities, amongst others. The Audit and Risk Committee oversees the management of a risk register.

The Audit and Risk Committee reviews the Company’s risk register on annual basis.

For each material risk to the achievement of the Company’s strategic objectives, potential mitigation measures are identified for which a member of management is assigned responsibility to track progress in the extent to which potential mitigation measures are being implemented and any changes to the profile of the risk.

The following table represents a summary of the material business risks faced by the Company and the strategies adopted to manage those risks. Please refer to Note 20 to the Financial Statements for details of the Group’s financial risk management and objectives.

The risks listed are not all encompassing nor are they listed in order of significance.

Material Business Risks	Risk Management Strategy
<p>Risk of non-delivery of gross sales against objectives</p>	<p>The sales performance against our goals has underperformed. Legacy quality issues and a limited product range have not helped our cause and the areas below are always being worked on to minimise the risk of below budget sales, however this is a very real risk as the competition from timber pallets is still strong as they are often very low price, and the competition from virgin plastic pallets is strong especially in the food and beverage niche. Injection molded plastic pallets are the major competitor for blended recycled pallets and injection molded pallets certainly have more flexible designs than our compression molded pallets; our advantage currently is that we have flexibility of waste input so we are aiming to help our major brand FMCG customers recycle their waste into our pallets.</p> <p>Meeting Range’s sales objectives involves offering products that meet customer requirements and market expectations for quality and price,, promoting and marketing such products effectively via a range of channels so that customers have good visibility of the products Range offers and having a competitive product portfolio that addresses key markets (including chemicals, food & beverage, general warehousing, export). Having a fully staffed and skilled sales team, and reseller network to build our business in Indonesia and South East Asia is critical. Additionally building the Re>Pal brand adequately that it has penetration with the large multinationals such that they recognise the potentially symbiotic arrangements of their waste converted into pallets is increasingly important.</p> <p>To be competitive It is vital that Range anticipates the pricing and product features required by customers require and understands the trends in the pallet industry.</p> <p>An important part of understanding customer requirements is regular engagement with them. Range, through its sales force and led by the CEO Stephen Bowhill, who works closely with FMCG customers to build awareness of Re>Pal products, understand customers’ product needs and identify the product features that will be attractive to them. A customer relationship management system was implemented in September 2018 to enable closer management and reporting of the sales pipeline and track pallet needs. These findings are reviewed by the CEO with the sales force and reported to the Board.</p> <p>The Board receives regular reports of key customers expected to purchase Re>Pal products and how the sales team has been engaging with those customers on a monthly basis.</p> <p>Range is focusing its sales and marketing efforts primarily in its home market, Indonesia as this is a large enough domestic market to enable Range to have a proven business.</p>

For personal use only

<p>Risk of inability to meet customer orders due to production constraints or quality standards</p>	<p>In the plastic pallet market, competing against virgin plastic pallets, the need for a high quality product is essential. Unfortunately we have had quality issues since the factory was started and it is important that these are addressed, mostly around the area of processing waste into a non-odour feedstock for the pelletiser machines.</p> <p>The original production process design included the use of manual sorting process, wash plant a waste-water treatment plant (WWTP) and a pelletiser process (collectively material pre-processing equipment). In particular the WWTP functioning correctly will reduce the risk of potential 'odour' of a recycled pallet.</p> <p>The Company reviews its production and its production processes with a view to ongoing continuous improvement of production efficiencies, during the period an in house wash plant was established.</p> <p>Range also has the experienced personnel to ensure the regular servicing and maintenance of production equipment. Downtime has been included in the production schedule to allow for maintenance. The Company undertakes performance monitoring and has ISO-driven quality control processes.</p> <p>Range has adopted a build to customer purchase order approach. There is significant production factory capacity to fulfil existing orders. Factory capacity can also be increased in a short time frame if it was required, subject to the number of molds that are in inventory to make a pallet. Some pallets only have one mold, so we can only produce using one line, until a new mold is developed if there is sufficient product demand.</p>
<p>Risk of non-delivery of objectives due to inadequate supply and quality of raw materials at a sustainable price</p>	<p>The production of Range's Re>Pal pallets is dependent upon having an uninterrupted and sufficient supply of low cost waste plastic of a specified quality available within Indonesia following the ban on importation of plastic waste.</p> <p>Range continues to source raw materials from across Indonesia and continues to review opportunities for diversifying the source of raw materials including different collection points and corporate waste options. Range is continually looking to diversify these sources geographically within Indonesia, and building more suppliers. Due to the Extended Producer Responsibility legislation in Indonesia, there is the potential that more packaging materials becomes available from corporates to recycle into pallets.</p> <p>However, should any ban on plastic bags in particular be introduced, this could have an effect on the supply of one of Re>Pal's key raw material inputs. Re>Pal reused and recycled over 5,800 tonnes of plastics from landfill and transfer centres in 2019 which was in the main dirty plastic bags. Another key risk is if we cannot secure enough waste plastics at the right price; there are waste to energy plants coming on stream in Indonesia within the next few years and these present a risk to sourcing materials competitively.</p> <p>Range continues to develop its pre-processing capabilities with a view to processing multiple raw materials sources within the production process. The Board receives monthly updates on the Company's supply of raw materials and the activities of the procurement team. Reducing raw material pricing, diversifying supply and building corporate recycling connections remains key focus areas for the management team in 2020.</p>
<p>Risk of loss of protection of intellectual property rights</p>	<p>Protecting Range's proprietary technology is an important part of Range being able to compete successfully. Range relies on a combination of trade secret, confidential information and trademark laws, non-disclosure and other contractual agreements and technical measures to protect its proprietary rights. The Board and management recognise the importance of implementing a considered strategy in respect of intellectual property matters, including protecting the Group's proprietary technology in order that the Group may compete successfully. The Company trains its staff in the requirements of the Company's intellectual property protection strategy and has implemented a non-disclosure agreement protocol. The Company has ensured the secure storage of intellectual property and where appropriate, registration of its intellectual property interests.</p>
<p>Risk of potential litigation such as breach of third party intellectual property rights</p>	<p>The Company recognises that intellectual property litigation poses risks and uncertainties that may materially and adversely affect or disrupt its business or results of operations. The Audit Committee has established a Legal Matters Register on which management report at each Audit Committee meeting.</p>

For personal use only

Risks associated with operating in foreign countries	Operating in a foreign country creates various risks to the business. The Company is managing these risks by engaging accounting and legal professionals and other third parties to advise and assist in respect of the establishment and running of our overseas offices and by engaging experienced local personnel in our Pasuruan factory.
Risks relating to workplace health and safety	The health and safety of Range's people is a key priority for the Range Board. The Company manages health and safety risks by engaging experienced workplace health and safety personnel in the Pasuruan Factory, following ISO processes and ensuring equipment is appropriately maintained and used. Staff undertake appropriate training where required.
Bribery and corruption	Range recognises that allegations of bribery or corruption could significantly damage Range's reputation and impact Range's financial performance and that Indonesia would be a high-risk country. The Company requires all staff to comply with its Code of Conduct and Anti-Corruption and Bribery Policy.
Reliance on key staff	The successful achievement of Range's objectives is reliant on the capabilities of a number of key employees. The loss of one or more of the key employees and any delay in their replacement may adversely impact the ability of Range to implement and expand its business and growth strategies.
Risk associated with the current enterprise resource planning system	Range's current enterprise resource system does not capture all activities of the business (such as production planning and management) and may be unable to scale-up with future business growth and associated complexity.
Development of competing products	Range operates in a competitive global pallet market. Wooden pallets at low prices are a major competitor as the low pricing makes them hard to dislodge, and virgin plastic pallets at general higher pricing than both wood and Re>Pal plastic compete on quality. It is important that Range is able to build scale for a pallet that has enough annualised volume in demand and given the multitude of specifications and sizes this will remain a constant objective. Competitors or new entrants might develop similar new products or technologies which compete with Range and its ThermoFusion™ technology. Range regularly monitors information relating to the global pallet market to inform itself of available products.
Liquidity and funding	The operating and financial performance of Range and its ability to grow, is partly reliant on its ability to manage all of its activities which generate cashflow and if needed, secure sufficient additional capital. There is a risk that Range may not be able to access capital from debt or equity markets for future expansion or may only be able to do so on restricted terms. The inability to access required capital could have a material adverse impact on Range's business and financial condition. Refer to note 1 within the financial report.
Indonesia labour hire	The labour hire rules in Indonesia are inflexible and mean that downsizing workforces there are not easy or quick. Additionally Indonesia ManPower laws can stipulate that there are fixed % wage increases that are non-negotiable.
Indonesia utilities	Our electricity contract with PLN is inflexible, even if we do approach PLN now and again, and results in high minimum fees meaning that to a degree we always need to be producing a minimum level of product
COVID-19	As of the time of writing a new risk has entered the market and it proves a very serious risk to all businesses. Business volumes are likely declining globally and potentially the shipment of goods. There is the potential for this new virus to significantly alter demand for our client's goods resulting in less orders, more worryingly for new prospects and their projects the lead times on deals were already significant in testing or working with the prospects on new designs and now these lead times could be stretched even further or projects for new pallets or waste into pallets may be cancelled altogether.

Directors Report

Your Directors present their report on the consolidated entity consisting of Range International Limited (ASX: RAN) (referred to hereafter as 'Range' 'the Company' or 'the Group'), and the entities it controlled at the end of, or during, the year ended 31 December 2019.

Directors

The Directors of the Company during the year and up to the date of this report are shown below.

Name	Position title	Term
Non-Executive Directors		
Peter Wallace	Non-Executive Director Non-Executive Chairman	Appointed 10 September 2018 to 24 January 2019 Appointed 24 January 2019 to 5 December 2019
Kenn McMillan	Non-Executive Director	Appointed 28 February 2018
Matthew Darby	Non-Executive Director	30 October 2017 - 28 February 2018 and from 24 January 2019
Executive Directors		
Richard Jenkins	Executive Chairman	Appointed 5 December 2019
Christopher Fong	Executive Director	Appointed 5 December 2019
Matthew Darby	Executive Chairman	Appointed 28 February 2018 to 24 January 2019

Board of Directors

Information on the qualifications, experience and special responsibilities of each Director is set out below.

Richard Jenkins, Executive Chairman

Responsibilities: Chair of Remuneration and Nomination Committee and a Member of Audit and Risk Committee

Experience: Richard commenced work with Hill Samuel in 1979 in the Financial Markets Division. In 1986 Hill Samuel became Macquarie Bank and in the same year, Richard was appointed an executive director of the bank.

In 1990 he became the Head of the bank's Equities group which included institutional and retail stocking broking and proprietary trading activities. He steered the offshore growth for Macquarie Bank and oversaw the establishment of offices in both the western and eastern hemispheres. In 1992 he joined the Executive Committee of the Bank and in 2000 he became co-head of the investment bank.

In July 2001 he left Macquarie and in 2004 he set up Shell Cove Capital Management which holds an Australian Financial Services Licence. In 2018 Shell Cove established a fund that focuses on listed and unlisted small capitalisation stocks and the fund has been a shareholder of Range since mid-2018. Richard has spent extensive periods of time in Indonesia from 2010 until 2018. He brings with him a wide variety of business capabilities and experiences that will greatly enhance the prospect for success in the next phase of growth for Range International.

Interests in shares and options: 21,666,667 shares; 12,000,000 options

Other Directorships in the last three years: Nil

Christopher Fong, Executive Director

Responsibilities: a Member of the Remuneration and Nomination Committee and the Audit and Risk Committee

Experience: Chris is an Australian with thirty years of business experience in Indonesia. In 1992 he was appointed country manager (Indonesia) for media services group YRN, followed by Vice President, Marketing overseeing offices in 6 countries. In 1998 he became a managing partner in a Singapore based communications business that experienced significant growth associated with the Indonesian market. Over the following ten years, Chris managed a diverse range of projects from debt restructuring, crisis management, consumer and brand development to democratic and environmental reform on behalf of multinational corporations, family-controlled conglomerates and government.

In 2009 the business was purchased by the Bakrie Group (Indonesia) with Chris taking up a new role as advisor to the Chairman, a position that he has maintained for the past ten years.

Interests in shares and options: 14,687,259 shares; 12,000,000 options

Other Directorships in the last three years: Nil

Matthew Darby, Founder and Non-Executive Director

Experience: Matthew has an entrepreneurial background having founded a number of companies prior to Range. His first venture was Media Partners, which he founded in 1992. Media Partners was a specialist advertising company, which was sold to US based TMP Worldwide in 1996. Following this, he started EStarOnline in 1997. EStarOnline was a proprietary logistic software system company used by companies such as Village Roadshow and the Rugby World Cup. The company was listed on NZX in 1999 and Matthew exited the business and divested his shareholding in 2002. In 2002, Matthew founded Range with the aim of developing sustainable technology for the pallet industry. He led the Company through nearly 10 years of research and development before moving the business to Indonesia in 2012. Matthew assumed the role of Executive Chairman on 28 February 2018 to lead the Back to Basics strategy and returned to a non-Executive Director role on 24 January 2019.

Interests in shares and options: 19,098,899 shares; 1,413,448 options

Other Directorships in the last three years: Nil

Kenneth Andrew MacMillan, Non-Executive Director

Experience: Kenn has over 26 years of financial services experience, beginning in 1990 as a Client Advisor at JB Were & Son and then Merrill Lynch in 1998. He was promoted to head Merrill Lynch's Australian Private Client business in 2000 where he was responsible for managing the entire business including the national team of client advisors. Kenn joined UBS Wealth Management in 2004 as head of its Sydney office and was promoted to Managing Director in 2007. In January 2013 Kenn joined Quantum as head of Qsmart Securities Pty Ltd and in July 2017 joined Peloton Capital. Kenn has significant experience managing financial services businesses and advising professional investors and corporate clients on all aspects of their businesses including raising capital, strategy and investment in all asset classes, particularly domestic and international equities and domestic and international fixed income and foreign exchange.

Qualifications: Bachelor of Economics, RG146 registered, Accredited Derivatives Advisor (levels 1 and 2)

Interests in shares and options: Nil

Other Directorships in the last three years: Nil

Peter Francis Wallace, Non-Executive Director

Responsibilities: Member of Remuneration and Nomination Committee and Chair of Audit and Risk Committee

Experience: Peter has over 30 years' experience as a Director in various listed and unlisted companies, having worked in private equity, corporate advisory, non-executive directorships and financial control. He has primarily worked with emerging growth companies providing sound, independent, creative and experienced counsel, in a wide range of industries including distribution, financial services, healthcare, biotechnology, information technology, manufacturing and retail. Having undertaken numerous IPOs and takeovers and is well versed in contemporary directors responsibilities through current roles, and as a Fellow of Australian Institute of Company Directors.

Qualifications: Bachelor of Commerce, Masters of Business Administration and is a Chartered Accountant

Interests in shares and options: 3,533,333 shares

Other Directorships in the last three years: Peter is currently non-executive chairman of ASX listed, Ambertech Limited, non-executive director of The Executive Connection Pty Limited and Carte Blanche Australia Pty Limited. Peter was a non-executive director of ASX listed THC Global from 2017 to 2018.

Company Secretary

Kim Bradley Ware, BCom, LLB, CPA

Kim was engaged by Range as Chief Financial Officer and Company Secretary on 1 April 2018. She is an experienced corporate governance professional with more than 20 years financial, commercial and company secretarial experience gained in private practice and in-house roles.

Principal activities

The Groups' principal activity in the course of the financial year was the manufacture of plastic pallets made from 100% recycled mixed waste plastic. There was no significant change in the nature of the Group's activities during the financial year.

Remuneration Report

The remuneration report required under section 300A(1) of the Corporations Act 2001 is set out within this report and forms part of the Directors' Report.

Review and Results of Operations

Information on the operations and financial position of the Group and its business strategies is set out in the review of operations and activities of this annual report.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group since the end of the financial year.

Going Concern

During the year, the Group incurred an operating loss after tax of \$9.2 million (FY2018: \$7.2 million), net operating cash outflows of \$2.6 million (FY2018: \$4.2 million) and investing cash outflows of \$0.08 million (FY2018: \$1.6 million).

As at 31 December 2019 the Group has cash and cash equivalents of \$0.57 million (Dec 2018: \$3.3 million).

During December 2019 the Company successfully completed a conditional placement ("Placement") which was approved by shareholders at an Extraordinary General Meeting held on 6 January 2020. In addition the Company concluded a share purchase plan ("SPP") on 9 January 2020 which was oversubscribed and consequently, in accordance with the terms and conditions of the SPP, the Company scaled back the allotment of new shares under the SPP to A\$0.9 million on a pro-rata basis across all eligible SPP applicants.

The total amount raised under the Placement completed in December 2019 was A\$1.5m and the SPP A\$0.9million a total of approximately A\$2.4 million.

In connection with the Placement two new Executive Directors were appointed to the Board Richard Jenkins and Christopher Fong. Both Richard and Chris have substantial experience working in Indonesia and in conjunction with the other Non-Executive Board members are working hard to give the business more sales capacity and strengthen the sales pipeline.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group within uncertain times of COVID-19 to:

- deliver sales targets, noting that countries and companies may be impacted by closures and reduced ability to fund acquisitions for periods of time. As such management are actively monitoring conditions in Indonesia and holding active discussions with current and potential customers;
- improve margins;
- manage its cost base;
- manage the health and safety of its people to minimise any need for a potential shut-down at the manufacturing facility; and
- access additional sources of capital, in an unstable investment and economic environment.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board and management believe that the consolidated entity will be successful in the above matters and, accordingly, have prepared the financial statements on a going concern basis.

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2019. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Dividends

There is no current intention for Range to pay a dividend. In the event that Range reaches profitability, it may consider the payment of a dividend, although for the foreseeable future it expects to reinvest any free cash flow in the further expansion of the business.

Subsequent events

During December 2019 the Company successfully completed a conditional placement (“Placement”) which was approved by shareholders at an Extraordinary General Meeting held on 6 January 2020. In addition the Company concluded a share purchase plan (“SPP”) on 9 January 2020 which was oversubscribed and consequently, in accordance with the terms and conditions of the SPP, the Company scaled back the allotment of new shares under the SPP to A\$0.9 million on a pro-rata basis across all eligible SPP applicants.

The total amount raised under the Placement completed in December 2019 was A\$1.5m and the SPP A\$0.9million a total of approximately A\$2.4 million.

On 14 January 2020 160,316,458 new shares were issued pursuant to the SPP and Placement.

The Company also appointed two new Executive Directors, Richard Jenkins and Christopher Fong.

Richard and Chris are highly qualified and welcome additions to the Board. They are significant shareholders in Range International and bring deep business and finance experience with many connections across multiple industries, including in Indonesia.

In connection with Mr Jenkins and Mr Fong appointment(s) shareholders at an Extraordinary General Meeting held on 6 January 2020 approved the issue of 12,000,000 options to each of Mr Jenkins and Mr Fong, and 24,000,000 options were issued by the Company on 14 January 2020.

Finally, while we are seeing the Coronavirus spread globally, there is no specific risk at the factory at the time of writing, there are disruptions in supply chain in our clients and prospects and we do expect that certain prospects may delay trial or implementing Re>Pal pallets due to the current virus.

At the date of authorisation of the financial report the Group is continuing to monitor and respond to the effects of the COVID-19 virus. Any financial effect of the virus is unknown.

Likely developments in future years

Logistic demand for pallets is strong, and there is a drive to sustainability that is gathering pace through the next decade. This includes recent legislative changes for Indonesia including the adoption of recycling packaging rules. This may well be an opportunity over future years for Re>Pal to integrate waste streams from our pallet clients into the pallet. This trend will therefore also contribute to lower raw materials costs over time.

Range will continue with its longer-term strategy of developing its product range, developing its sales capability, driving product quality, and ultimately scaling up production.

Environmental regulations

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Meetings of Directors

The number of Board and Board Committee meetings held and attended by each Director during the year ended 31 December 2019 is detailed below:

Director	Committees							
	Board		Audit & Risk Committee		Remuneration & Nomination Committee		Special Purpose Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Matthew Darby	15	15	-	-	-	-	-	-
Kenneth MacMillan	15	15	2	2	-	-	-	-
Peter Wallace	15	15	2	2	-	-	1	1

Held: represent the number of meetings held during the time the director held office or was a member of the relevant committee.

Corporate governance

The Company and the Board are committed to achieving and demonstrating corporate governance standards commensurate with the size of the Company. The Company has reviewed its corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) and the Company's corporate governance statement which can be found on its website at <http://investors.rangeinternational.com/Investors/?page=corporate-governance>

Indemnification of officers

The Company has entered into a deed of access, indemnity and insurance with each Director, which confirms each Director's right of access to certain books and records of the Company while they are a Director and after they cease to be a Director. The deed also requires the Company to provide an indemnity for liability incurred as an officer of the Company and its subsidiaries, to the maximum extent permitted by law.

Pursuant to the Company's Constitution, to the fullest extent permitted by law, the Company must indemnify each officer of the Company and its wholly owned subsidiaries and may indemnify its auditor against any liability incurred as such an officer or auditor to a person (other than the Company or a related body corporate). The deed of access, indemnity and insurance restates this indemnity and also provides that the Company must advance to the Director, costs reasonably incurred by the Director in connection with certain proceedings.

The Company's Constitution also allows the Company to enter into and pay premiums on contracts of insurance, insuring any liability incurred by a current or former Director and officer of the Company. The deed of access, indemnity and insurance requires the Company to use its best endeavours to maintain an insurance policy, which insures the Director against liability as a Director and officer of the Company from the date of the deed until the date which is seven years after the Director ceases to hold office as a Director.

During the reporting period, the Company entered into and paid premiums on:

- (i) a contract of insurance in respect of the Directors and other officers of the Company insuring them in accordance with the requirements of the Company's Constitution and the deeds of access, indemnity and insurance. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.
- (ii) a contract of insurance in respect of the Directors insuring them for costs incurred in defending proceedings relating to alleged conduct involving a wilful breach of duty or a contravention of Sections 182 or 183 of the Corporations Act 2001 provided that to the extent it is finally established in a final and non-appealable judgement or adjudication adverse to the insured that such conduct occurred, any previously advanced amounts must be repaid to the insurer (as permitted by Section 199B of the Corporations Act).

Non audit services

The following non-audit services were provided by the entity’s auditor, BDO East Coast Partnership. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO received or are due to receive the following amounts for the provision of non-audit services:

	US\$'
Other assurance services	14,780
	<u>14,780</u>

Auditor’s Independence Declaration

The Auditor’s independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 14.

Rounding of amounts

The Company is of a kind referred to in Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the Directors’ Report. Amounts in the Directors’ Report and in the financial report have been rounded off in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of Directors.



Richard Jenkins
Executive Chairman
27 March 2020

For personal use only

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF RANGE INTERNATIONAL LIMITED

As lead auditor of Range International Limited for the year ended 31 December 2019, 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 Range International Limited and the entities it controlled during the period.



LEAH RUSSELL
Partner

BDO East Coast Partnership

Sydney

27 March 2020

For personal use only

Remuneration Report

The Directors present the Company's remuneration report for the period 1 January 2019 to 31 December 2019 (FY19) (Report).

The Report has been prepared in accordance with the disclosure requirements of the Corporations Act 2001 (Cth), the regulations made under that Act and Australian Accounting Standard AASB 124: Related Party Disclosures and outlines the remuneration arrangements for the Key Management Personnel of the Group (KMP) during FY19. KMP are those persons who directly or indirectly had authority and responsibility for planning, directing and controlling the Group's activities during the reporting period.

KMP

The Board has determined that the following individuals were KMP during FY19 within the meaning of Australia Accounting Standard AASB 124:

Name	Position title	Term as KMP
Non-Executive Directors		
Peter Wallace	Non-Executive Director	Appointed 10 September 2018 to 24 January 2019
	Non-Executive Chairman	Appointed 24 January 2019 to 5 December 2019
Kenn McMillan	Non-Executive Director	Appointed 28 February 2018
Matthew Darby	Non-Executive Director	30 October 2017 - 28 February 2018 and from 24 January 2019
	Executive Chairman	Appointed 28 February 2018 to 24 January 2019
Executive Directors		
Richard Jenkins	Executive Chairman	Appointed 5 December 2019
Christopher Fong	Executive Director	Appointed 5 December 2019
Executive Management		
Stephen Bowhill	Chief Executive Officer (CEO)	Appointed 10 September 2018
Kim Bradley Ware	Chief Financial Officer and Company Secretary	Appointed 1 April 2018

The terms 'Non-Executive Directors', 'Executive Directors and Executive Management' are used in this Report to describe the persons grouped under these headings in the table above. 'Executive KMP' means the Executive Directors and Executive Management.

Determination of KMP Remuneration

Role of the Board and Remuneration and Nomination Committee

The Company's Board of Directors has reserved to itself for decision the following remuneration related matters:

- (i) the determination of the CEO's remuneration arrangements and review of the CEO's performance; and
- (ii) approval of:
 - a. the Company's remuneration policy including:
 - i. the remuneration of Executive Directors, the Chief Executive Officer, the Company Secretary and senior executives;
 - ii. industrial instruments or agreements of general application to some or all of the Company's employees; and
 - iii. incentive plans; and
 - b. the performance evaluation of senior executives and any other officers as the Board may determine.

To assist the Board in making decisions on the above matters, the Board has delegated responsibility to the Remuneration and Nomination Committee (**Committee**) in respect of:

- reviewing and making recommendations to the Board on the remuneration arrangements for the KMPs including contractual terms, annual remuneration and participation in any short or long term incentive plans;
- reviewing and recommending short term incentive strategies, performance targets and bonus payments for employees;
- reviewing and recommending to the Board implementation of, or any major changes to, employee equity incentive plans;
- recommending to the Board whether offers are to be made under the Company's employee equity incentive plans in respect of a financial year and the terms of performance hurdles or other conditions;
- assessing and recommending to the Board whether performance hurdles or other conditions have been satisfied in respect of a particular award under an employee equity incentive plan;
- overseeing the processes for the performance evaluation of the executives reporting to the Executive Chairman and reviewing the results of that performance evaluation process; and
- reviewing and approving the remuneration arrangements for senior management including contractual terms, annual remuneration and participation in any short or long-term incentive plans.

As at 31 December 2019 the Committee's two members were the Company's two Non-Executive Directors – Ken McMillan and Peter Wallace - Chair of the Committee.

As at the date of the Report, the Committee has three members - Executive Director Christopher Fong, Non-Executive Director Peter Wallace and Executive Chairman Richard Jenkins - Chair of the Committee.

No remuneration consultants were engaged during FY19.

Remuneration policy and link to performance

Remuneration Policy

The Company has established a formal remuneration policy to provide a framework for the making of decisions about pay design and reward to ensure fair and consistent decisions are made.

The purpose of the Company's pay design is to: attract, incentivise and retain the management talent the Company needs to build its business; balance value creation for shareholders, employees and customers; and drive good performance within a pay governance framework that is appropriate for an Australian listed company.

KMP remuneration elements FY19

Executive KMP remuneration in FY19 was comprised of the following elements:

Component	Fixed remuneration
Determination	Based on relevant market relativities reflecting responsibilities, performance, qualifications, experience and geographic location.
Delivery	Salary plus benefits including any fixed elements relating to local markets such as superannuation or equivalents. All income taxation on net fixed remuneration is for the Company's account.
Total target remuneration	Set by reference to the relevant geographic market for each KMP which in FY19 was Australia. Intended to be positioned in the 60 th percentile compared to the relevant market benchmark comparison. The Committee has determined that this is appropriate given the present size of the Company and market penetration of its product.

KMP incentive strategy in FY19

Short Term Incentive (STI)

Mr Bowhill commenced as CEO on 10 September 2018. Mr Bowhill's STIs as set out in his Employment contract commenced in FY 2019. Please refer to KMP Contractual Arrangements for details of the STIs.

Long Term Incentives (LTI)

An LTI target was set by the Board for Mr Bowhill in FY19 and was approved by shareholders on 14 February 2019, and amended by shareholders on 6 January 2020. Please see page 23 for further details.

Non-Executive Directors' remuneration

The Company's Non-Executive Directors are remunerated in accordance with the Company's Constitution which provides for an aggregate pool that is set and varied only by approval of a resolution of shareholders. The aggregated fee pool as set by the Constitution is currently set at A\$750,000. The total fees paid to Non-Executive Directors in FY19 was within the approved aggregate fee pool of A\$750,000.

The remuneration paid to the Company's Non-Executive Directors consists of base salary or fees. From 1 January 2019, the Directors set the remuneration for the Non-Executive chair at A\$90,000 and for Non-Executive Directors at A\$50,000. There were no annual fees for the role of chairing or being a Board Committee member in 2019. Non-Executive Directors are entitled to be reimbursed for expenses reasonably incurred in performing their duties. They did not receive any performance based remuneration, nor are they entitled to retirement or termination benefits other than statutory superannuation contributions.

No options were granted during 2019 year to Non-Executive Directors.

Executive Directors' remuneration

Matthew Darby was appointed as Executive Chairman from 28 February 2018 to 24 January 2019. The remuneration paid to the Company's Executive Chairman remained the same as his Non-Executive Annual base salary and fees of A\$90,000, (any applicable superannuation contributions provided by the Company are included in these amounts). In addition to this fee, Matthew Darby was paid an annual fee of A\$30,000 as Commissioner for the Group's operating entity Range Internasional Limited (Indonesian based entity) during 2019.

On 5 December 2019 Richard Jenkins was appointed as Executive Chairman and Christopher Fong as Executive Director. On 6 January 2020, the Company held an Extraordinary General Meeting, at which shareholders approved the issue of 12,000,000 options each to Mr Jenkins and Fong as part of their remuneration package and in lieu of Directors fees. Please see 2019 Equity instruments on page 22 for further details.

The Executive Directors are entitled to be reimbursed for expenses reasonably incurred in performing their duties. No Executive Director received any performance based remuneration, during FY 2019 nor are they entitled to retirement or termination benefits other than statutory superannuation contributions (if applicable).

KMP Contractual Arrangements

The CEO has an ongoing employment contract with the Group. The key terms of Executive KMP contracts are detailed in table below:

Term	CEO
Duration	No fixed term
Notice period	6 months either party
Termination for misconduct	Immediate dismissal, no notice
Termination payments	Nil, however, the Company may elect to pay Mr Bowhill in lieu of working out the notice period.
Post-Employment	Mr Bowhill is unable to compete with the Company or be employed or involved in a joint venture in which the Company has an interest of more than 25%, for maximum restraint period of six (6) months from the termination date.
STI	STIs applicable for FY 2019: <ul style="list-style-type: none"> 10% of EBITDA within 14 days of publication of the audited annual accounts each financial year; and A commission payment of 10c per pallet order for FY19, and an accelerator payment of 50c per pallet order, for FY 2019 once pallet purchase orders exceed 300,000.

Loans and other transactions with KMPs or entities over which they have influence

The Company outsourced the CFO and Company Secretarial role to Company Matters Pty Limited for 2019. Company Matters Pty Limited 2019 remuneration comprised US\$178,850 exclusive of GST. Remuneration is paid on an hourly rates basis.

There were no loans or other transactions transacted with KMPs during FY19.

Additional information

The earnings of the Group for the four years (from inception) to 31 December 2019 are summarized below:

	2019 US\$'000	2018 US\$'000	2017 US\$'000	2016 US\$'000
Gross Revenue	1,655	1,655	1,383	462
Net loss after tax	(9,207)	(7,746)	(34,818)	(9,943)
Share price at year end	\$0.02	\$0.03	\$0.06	\$1.20
Equity returns	nil	nil	nil	nil

KMP Remuneration Outcomes for FY19

The table below shows the accounting expense of remuneration received by the KMP during FY19.

Set out in the following table is the remuneration received by KMP for the financial year ended 31 December 2019.

KMP ¹	Fixed Remuneration				Variable Remuneration		% Remuneration			
	Salary & Fees ²	Other Benefits ³	Post-employment benefits ⁴	Accrued leave	STI Bonus	LTI Value of Equity ⁵	Total	Fixed	STI	LTI
Financial Year 31 Dec 2019	\$	\$	\$	\$	\$	\$	\$	%	%	%
Non-Executive directors										
Matthew Darby	53,538	-	-	-	-	21,473	75,011	71%	-	29%
Ken Macmillan	34,805	-	-	-	-	-	34,805	100%	-	-
Peter Wallace	58,598	-	-	-	-	-	58,598	100%	-	-
Sub-total non-executive directors	146,941	-	-	-	-	21,473	168,414			
Executive directors										
Matthew Darby	3,874	-	-	-	-	2,547	6,421	60%	-	40%
Sub-total executive directors	3,874	-	-	-	-	2,547	6,421			
Senior management										
Stephen Bowhill	173,370	17,526	14,456	6,497	7,993	40,439	260,281	81%	3%	16%
Sub-total senior management	173,370	17,526	14,456	6,497	7,993	40,439	260,281			
TOTAL	324,185	17,526	14,456	6,497	7,993	64,459	435,116			

- Richard Jenkins and Christopher Fong were appointed on 5 December 2019. On 6 January 2020, the Company held an Extraordinary General Meeting to seek approval to issue 12,000,000 options each to Mr Jenkins and Fong as part of their remuneration package and in lieu of Directors fees. Mr Jenkins and Mr Fong did not receive any remuneration in cash during 2019. Please see Equity awards below for further details.
- Includes the value of individual incomes taxes accrued on behalf of the KMPs by the Company.
- Other benefits comprise of car allowance.
- Post-employment benefits include superannuation benefits and annual leave in accordance with AASB 119 *Employee Benefits*.
- LTI Value of Equity includes options only.
- The Company outsourced the CFO and Company Secretarial role to Company Matters Pty Limited for 2019. Company Matters Pty Limited 2019 remuneration comprised US\$178,850.19 exclusive of GST.

KMP Remuneration Outcomes for FY18

The table below shows the accounting expense of remuneration received by the KMP during FY18.

Set out in the following table is the remuneration received by KMP for the financial year ended 31 December 2018.

KMP	Fixed Remuneration				Variable Remuneration		% Remuneration			
	Salary & Fees ¹	Other Benefits ²	Post-employment benefits ³	Accrued leave	STI Bonus	LTI Value of Equity ⁵	Total	Fixed	STI	LTI
Financial Year 31 Dec 2018	\$	\$	\$	\$	\$	\$	\$	%	%	%
Non-Executive directors										
Bill Koeck	11,986	-	1,139	-	-	(13,718)	(593)	100%	-	-
Stewart Hall	11,250	-	-	-	-	(69,930)	(58,680)	100%	-	-
Matthew Darby	22,500	-	-	-	-	8,271	30,771	73%	-	27%
Ken Macmillan	65,625	-	-	-	-	-	65,625	100%	-	-
Peter Wallace	24,609	-	-	-	-	-	24,609	100%	-	-
Stephen Bowhill	41,280	-	-	-	-	-	41,280	100%	-	-
Sub-total non-executive directors	177,250	-	1,139	-	-	(75,377)	103,012			
Executive directors							0			
Matthew Darby	108,750	-	-	-	-	39,979	148,729	73%	-	27%
Sub-total executive directors	108,750	-	-	-	-	39,979	148,729			
Senior management										
Stephen Bowhill	64,329	989	4,922	5,442	-	-	75,682	100%	-	-
Jonathan Guyett ⁴	136,365	-	-	-	-	(9,077)	127,288	100%	-	-
Evasio Barbero	82,261	-	-	-	-	(3,938)	78,323	100%	-	-
Matthew Allard	133,307	-	-	-	-	(5,875)	127,432	100%	-	-
Bambang Garnadi	27,727	598	-	6,492	-	(14,447)	20,370	100%	-	-
Rachelle Woodsford	40,125	23	4,152	-	-	-	44,300	100%	-	-
Sub-total senior management	484,114	1,610	9,074	11,934	-	(33,337)	473,395			
TOTAL	770,114	1,610	10,213	11,934	-	(68,735)	725,136			

1. Includes the value of individual incomes taxes accrued on behalf of the KMPs by the Company.
2. Other benefits comprise of medical and car allowances.
3. Post-employment benefits include superannuation benefits and annual leave in accordance with AASB 119 *Employee Benefits*.
4. On 24 April 2018 Jonathan Guyett re-paid US\$166,611 of a lump-sum sign on payment of US\$250,000 paid in 2017 (not included in the table above).
5. LTI Value of Equity includes negative amounts for options forfeited during the year (not included in % remuneration in the table above).
6. The Company outsourced the CFO and Company Secretarial role to Company Matters Pty Limited for 2018. Company Matters Pty Limited 2018 remuneration comprised US\$154,940 exclusive of GST.

Equity instruments FY19

The following tables set out the details of options which were granted, forfeited and vested during FY19 to key management personnel.

31-Dec-19		Number of Options				
Details of option holder		Opening balance 1 Jan '19	Granted no of options	Options Forfeited	Closing Balance 31 Dec '19	Options vested
Stephen Bowhill		-	12,000,000	-	12,000,000	12,000,000
Matthew Darby		1,413,448	-	-	1,413,448	-
Total		1,413,448	12,000,000	-	13,413,448	12,000,000

Terms and Conditions for each Grant						Exercisable					
Details of option holder	Grant date	Date of forfeiture	Expiry date	Fair value per option Tranche 1 Note 22	Fair value per option Tranche 2 Note 22	Total value A\$	Total value USD	Exercise price per option	First available exercise date	Last available exercise date	No of options
Matthew Darby	20/07/2016		20/07/2022	A\$0.0550	A\$0.3150	A\$187,989	\$144,752	A\$1.00	20/07/2019	20/07/2022	1,413,448
Stephen Bowhill	14/2/2019		10/09/2024	A\$0.0050		A\$58,095	\$40,439	A\$0.03	10/09/2019	10/09/2024	12,000,000
Total						\$246,084	\$185,191				13,413,448

Option values have been converted to USD using the rate of exchange on grant date being AUD:USD\$0.77.

Option values for Stephen Bowhill have been converted to USD using the closing rate of exchange on 31 December 2019 AUD:USD\$0.70.

On 14 February 2019 the Company held an Extraordinary General Meeting to seek approval to issue 12,000,000 options to Mr Bowhill as part of his remuneration package on the following terms:

- the options are exercisable at \$0.075 (7.5 cents) per share;
- the options vested on 10 September 2019, except in the event of a change of control (Event) of the Company, prior to 10 September 2019, and the Event Price is less than 7.5 cents, then the options will vest on the date the Event occurs. (Vesting date);
- the options expire on 10 September 2024, subject to an Event; and
- if an Event occurs prior to 10 September 2019, and the Event Price is greater than 7.5 cents, then the options will vest on the Vesting Date, and Mr Bowhill will be entitled to a cash payment (payable on 10 September 2019) as outlined in the Explanatory Memorandum of the Company's EGM held on 14 February 2019. (This term has now lapsed).

Up until the date of this report, the following changes have occurred in the equity awards since year end:

- On 6 January at an Extraordinary General Meeting the exercise price of the options issued to Stephen Bowhill were amended from \$0.075 (7.5 cents) per share to \$0.03 (3 cents) per share.
- On 6 January 2020 the Company held an Extraordinary General Meeting to seek approval to issue 12,000,000 options each to Mr Jenkins and Fong as part of their remuneration package and in lieu of Directors fees on the following terms:
 - the options are exercisable at \$0.03 (3.0 cents) per share;
 - the options were issued on 14 January 2020 and vested; and
 - the options expire on 13 January 2023.

**KMP Statutory Disclosures
Equity instruments FY18**

The following tables set out the details of options which were granted, forfeited and vested during FY18 to key management personnel and other officers who are among the five highest remunerated officers of the Company and the Group, but are not key management personnel.

31-Dec-18	Number of Options				
	Opening balance 1 Jan '18	Granted no of options	Options Forfeited	Closing Balance 31 Dec '18	Options vested
Details of option holder					
Stewart Hall	1,413,448	-	(1,413,448)	-	-
Matthew Darby	1,413,448	-	-	1,413,448	-
Jonathan Guyett	2,000,000	-	(2,000,000)	-	-
Bill Koeck	125,000	-	(125,000)	-	-
Mark Daniel	125,000	-	(125,000)	-	-
Evasio Barbero	1,000,000	-	(1,000,000)	-	-
Matthew Allard	1,000,000	-	(1,000,000)	-	-
Bambang Garnadi	1,198,100	-	(1,198,100)	-	-
Total	8,274,996	-	(6,861,548)	1,413,448	-

Terms and Conditions for each Grant							Exercisable				
Details of option holder	Grant date	Date of forfeiture	Expiry date	Fair value per option	Fair value per option	Total value A\$	Total value USD	Exercise price per option	First	Last	No of options
				Tranche 1 Note 22	Tranche 2 Note 22				available exercise date	available exercise date	
Matthew Darby	20/07/2016		20/07/2022	A\$0.0550	A\$0.3150	A\$187,989	\$144,752	A\$1.00	20/07/2019	20/07/2022	
Total						A\$187,989	\$144,752				

Option values have been converted to USD using the rate of exchange on grant date being AUD:USD\$0.77.

KMP interests in Range shares

The table below details the movements in the number of shares held by KMP during FY19 and the comparative year FY18.

	Balance at 1 Jan 2019 or at appointment No.	Granted as remuneration No.	On exercise of options No.	Shares sold No.	Shares Purchased No.	Balance end of period 31 Dec 2019 No.
31 Dec 2019						
Richard Jenkins	5,000,000	-	-	-	-	5,000,000
Christopher Fong	4,687,259	-	-	-	-	4,687,259
Matthew Darby	19,098,899	-	-	-	-	19,098,899
Peter Wallace	200,000	-	-	-	-	200,000
Ken MacMillan	-	-	-	-	-	-
Stephen Bowhill	550,000	-	-	-	539,991	1,089,991
Total	29,536,158	-	-	-	539,991	30,076,149

	Balance at 1 Jan 2018 or at appointment No.	Granted as remuneration No.	On exercise of options No.	Shares sold No.	Shares Purchased No.	Balance end of period 31 Dec 2018 No.
31 Dec 2018						
Matthew Darby	19,098,899	-	-	-	-	19,098,899
Peter Wallace	200,000	-	-	-	-	200,000
Ken MacMillan	-	-	-	-	-	-
Stephen Bowhill	-	-	-	-	550,000	550,000
Total	19,298,899	-	-	-	550,000	19,848,899

On 6 January 2020 shareholders approved Directors Peter Wallace, Richard Jenkins and Christopher Fong) as well as Chief Executive Officer Stephen Bowhill, participating in a Placement. In addition, Richard Jenkins and Christopher Fong were issued 12,000,000 Options each in lieu of director fees.

The following table shows the movements in the KMP interests in Range shares to the date of this Report.

	Balance at 1 Jan 2020 No.	Granted as remuneration No.	On exercise of options No.	Shares sold No.	Shares Purchased ¹ No.	Balance to the date of this Report No.
31 Dec 2019						
Richard Jenkins	5,000,000	-	-	-	16,666,667	21,666,667
Christopher Fong	4,687,259	-	-	-	10,000,000	14,687,259
Matthew Darby	19,098,899	-	-	-	-	19,098,899
Peter Wallace	200,000	-	-	-	3,333,333	3,533,333
Ken MacMillan	-	-	-	-	-	-
Stephen Bowhill	1,089,991	-	-	-	8,151,076	9,241,067
Total	29,776,149	-	-	-	38,151,076	68,227,225

Shares purchased pursuant to a Placement approved by shareholders on 6 January 2020 and/or a Share Purchase Plan.

Financial Statements

For the year ended 31 December 2019 – Range International Limited and its Controlled Entities

CONTENTS

Financial Statements

- | | | |
|----------------------------------|--|---|
| 1. Capital Structure | 11. Sales revenue | 22. Key management personnel and related party transactions |
| 2. Equity and Reserves | 12. Other income | 23. Share based payments |
| 3. Dividends | 13. Employee benefits expenses | 24. Auditors remuneration |
| 4. Loss per share | 14. Significant items | 25. Parent entity disclosures |
| 5. Cash and cash equivalents | 15. Tax expense | 26. Other accounting policies |
| 6. Intangible assets | 16. Trade and other receivables | 27. Subsequent events |
| 7. Property, plant and equipment | 17. Inventory | 28. Corporate information |
| 8. Right of use asset | 18. Trade and other payables | |
| 9. Subsidiaries | 19. Provisions | |
| 10. Segment information | 20. Capital commitments and contingencies | |
| | 21. Financial risk management and objectives | |

The financial statements were authorised for issue by the directors on 27 March 2020. The directors have the power to amend and reissue the financial statements

For personal use only

Consolidated Income Statement

For the year ended 31 December 2019

Consolidated			
	NOTE	31 Dec 2019 US\$'000	Restated 31 Dec 2018 US\$'000
Sales revenue	11	1,655	1,655
Cost of sales		(3,056)	(3,791)
Gross loss		(1,401)	(2,136)
Other income	12	60	76
Employee benefits	13	(979)	(1,106)
Professional fees		(600)	(775)
Significant items	14	(5,409)	(1,974)
Amortisation and depreciation		(471)	(869)
Sales and marketing		(256)	(386)
Other expenses		(168)	(596)
Foreign exchange gain		17	20
Loss before tax		(9,207)	(7,746)
Tax expense	15	-	-
Loss for the period after tax		(9,207)	(7,746)
Attributable to:			
Non-controlling interest		-	-
Members of the parent		(9,207)	(7,746)
		(9,207)	(7,746)
Loss per share (cents per share)			
- basic loss per share	4	(4.58)	(3.85)
- diluted loss per share	4	(4.58)	(3.85)

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Consolidated	
	31 Dec 2019 US\$'000	Restated 31 Dec 2018 US\$'000
Loss for the year after tax	(9,207)	(7,746)
Other comprehensive income/(loss)		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translating foreign controlled entities	376	(1,164)
<i>Items that will not be reclassified to profit or loss</i>	-	-
Total other comprehensive income for the year, net of tax	376	(1,164)
Total comprehensive loss for the year	(8,831)	(8,910)
Comprehensive loss attributable to:		
Non-controlling interest	-	-
Members of the parent	(8,831)	(8,910)
	(8,831)	(8,910)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2019

Consolidated			
	NOTE	31 Dec 2019 US\$'000	Restated 31 Dec 2018 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	569	3,275
Trade and other receivables	16	454	487
Inventories	17	262	57
Other current assets		61	57
Total current assets		1,346	3,876
Non-current assets			
Intangible assets	6	-	4,582
Property, plant and equipment	7	8,729	11,047
Right-to-use asset	8	612	-
Other non-current assets		106	103
Total non-current assets		9,447	15,732
Total assets		10,793	19,608
LIABILITIES			
Current liabilities			
Trade and other payables	18	768	913
Provisions	19	2,650	2,637
Total current liabilities		3,418	3,550
Non-current liabilities			
Provisions	19	158	89
Total non-current liabilities		158	89
Total liabilities		3,576	3,639
Net assets		7,217	15,969
EQUITY			
Contributed equity	2	109,676	109,676
Other reserves		(28,108)	(28,563)
Accumulated losses		(74,351)	(65,144)
Total equity		7,217	15,969

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

Consolidated			
	NOTE	31 Dec 2019 US\$'000	31 Dec 2018 US\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,694	1,590
Payments to suppliers and employees (inclusive of GST)		(4,314)	(5,821)
Net Interest received		19	76
Net cash used in operating activities		(2,601)	(4,155)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		8	-
Payments for property, plant and equipment		(80)	(1,596)
Net cash used in investing activities		(72)	(1,596)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net increase in cash and cash equivalents			
Cash and deposits, net of overdrafts, at beginning of the period		(2,737)	(5,751)
Effect of exchange rate changes		31	(630)
Cash at end of the period		569	3,275

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Contributed equity US\$'000	Other reserves US\$'000	Accumulated losses US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
31 December 2018 (restated)					
Opening balance at 1 January 2018	109,676	(27,343)	(57,398)	-	24,935
Loss for the year	-	-	(7,746)	-	(7,746)
Other comprehensive income	-	(1,164)	-	-	(1,164)
<i>Items that may be reclassified to profit or loss</i>					
Total comprehensive loss	-	(1,164)	(7,746)	-	(8,910)
Equity Transactions:					
Share based payment transactions	-	(56)	-	-	(56)
Closing balance at 31 December 2018	109,676	(28,563)	(65,144)	-	15,969
31 December 2019					
Opening balance at 1 January 2019	109,676	(28,563)	(65,144)	-	15,969
Loss for the year	-	-	(9,207)	-	(9,207)
Other comprehensive income	-	376	-	-	376
<i>Items that may be reclassified to profit or loss</i>					
Total comprehensive loss	-	376	(9,207)	-	(8,831)
Equity Transactions:					
Share based payment transactions	-	79	-	-	79
Closing balance at 31 December 2019	109,676	(28,108)	(74,351)	-	7,217

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

About this report

Range International Limited (referred to as Range or the Company) is a for-profit company limited by shares incorporated in the Commonwealth of Dominica and re-domiciled to Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of Range and its subsidiaries (referred to as 'the Group') are described in note 9 and the segment information in note 10.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements present the consolidated results of the Company and its subsidiaries for year ended 31 December 2019.

Significant judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial statements include:

Going Concern	Note 1
Significant items	Note 14

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- › The amount in question is significant because of its size or nature;
- › It is important for understanding the results of the Group;
- › It helps to explain the impact of significant changes in the Group's business – for example, acquisitions and impairment write downs or;
- › It relates to an aspect of the Group's operations that is important to its future performance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

Capital Management

1. Capital Structure

Capital management objectives

Range's objectives when managing capital are to

- › safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders: and
- › maintain an optimal capital structure to reduce the cost of capital.

Going Concern

During the year, the Group incurred an operating loss after tax of \$9.2 million (FY2018: \$7.7 million), net operating cash outflows of \$2.6 million (FY2018: \$4.2 million) and investing cash outflows of \$0.08 million (FY2018: \$1.6 million).

As at 31 December 2019 the Group has cash and cash equivalents of \$0.57 million (Dec 2018: \$3.3 million).

To preserve the cash on hand the Board implemented a number of cost savings measures during the reporting period to reduce the expense base, including reducing administrative costs, focusing on accounts receivable collections and a change to trading terms, lowering raw materials costs, and changing labour patterns to lower electricity costs. These and other cost restructure efforts allowed Range to extend its cash flow runway into 2019.

During December 2019 the Company successfully completed a conditional placement ("Placement") which was approved by shareholders at an Extraordinary General Meeting held on 6 January 2020. In addition, the Company concluded a share purchase plan ("SPP") on 9 January 2020 which was oversubscribed and consequently, in accordance with the terms and conditions of the SPP, the Company scaled back the allotment of new shares under the SPP to A\$0.9 million on a pro-rata basis across all eligible SPP applicants.

The total amount raised under the Placement completed in December 2019 was A\$1.5m and the SPP A\$0.9 million a total of approximately A\$2.4 million ("Capital raise").

In connection with the Placement two new Executive Directors were appointed to the Board Richard Jenkins and Christopher Fong. Both Richard and Chris have substantial experience working in Indonesia and in conjunction with the other Non-Executive Board members are working hard to give the business more sales capacity and strengthen the sales pipeline.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group within uncertain times of COVID-19 to:

- deliver sales targets, noting that countries and companies may be impacted by closures and reduced ability to fund acquisitions for periods of time. As such management are actively monitoring conditions in Indonesia and holding active discussions with current and potential customers;
- improve margins;
- manage its cost base;
- manage the health and safety of its people to minimise any need for a potential shut-down at the manufacturing facility; and
- access additional sources of capital, in an unstable investment and economic environment.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board and management believe that the consolidated entity will be successful in the above matters and, accordingly, have prepared the financial statements on a going concern basis.

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2019. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

2. Equity and Reserves**2.1 Share Capital**

Consolidated				
	2019 Number of shares '000	2018 Number of shares '000	2019 US\$'000	2018 US\$'000
Movement in ordinary shares on issue				
Opening balance	201,055	201,055	109,676	109,676
Issue of ordinary shares post-restructure	-	-	-	-
Transaction costs capitalised	-	-	-	-
Closing balance	201,055	201,055	109,676	109,676

Share capital is classified as equity.

Issue of Ordinary Shares:

Ordinary shares are fully-paid and have no par value. They carry one vote per share and the right to dividends. They carry no special terms or conditions affecting income or capital entitlements of the shareholders and are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. There are no shares authorised for issue that have not been issued at reporting date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

2.2 Other reserves

	Note	Restructure Reserve US\$'000	Share based Payment reserve US\$'000	Currency Translation reserve US\$'000	Total reserves US\$'000
At 1 January 2018		(27,891)	226	322	(27,343)
Exchange differences on translating foreign controlled entities	(a)	-	-	(1,164)	(1,164)
Other comprehensive income		-	-	(1,164)	(1,164)
<i>Transactions with owners in their capacity as owners:</i>					
Share based payment transactions	(b)	-	(56)	-	(56)
At 31 December 2018		(27,891)	170	(842)	(28,563)
At 1 January 2019		(27,891)	170	(842)	(28,563)
Exchange differences on translating foreign controlled entities	(a)	-	-	376	376
Other comprehensive income		-	-	376	376
<i>Transactions with owners in their capacity as owners:</i>					
Share based payment transactions, net	(b)	-	79	-	79
At 31 December 2019		(27,891)	249	(466)	(28,108)

- a) The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities are translated at the closing exchange rates at the reporting date;
 - income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
 - all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.
- b) The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised. Reserve for options forfeited during the year reclassified to profit and loss.
- c) The restructure reserve is the difference between the amount of RIHL's share capital (Singapore entity) and the fair value of shares exchanged as part of the corporate restructure took place in 2017. This has been recognised in an equity account called restructure reserve.

2.3 Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated	
	2019 US\$'000	Restated 2018 US\$'000
Opening balance	(65,144)	(57,398)
After tax loss attributable to the equity holders of the parent during the year	(9,207)	(7,746)
Closing balance	(74,351)	(65,144)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

3. Dividends

The Board of Directors resolved not to declare a dividend for the year ended 31 Dec 2019 (31 Dec 2018: nil).

4. Loss per share

	Consolidated	
	2019	2018
Loss attributable to ordinary equity holders of the parent (\$'000)	(9,207)	(7,746)
Weighted average number of shares used in calculation of basic LPS (shares, '000)	201,055	201,055
Weighted average number of shares used in calculation of diluted LPS (shares, '000)	201,055	201,055
Basic LPS (cents per share)	(4.58)	(3.85)
Diluted LPS (cents per share)	(4.58)	(3.85)

Calculation of Loss per share*Basic loss per share (LPS)*

Basic LPS is calculated by dividing the loss attributable to members of the parent by the weighted average number of ordinary shares outstanding.

Diluted loss per share

Diluted LPS is calculated by dividing the loss attributable to member of the parent by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

5. Cash and cash equivalents

Consolidated		
	2019 US\$'000	Restated 2018 US\$'000
Current assets		
Cash at bank and in hand	569	3,275
	569	3,275
Reconciliation of net loss before tax to net cash flows from operations		
Loss from ordinary activities before income tax	(9,207)	(7,746)
<u>Adjustments:</u>		
Depreciation (note 7, 8)	1,038	1,292
Amortisation of intangibles (note 6)	300	606
Restructure costs provision reversal	-	(192)
Loss on disposal of assets	-	107
Foreign exchange loss, net	(6)	(20)
Share based payment movements	79	(56)
Provision for doubtful debts	(71)	169
Defined benefits plan liability movements	65	(28)
Write-off of inventory to net realisable value	24	44
Impairment of assets	5,409	-
Asset write-off	-	1,654
Write-off of tax assets	-	158
<u>Working Capital Adjustments:</u>		
Decrease in trade and other receivables	117	79
(Increase)/Decrease in inventories	(224)	234
(Increase)/Decrease in other current assets	(15)	100
Decrease in other non-current assets	12	27
(Decrease) in trade and other payables	(137)	(145)
Increase in provisions	15	(438)
Net cash used in operating activities	(2,601)	(4,155)

Recognition and measurement

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and are classified as financial assets held at fair value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

6. Intangible assets

	Consolidated		
	Design & Development US\$'000	Intellectual property US\$'000	Total US\$'000
Year ended 31 December 2018			
Opening balance at 1 Jan 2018	125	5,063	5,188
Additions	-	-	-
Amortisation charge	(55)	(551)	(606)
Closing net book amount	70	4,512	4,582
At 31 December 2018			
Cost	277	10,424	10,701
Accumulated amortisation and impairment	(207)	(5,912)	(6,119)
Closing balance at 31 Dec 2018	70	4,512	4,582
Year ended 31 December 2019			
Opening net book amount	70	4,512	4,582
Additions	-	-	-
Amortisation charge	(27)	(273)	(300)
Impairment charge	(43)	(4,239)	(4,282)
Closing net book amount	-	-	-
At 31 December 2019			
Cost	277	10,424	10,701
Accumulated amortisation and impairment	(277)	(10,424)	(10,701)
Closing balance at 31 Dec 2019	-	-	-

An impairment loss of \$4.3 million was recorded during the first half of the 2019 year please refer to note 15.

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination are fair valued at the date of acquisition. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Intellectual Property

Range's IP portfolio comprises of several trademark applications protecting its brands, as well as trade secrets protecting its ThermoFusion™ technology. Amortisation of the IP commenced 1 February 2017 to coincide with the commissioning of the first production line. They are recorded at cost less accumulated amortisation and impairment losses, using the straight-line method over 10 years.

Design and Development

Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use. They are recorded at cost less accumulated amortisation and impairment losses, using the straight-line method over 5 years.

Impairment

Impairment is assessed annually. Refer to Note 14(b).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

7. Property, Plant and Equipment

	Motor vehicles	Factory & office furniture & fixtures	Plant & equipment	Land & Building	Capital – work-in-progress	Total
Consolidated	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2018 (restated)						
Cost	14	686	18,576	6,606	2,200	28,082
Accumulated depreciation and impairment	(7)	(468)	(13,134)	(3,426)	-	(17,035)
Closing net book value	7	218	5,442	3,180	2,200	11,047
Opening net book value	10	401	8,626	3,496	1,976	14,509
Additions	-	3	32	-	544	579
Translation differences	-	(16)	(490)	(145)	(124)	(775)
Disposal - prior period error	-	-	(539)	-	-	(539)
Impairment	-	-	(888)	(31)	(196)	(1,115)
Disposals and write-offs	-	(49)	(271)	-	-	(320)
Depreciation	(3)	(121)	(1,028)	(140)	-	(1,292)
Closing net book value	7	218	5,442	3,180	2,200	11,047
2019						
Cost	14	686	19,173	5,972	1,573	27,418
Accumulated depreciation and impairment	(14)	(686)	(14,301)	(3,688)	-	(18,689)
Closing net book value	-	-	4,872	2,284	1,573	8,729
Opening net book value	7	218	5,442	3,180	2,200	11,047
Additions	-	-	13	-	67	80
Translation differences	-	7	194	88	74	363
Transfers (note 8)	-	-	45	(634)	(45)	(634)
Impairment	-	(183)	-	(221)	(723)	(1,127)
Disposals and write-offs	(6)	(1)	-	-	-	(7)
Depreciation	(1)	(41)	(822)	(129)	-	(993)
Closing net book value	-	-	4,872	2,284	1,573	8,729

All assets as at 31 December 2019 and 2018 are owned by the Group.

During the year the Company obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress and all assets valued are carried at the lower of fair value or carrying value. Please refer to note 15.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

7. Property, Plant and Equipment (continued)

During the year ended 2018 an Extruder machine (Extruder) was disposed, however, post year end management identified that part of the cost of the Extruder written off was intermingled with the recording of another Extruder. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on equity (increase/(decrease) in equity)

	Opening 31 December 2018 USD '000	Adjustment 31 December 2018 USD '000	Restated 31 December 2018 USD '000
Property Plant and Equipment	10,508	(539)	11,047
Total Assets	19,069	(539)	19,608
Net impact on equity		(539)	

Impact on statement of profit or loss (increase/(decrease) in profit)

	Opening 31 December 2018 USD '000	Adjustment 31 December 2018 USD '000	Restated 31 December 2018 USD '000
Significant item – Asset disposal	(320)	(539)	(859)
Net impact on profit for the year			
Attributable to:			
Equity holders of the parent			
Non-controlling interests	(7,207)	(539)	(7,746)

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS) 31 December 2018

Earnings per share

- Basic, loss for the year attributable to ordinary equity holders of the parent (3.85 cents)
- Diluted, loss for the year attributable to ordinary equity holders of the parent (3.85 cents)

The change did not have an impact on OCI for the period or the Group's operating, investing and financing cash flows.

Recognition and measurement

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, and the cost of major inspections.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. When 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.

Depreciation and amortisation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. Buildings is 20 years and office furniture and fixtures is 4 to 8 years; Plant and equipment is 4 to 10 years; Plant machinery is 4 to 10 years.

Depreciation of plant and equipment utilised directly in the production processes is include as part of the cost of sales.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise. Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

7. Property, Plant and Equipment (continued)**Impairment of non-current assets**

Property, plant and equipment, and intangibles tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the Cash Generating Unit (“CGU”) to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “other expenses”. Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

Significant Judgements & Estimates

Depreciation methods, estimation of useful lives and residual value require management judgement and are reviewed annually.

If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets. Refer to note 15 for impairment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

8. Right-of-use asset

	Consolidated	
	2019 US\$'000	2018 US\$'000
Leasehold land	634	-
Translation differences	23	-
Less: accumulated depreciation	(45)	-
Closing balance	612	-

On adoption of AASB 16, leasehold land was reclassified as right to use asset as part of the transition adjustment (refer note 27(d)).

The consolidated entity leases land for its Factory facilities under an agreement of a remaining five years with, an option to extend for 20 years. The option must be exercised one month before the end of the current lease in 2025. The expected cost to renew is not material.

The consolidated entity leases an office under an agreement of less than two years. This lease was prepaid and was a low-value lease, and has been expensed as incurred and not capitalised as right-of-use assets.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over it are subject to impairment or adjusted for any re-measurement of lease liabilities. The estimated useful life of the right to use asset is 29 years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

Group Structure

9. Subsidiaries

The Group's principal subsidiaries at 31 December 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Legal entity	Country of incorporation	Ownership interest held by the Group	
		2019 %	2018 %
Principal			
Range International Holdings Limited	Singapore	100%	100%
PT Repal Internasional Indonesia	Indonesia	100%	100%
Non Trading			
Re-Pal Australia Pty Limited	Australia	100%	100%
Repal Malaysia SDN BHD	Malaysia	100%	100%
Re-Pal Sustainability Philippines Inc	Philippines	100%	100%

Accounting for 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 liability 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 that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Accounting for Investments in a subsidiary

Investments in a subsidiary are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by IFRS.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

10. Segment information

Identification of reportable segments

The Group has determined operating segments based on the information provided to the CEO (Chief Operating Decision Maker).

The Group operates predominately in one business segment, being the manufacture and sale of plastic pallets. There is no material difference between the financial information presented to the Chief Operating Decision Maker and the financial information presented in this report.

Sales revenue by geographic location

Revenue obtained from external customers is attributed to individual countries based on the location of the customer. The majority of sales to external customers are made within Indonesia.

Consolidated		
	2019 US\$'000	2018 US\$'000
Indonesia	1,371	1,274
Australia & New Zealand	12	29
Thailand	142	131
Philippines	118	50
Other	12	171
Total external revenue	1,655	1,655

Within the Indonesian segment there were two customers who accounted for over 10% of revenue each within the Indonesian segment. Customer one \$360,000, 22% (2018: \$516,000, 31%) and Customer two \$181,000, 11% (2018: \$nil, 0%).

Non-current assets by geographical location

The total of non-current assets broken down by location of the assets are as follows:

Consolidated		
	2019 US\$'000	Restated 2018 US\$'000
Indonesia		
Property, plant and equipment	8,729	11,045
Right of use asset	612	-
Other non-current assets	106	103
Singapore		
Property, plant and equipment	-	-
Intangible assets	-	4,582
Australia		
Property, plant and equipment	-	2
Other non-current assets	-	-
Total non-current assets	9,447	15,732

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

11. Sales revenue

Consolidated		
	2019 US\$'000	2018 US\$'000
Pallet sales – point of sales	1,655	1,655
	1,655	1,655

Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Sales are presented, net of value-added tax, GST, rebates and discounts.

Sale of goods

The Group manufactures and sells a range of plastic pallets to different customers in Indonesia and other markets. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract / purchase order, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue invoiced and earned with every delivery at point of time. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

12. Other income

Consolidated		
	2019 US\$'000	2018 US\$'000
Interest income - bank	19	76
Other income	41	-
	60	76

Other income comprises of the sales of miscellaneous steel pipes.

13. Employee benefits expense

Consolidated		
	2019 US\$'000	2018 US\$'000
Remuneration, bonuses and on-costs	1,344	1,809
Superannuation expenses	80	67
Defined benefits liability	65	(41)
Net share-based payments expense/(reversal for option forfeited)	79	(56)
	1,568	1,779
Less amounts included in cost of sales	(589)	(673)
Employee benefits expense	979	1,106

Recognition and measurement

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined benefit plans

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

13. Employee benefits expense (Continued)*Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

The Group's accounting policy for share-based payments is set out in note 24.

14. Significant items

Significant Items are items of income or expense which are, either individually or in aggregate, material to Range and are:

- outside the ordinary course of business (e.g. termination of operations, the cost of significant reorganisations or restructuring); or
- Part of the ordinary activities of the business but unusual due to their size and nature.

Significant items are disclosed to assist the users of the financial statements to better understand Range's business results.

14. Significant item**14. (a) Asset write off/Disposal**

	Consolidated	
	2019	Restated 2018
	US\$'000	US\$'000
a) Asset write off	-	1,115
b) Asset disposal	-	859
	-	1,974

(a) Asset write-off of nil (2018:\$1.1 million) relate mainly to a write-off of equipment which was transferred from the original Bali facility being assessed as not suitable for the current factory configuration.

(b) Asset disposal of nil (2018:\$0.86 million) relate mainly to obsolete assets. (Includes \$539,000 as prior period adjustment. Please refer to note 7).

14. (b) Impairment expense

	Note	Consolidated	
		2019	2018
		US\$'000	US\$'000
Intellectual Property	6	4,282	-
Property Plant and Equipment	7	1,158	-
		5,440	-

The Group's Cash Generating Unit (**CGU**) is assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist. It was determined that there were indicators of impairment of the Group's assets as at 30 June 2019 as operating performance was below expectations. Whilst a number of key relationships have been established, and the circular economy movement is becoming more pertinent in Indonesian, the impairment charge was driven by the delays in the receipt of actual sales orders and lower projected cash flows within the business plans resulting from a reassessment of expected timing of said orders. In accordance with applicable accounting standards, management also performed an impairment review applying value-in-use principals. In order to provide support to the carrying values in the balance sheet, the Company also obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress during the year. The assets were assessed at 31 December 2019 with no significant changes observed to that at 30 June 2019.

In performing the value-in-use calculations, the Group has applied the following key assumptions:

- Revenue forecasts for a 5 year forecast period based on management's detailed FY19 budget and FY20-FY24 projections;
- A growth rate to extrapolate cash flows beyond the 5 year period of 4%; and
- A discount rate applied to forecast cash flows of 13.5%.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

14. Significant items (continued)

Discount rates reflect the Group's estimate of the time value of money and the risks specific to CGU that are not already reflected in the cash flows. In determining appropriate discount rates, regard has been given to the weighted average cost of capital of the Group and business risks.

As a result of the review, the carrying amount of Group's intangible assets and property, plant and equipment was reduced to its recoverable amount through the recognition of an impairment charge of \$4.3 million for intangible assets and \$1.1 million for property, plant and equipment as at 30 June 2019. Value-in-use calculations are highly sensitive to changes in certain key assumptions. For the Group's assets, the carrying amount is equal to the lower of the value in use or the carrying value of the fair value less cost of sell. Considering the fair valuation obtained during the year any adverse change in any of the key assumptions will unlikely give rise to a further impairment charge.

15. Tax expense and Tax losses

Consolidated		
	2019	Restated 2018
	US\$'000	US\$'000
Tax reconciliation		
Loss before tax	9,207	7,207
Income tax at the statutory tax rate of 30%	2,762	2,162
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Impairment charges	(1,626)	-
- Amortisation of intangible assets	(90)	(182)
Difference in overseas tax rates	(168)	(170)
Adjustments related to prior years	-	-
Non-deductible expenses	(146)	(464)
Income subject to final tax	-	-
Tax losses for which no deferred tax asset has been recognised	(733)	(1,346)
Income tax on loss before tax	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Consolidated		
	2019	2018
	\$'000	\$'000
Tax losses		
Tax losses – Australia (the Company)	(i),(ii) 8,620	7,021
Tax losses – Australia (Re>Pal Australia)	(i),(ii) 743	743
Tax losses – Indonesia	(i),(iii) 98,261,954	68,217,200

- (i) These items are not recognised as it is not probable that future taxable profit will be available against which the Group can utilise the benefits
- (ii) These losses are in Australian dollars
- (iii) These losses are in Indonesian Rupiah

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

15. Tax expense and Tax losses (continued)**Recognition and measurement***Current taxes*

Current income tax charge for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxes

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

Deferred income tax is measured:

- › at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- › based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

16. Trade and other receivables

Consolidated		
	2019 US\$'000	2018 US\$'000
Current receivables		
Trade receivables	251	390
Provision for impairment	(40)	(149)
	211	241
Other receivables	243	246
	454	487

The carrying value of trade and other receivables is assumed to approximate the fair value due to the short term nature of the trade and other receivables.

Impaired trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The Group uses judgement in assessing expected credit losses based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but is not yet been identified. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor;
- probability that the debtor will enter bankruptcy or financial reorganisation;
- and default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses.

Subsequent recoveries of amounts previously written off are credited against other expenses.

Movements in the provision for impairment of trade receivables that are assessed for impairment are as follows:

Consolidated		
	2019 US\$'000	2018 US\$'000
Opening balance	149	348
Provision for impairment derecognised during the year	(109)	(199)
Closing balance	40	149

17. Inventory

Consolidated		
	2019 US\$'000	2018 US\$'000
Raw materials at cost	11	24
Finished goods at net realisable value	251	33
	262	57

Recognition and measurement

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The impairment of inventories assessment requires a degree of estimation and judgment. The level of provision is assessed by taking into account the recent sales experience, the aging of inventories and other factors that affect inventory obsolescence.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

18. Trade and other payables

Consolidated		
	2019 US\$'000	2018 US\$'000
Current payables		
Trade creditors	96	422
Sundry creditors and accruals	672	491
Trade and other payables	768	913

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

19. Provisions

Consolidated		
	2019 US\$'000	2018 US\$'000
Current		
Tax provisioning	2,650	2,637
	2,650	2,637
Non-current		
Employee benefits	158	89
	158	89

Recognition and measurement*Employee benefits – short term obligations*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment obligations

The Group operates a defined benefit pension plan in Indonesia and defined contribution pension plans. The Defined benefit plan provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Provisions

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

20. Capital Commitments and contingencies

	Consolidated	
	2019 US\$'000	2018 US\$'000
Contracted for property, plant and equipment	-	-
	-	-

Contingent assets and liabilities

There are no contingent assets or liabilities outstanding or recorded at 31 December 2019.

21. Financial risk management and objectives

The Group has exposure to a variety of financial risks including market risk, credit risk and liquidity risk. Risk management is carried out by the Audit Committee.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates 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 on risk.

Foreign exchange risk

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities that are denominated in currencies other than the functional currency of each entity in the Group. Translation exposures arise from financial and non-financial items held by each entity within the Group with a functional currency that is different from the Group's presentation currency which is United States Dollars (USD).

The following table represent the financial assets and liabilities denominated in foreign currencies:

	Consolidated					
	Foreign currency amount		Amount in USD		Rate of Exchange as at year end	
	2019 '000	2018 '000	2019 US\$'000	2018 US\$'000	2019	2018
Financial Assets						
Trade, and other receivables						
- Indonesian Rupiah	6,124,609	6,786,858	441	472	IDR/US13,886	IDR/US14,381
- AU Dollar	19	21	13	15	AUD/US1.422 6	AUD/US1.420 3
Cash and cash equivalents						
- Indonesian Rupiah	1,445,989	946,548	104	66	IDR/US13,886	IDR/US14,381
- AU Dollar	410	4,444	288	3,129	AUD/US1.422 6	AUD/US1.420 3
Financial Liabilities						
Trade and other payables						
- Indonesian Rupiah	(6,418,094)	(8,469,483)	(462)	(589)	IDR/US13,886	IDR/US14,381
- AU Dollar	(371)	(407)	(261)	(286)	AUD/US1.422 6	AUD/US1.420 3

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

22. Financial risk management and objectives (continued)

The following table demonstrates the estimated sensitivity to a 10% increase and decrease in the different exchange rates the Group is exposed to, with all other variables held constant, on a pre-tax basis.

	Pre-Tax Loss Higher/(lower)	
	2019 \$'000	2018 \$'000
US/IDR exchange rate – increase (10%)	(14)	(5)
US/IDR exchange rate – decrease (10%)	14	5
US/AUD\$ exchange rate – increase (10%)	4	260
US/AUD\$ exchange rate – decrease (10%)	(4)	(260)

Interest rate risk

Interest rate risk includes cash flow and fair value interest rate risk arising from borrowings. The Group has no borrowing facilities at year end.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and Company minimises credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit worthiness procedures and is arranged with each individual customer. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to impairment of trade and other receivables is not significant.

Exposure to credit risk

At the balance sheet date, the Group's maximum exposure to credit risk is the carrying amount of the related financial assets presented on the balance sheet.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions which are regulated.

The following table represents the aging profile of the Group's trade receivables:

	Consolidated	
	2019 US\$'000	2018 US\$'000
Trade receivables past due but not impaired		
Not yet due	141	159
Under three months	70	78
Three to six months	-	4
Over six months	-	-
	211	241

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

22. Financial risk management and objectives (continued)*Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country of its trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's trade and other receivables (excluding prepayment) and cash and cash equivalents as at the date of the balance sheet is as follows:

	Consolidated	
	2019 US\$'000	2018 US\$'000
<i>By Country</i>		
Australia	13	3,127
Singapore and others	-	25
Indonesia	441	610
	454	3,762

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group utilises a detailed cash flow model to manage its liquidity risk.

The operating and financial performance of Range and its ability to grow, is partly reliant on its ability to manage all of its activities which generate cashflow and if needed, secure sufficient capital. There is a risk that Range may not be able to access capital from debt or equity markets for future expansion or may only be able to do so on restricted terms. The inability to access required capital could have a material adverse impact on Range's business and financial condition.

The table below summarizes the maturity profile of the Group's contractual cash flow financial liabilities at 31 December 2019 based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Consolidated	
	2019 US\$'000	2018 US\$'000
Trade and other payables		
Not yet due	768	857
Under three months	3	17
Three to six months	-	39
Over six months	(3)	-
	768	913

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

Other information

22. Key management personnel and related party transactions

(a) Interest in Subsidiaries

Interests in subsidiaries are set out in note 9.

(b) Transactions with other related parties

- (i) Purchases of various goods and services from other related parties totalling \$24,571.
- (ii) Purchases of various goods and services from entities controlled by key management personnel \$nil.
- (iii) No loans have been granted to Directors/and or Director related entities.

(c) Key management personnel compensation

	Consolidated	
	2019 US\$	2018 US\$
Short-term employee benefits	349,703	771,724
Post-employment benefits	14,456	10,213
Long-term benefits	6,497	11,934
Share-based payments	64,460	(68,735)
	435,116	725,136

Detailed remuneration disclosures are provided in the remuneration report.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

23. Share based payments**(a) Employee Option Plan**

The Company has an Employee Share Option Plan (ESOP) to assist in the motivation, retention and reward of certain employees (including Executive Directors) and Non-executive Directors. The ESOP was designed to align the interests of participants with the interests of shareholders by providing an opportunity for participants to receive an equity interest in the Company through the granting of options. Under the ESOP, eligible participants may be offered options which may be subject to vesting conditions set by the Board.

(b) Shareholder approved

On 14 February 2019 the Company held an Extraordinary General Meeting to seek approval to issue 12,000,000 options to Mr Bowhill as part of his remuneration package on the following terms:

- the options are exercisable at \$0.075 (7.5 cents) per share;
- the options vested on 10 September 2019, except in the event of a change of control (Event) of the Company, prior to 10 September 2019, and the Event Price is less than 7.5 cents, then the options will vest on the date the Event occurs. (Vesting date);
- the options expire on 10 September 2024, subject to an Event; and
- if an Event occurs prior to 10 September 2019, and the Event Price is greater than 7.5 cents, then the options will vest on the Vesting Date, and Mr Bowhill will be entitled to a cash payment (payable on 10 September 2019) as outlined in the Explanatory Memorandum of the Company's EGM held on 14 February 2019. (This term has now lapsed).

The fair value of the awards as at the grant date is set out in the following table.

Fair values of awards					
Grant date	Award type	Vesting date	Vesting conditions	Expiry date	Fair value
Employee Option Plan 20 July 2016	Employee performance options	20 July 2019	Share price hurdle (market based condition) and service condition (non-market condition)	20 July 2022	A\$0.055
			Service condition (non-market condition)		A\$0.315
	Non-executive Director performance options	20 July 2019	Service condition (non-market condition)	20 July 2021	A\$0.295
Shareholder approved 14 February 2019	Executive performance options	10 September 2019	Service condition (non-market condition)	10 September 2024	A\$0.005

The estimation of the fair value of the awards requires judgement with respect to the appropriate valuation methodology. The choice of valuation methodology is determined by the structure of the awards, particularly the vesting conditions. The valuation methodology used for each award is shown in table below.

Valuation methodology for each award			
Grant date	Award type	Vesting conditions	Valuation methodology
Employee Option Plan 20 July 2016	Performance options	Share price hurdle (market-based condition)	Monte-Carlo simulation
		Service condition (non-market condition)	Binomial tree
Shareholder approved 14 January 2019	Performance options	Service condition (non-market condition)	Black Scholes

The estimation of any market based performance conditions are incorporated into the valuation model used to determine the fair value of the awards whereas non-market based performance conditions are not included in the determination of fair value.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

24. Share based payments (continued)**Valuation assumptions**

The key assumptions adopted for valuation of the awards are summarized in the following table.

Key assumptions			
Grant date	20 July 2016	20 July 2016	14 January 2019
Award type	Employee performance options	Non-executive Director performance options	Executive performance options
Vesting date	20 July 2019	20 July 2019	10 September 2019
Expiry date	20 July 2022	20 July 2021	10 September 2024
Share price at the grant date	A\$1.00	A\$1.00	A\$0.025
Exercise price	A\$1.00	A\$1.00	A\$0.75
Expected life	4.5 years	4.0 years	5.6 years
Volatility	35%	35%	50%
Risk free interest rate	1.57%	1.53%	1.74%
Dividend yield	0.0%	0.0%	0.0%

The volatility of Executive performance options issued during the period was based on comparable companies over a five year period.

Set out below are summaries of options granted under the plan and Shareholder approved:

Consolidated				
	2019		2018	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	A\$1.00	2,206,375	A\$0.65	10,169,923
Granted during the year	A\$0.075	12,000,000	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	A\$0.65	(7,963,548)
As at 31 December		14,206,375	A\$0.65	2,206,375

No options expired during the periods covered by the above tables. 12,000,000 options vested on 10 September 2019. 12,000,000 shareholder approved and 2,206,375 options were exercisable at 31 December 2019 (2018:nil).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Consolidated				
Grant Date	Expiry date	Exercise price	Share options 2019	Share options 2018
20/07/2016	22/7/2021	A\$1.00	1,413,448	1,413,448
20/07/2016	22/7/2022	A\$1.00	792,927	792,927
14/01/2019	10/09/2024	A\$0.075	12,000,000	-
Total			14,206,375	2,206,375

The Group recognised a share based payment expense during the year of \$79,000 (2018:\$110,000).

The cost of the options are measured at fair value on grant date. The cost is then recognised as an expense with a corresponding increase in equity over the vesting period. The amount recognised in the P&L for the period is the cumulative amount calculated each reporting period less amounts already recognised in previous periods.

On 6 January 2020 at an Extraordinary General Meeting the exercise price of the options issued to Stephen Bowhill were amended from \$0.075 (7.5 cents) per share to \$0.03 (3 cents) per share.

Weighted average remaining contractual life of options outstanding at the end of the period is 4.5 years (2018:2.9 years).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

25. Auditor remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2019 US\$	2018 US\$
Australia		
(i) Audit and other assurance services		
Audit and review of financial statements	117,649	230,772
(ii) Other services		
Total remuneration for other services	14,780	15,295
PricewaterhouseCoopers Network		
(i) Audit and other assurance services		
Audit and review of financial statements	20,000	23,000
(ii) Other services		
Total remuneration for other services	3,975	-
BDO Network		
(i) Audit and other assurance services		
Audit and review of financial statements	18,723	-
(ii) Other services		
Total remuneration for other services	18,723	-

With effect from 2019, BDO East Coast Partnership (BDO) was appointed as auditor of the Company, replacing PricewaterhouseCoopers LLP (PwC). Auditor's remuneration for 2019 relates to BDO and for 2018 to PwC except where indicated.

26. Parent entity disclosures**Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	2019 US\$'000	2018 US\$'000
Balance sheet		
Current assets	465	3,875
Total assets	1,354	20,094
Current liabilities	861	905
Total liabilities	861	905
Shareholders' equity		
Issued capital	109,676	109,676
Restructure reserve	(16)	(16)
Share-based payments	247	169
Currency translation reserve	(34)	(2,868)
Retained earnings	(109,380)	(87,772)
Total equity	493	19,189
Loss for the period	(22,875)	(1,562)
Exchange rate differences	1,266	(5,486)
Total comprehensive loss for the year	(21,608)	(7,048)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

26. Parent entity disclosures (continued)

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2019 or 31 December 2018.

Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost (less impairment) in the financial statements of the Group. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

27. Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a going concern basis using historical cost conventions, except for the following:

- › available-for-sale financial assets, financial assets and liabilities (including derivative instruments) – measured at fair value; and
- › defined benefit pension plans – plan assets measured at fair value.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 9. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits or losses resulting from intra-Group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

(b) Functional and presentational currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Australian Dollars while the presentation currency of the financial statements is US Dollars. The Board resolved that the Company adopt US Dollars as its presentation currency of the financial statements as it believes US Dollars best reflects the global environment in which Range operates and is widely understood by Australian and international investors and analysts. All amounts shown are in US dollars (unless otherwise stated).

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "foreign exchange gains and losses". Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

27. Other accounting policies (continued)

(c) Recognition and measurement of financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial assets measured at amortized costs are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets.

Initial measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to note 16.

(d) New or revised accounting standards and interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2019

27. Other accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Lease

AASB 16 Leases has been adopted in the current period. The company applies the short-term lease exemption to all classes of assets. Adoption of AASB 16 had no material impact on the Statement of Comprehensive Income or the Statement of Changes in equity however, there was a material reclassification of \$634,000 from Property Plant and Equipment to Right of Use Asset on the Statement of Financial Position at the date of initial application please refer to note 8. In addition, the Group, in a prior period, paid in full, a liability under a lease agreement. No lease liability as at transition date has been re-instated.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 has been adopted in the current period. There is nil impact to Consolidated Income statement and Consolidated Statement of Financial position.

(e) New accounting standards and interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

28. Subsequent Events

During December 2019 the Company successfully completed a conditional placement (“Placement”) which was approved by shareholders at an Extraordinary General Meeting held on 6 January 2020. In addition the Company concluded a share purchase plan (“SPP”) on 9 January 2020 which was oversubscribed and consequently, in accordance with the terms and conditions of the SPP, the Company scaled back the allotment of new shares under the SPP to A\$0.9 million on a pro-rata basis across all eligible SPP applicants.

The total amount raised under the Placement completed in December 2019 was A\$1.5m and the SPP A\$0.9million a total of approximately A\$2.4 million.

On 14 January 2020 160,316,458 new shares were issued pursuant to the SPP and Placement.

The Company also appointed two new Executive Directors, Richard Jenkins and Christopher Fong.

Richard and Chris are highly qualified and welcome additions to the Board. They are significant shareholders in Range International and bring deep business and finance experience with many connections across multiple industries, including in Indonesia.

In connection with Mr Jenkins and Mr Fong appointment(s) shareholders at an Extraordinary General Meeting held on 6 January 2020 approved the issue of 12,000,000 options to each of Mr Jenkins and Mr Fong, the 24,000,000 options were issued by the Company on 14 January 2020.

At the date of authorisation of the financial report the Group is continuing to monitor and respond to the effects of the COVID-19 virus. Any financial effect of the virus is unknown.

Other than those outlined above no matters or circumstances have arisen since 31 December 2019 that have significantly affected or may significantly affect:

- the Company’s operations in future financial years; or
- the result of those operations in future financial years; or
- the Company’s state of affairs in future financial years.

29. Corporate Information

Range International Limited (“Range”) is a manufacturer of plastic pallets listed on the Australian Securities Exchange (ASX:RAN). Range’s ThermoFusion™ technology allows it to make plastic pallets from 100% recycled mixed waste plastic.

Range has production facilities located in Indonesia operated by its subsidiary Repal Internasional Indonesia and sells its pallets under the brand Re>Pal™, while its Singapore subsidiary, Range International Holdings Limited (“RIHL”), owns all of Range’s intellectual property.

The address of Range International Limited’s registered office and its principal place of business is Level 12, 680 George Street, Sydney, NSW Australia 2000.

Directors' Declaration

In the opinion of the Directors of Range International Limited:

the financial statements and notes set out on pages 25 to 58 are in accordance with the *Corporations Act 2001*, including:

- complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the consolidated financial position of Range International Limited as at 31 December 2019 and of its performance for the year ended on that date; and
- there are reasonable grounds to believe that Range International Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Richard Jenkins
Executive Chairman

27 March 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Range International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Range International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated income statement, the consolidated statement of 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 a summary of significant accounting policies 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 31 December 2019 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* (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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and

discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
<p>Impairment of intangible assets and property, plant and equipment</p> <p>Refer to note 6 Intangible assets, note 7 Property, Plant and Equipment and note 15 Impairment expense.</p> <p>Having concluded that there were indicators of impairment, in accordance with AASB 136 Impairment of Assets, the Group performed an assessment of the carrying value of the Group’s assets. This assessment is inherently complex and judgemental. It requires judgement by the Group in forecasting the operational cash flows of the Group and determining discount rates and terminal value growth rates used in the discounted cash flow model used to assess impairment. As a result of this assessment, an impairment to the carrying value of assets was required.</p> <p>The impairment of intangible assets and property, plant and equipment was considered a key audit matter given:</p> <ul style="list-style-type: none"> - The financial significance of the intangible and property, plant and equipment assets; and - The judgement applied by the Group in completing the impairment assessment. 	<p>We focused our efforts on developing an understanding of and testing the overall calculation and methodology of the Group’s impairment assessment.</p> <p>In obtaining audit evidence, our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessing the cash flow forecasts included in the model with reference to actual historical earnings and known purchase orders; • Testing the mathematical calculations within the model; • Assessing the growth rates and discount rates applied in the models by comparing them to external information sources; • Performing sensitivity analysis on the cash flows and other key inputs; • Reviewing the external valuers work completed on the fair value of the property, plant and equipment, used for assessing the completeness of the impairment for property, plant and equipment; and • Evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.

For personal use only

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 31 December 2019, 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.

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 at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.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 the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Range International Limited, for the year ended 31 December 2019, 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 East Coast Partnership

The image shows a handwritten signature in black ink. The signature appears to be 'Leah Russell' written in a cursive style. Above the signature, the letters 'BDO' are printed in a light grey font.

Leah Russell
Partner

Sydney, 27 March 2020

Shareholder information as at 19 March 2020
Number of security-holders

There were 1,426 holders of ordinary shares (quoted and unquoted) in the Company and 6 holders of options over ordinary shares (unquoted). These were the only classes of equity securities.

Shareholding Distribution

Size of shareholding	Number of holders	Number of shares	% of issued capital
1-1,000	87	41,193	0.01
1,001-5,000	262	846,282	0.23
5,001 – 10,000	219	1,835,016	0.51
10,001 – 100,000	519	20,285,564	5.61
100,001 and over	339	338,363,389	93.63
Total	1,426	361,371,444	100.00

Twenty largest holders of ordinary shares

Name	Shares held	% of issued capital
Matthew Joseph Darby	19,098,899	5.29
Shell Cove Capital Management Limited	15,000,000	4.15
Citicorp Nominees Pty Limited	14,963,003	4.14
Mr Christopher Fong	14,687,259	4.06
Sri Widati Ernawan Putri	11,526,575	3.19
Bowhill Family Superannuation Pty Ltd	8,941,067	2.47
Bnp Paribas Nominees Pty Ltd	7,905,779	2.19
Kizoz Pty Ltd	6,666,667	1.84
T & J Shaw Pty Ltd	6,398,208	1.77
Wilreed Pty Ltd	6,261,510	1.73
Hsbc Custody Nominees (Australia) Limited	6,156,366	1.70
Enviropallets Europe S.A.R.L	5,264,701	1.46
Mr Albert Wijeweera	5,000,000	1.38
Djm Capital Limited	4,897,838	1.36
Cape Otway Road Nominees Pty Ltd	4,816,546	1.33
Mr Matthew Grahame Brown	4,771,821	1.32
J.P. Arentsen Holding B.V.	4,666,667	1.29
Mr Guy Clements	4,356,848	1.21
Mr Mark Thomas Holland & Mrs Zoe Ashton Holland	4,334,892	1.20
Mr Lindsay Bartley Rundle	4,284,409	1.19
Total	159,999,055	44.28

Substantial holders

Substantial shareholders as disclosed in substantial holding notices given to the Company were as follows:

Name of substantial holder	Number of shares over which relevant interest is held	% of issued capital
Shell Cove Capital Management Ltd ATF Black Marlin Fund, and its associates	21,666,667	6.00
Matthew Joseph Darby	19,098,899	5.29

Unquoted securities

There were 38,206,375 unquoted options over ordinary shares on issue as follows:

Unquoted options	Number of options	Number of holders
Options expiring 20 July 2021	1,413,448	1
Options expiring 20 July 2022	792,927	2
Options expiring 10 September 2024	12,000,000	1
Options expiring 10 September 2024	24,000,000	2
Total	38,206,375	6

Options on issue expiring 20 July 2021 and 20 July 2022 were issued under the Company's employee share option plan.

Options on issue expiring 10 September 2024 were approved by Shareholders on 14 February 2019, on the terms outlined in note 24.

Options on issue expiring 10 September 2024 were approved by Shareholders on 6 January 2020, on the terms outlined in note 24.

Voting Rights

Ordinary issued shares carry voting rights on a one for one basis and unlisted options do not carry voting rights.

Unmarketable parcels

There were 917 holders of less than a marketable parcel of shares based on the closing market price of \$0.011 at the specified date.

Corporate Information

Directors

Richard Jenkins, Executive Chairman
Chris Fong, Executive Director
Peter Wallace, Non-Executive Director
Matthew Darby, Non-Executive Director
Kenneth MacMillan, Non-Executive Director

Registered office

Range International Limited
Level 12, 680 George Street
Sydney NSW 2010 Australia

T: +61 2 8280 7355

Company Secretary

Kim Bradley Ware
T: +61 2 9547 4379
E: kb@rangeinternational.com

Auditor

BDO East Coast Partnership

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

T: +61 1300 554 474

E: registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

Websites

www.rangeinternational.com
www.re-pal.com

Subsidiaries

Range Internasional Limited
PIER Industrial Estate, Jl. Rembang Industri II No. 7,
Mojoparon Rembang,
Pasuruan 67152
Indonesia

Range International Holdings Pte Ltd
6 Raffles Quay
#14-04/05
Singapore 048580

Re-Pal Australia Pty Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

Repal Malaysia SDN BHD
Suite#20-11, Level 20
Centro, No. 8, Jalan Batu Tiga Lama
41300 Klang, Selangor, Malaysia

Re-Pal Sustainability Philippines Inc
12th Floor, Robinsons Summit Center
6783 Ayala Avenue
Barangay Bel-Air, Makati City 1209