

Range International Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Range International Limited
ABN: 22 611 998 200
Reporting period: For the year ended 31 December 2020
Previous period: For the year ended 31 December 2019

	31-Dec-20	31-Dec-19	Movement	
	US\$'000	US\$'000	\$	%

2. Results for announcement to the market

Revenues from ordinary activities	1,422	1,655	(233)	(14.1%)
Loss from ordinary activities after tax attributable to the owners of Range International Limited	(2,987)	(9,207)	6,220	67.6%
Net loss for the period attributable to the owners of Range International Limited	(2,987)	(9,207)	6,220	67.6%

Comments

The loss for the consolidated entity after providing for income tax amounted to US\$2,987k (31 December 2019: US\$9,207k).

3. Net tangible assets

	Reporting period	Previous period
	US Cents	US Cents
Net tangible assets per ordinary security	<u>1.62</u>	<u>3.60</u>

4. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial year.

Previous period

There were no dividends paid, recommended or declared during the previous financial year.


5. Attachments

Details of attachments (if any):

The Annual Report of Range International Limited for the year ended 31 December 2020 is attached.

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Appendix 4E
Preliminary final report

6. Signed



Signed

Richard Jenkins
Executive Chairman

Date: 26 February 2021

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Range International Limited

ABN 22 611 998 200

Annual Report - 31 December 2020

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Range International Limited
Corporate directory
31 December 2020

Directors

Stephen Bowhill (Managing Director (Appointed 14 April 2020))
Richard Jenkins (Executive Chairman)
Christopher Fong (Executive Director)
Peter Wallace (Non-Executive Director (Resigned 14 April 2020))
Kenneth MacMillan (Non-Executive Director (Resigned 9 April 2020))
Matthew Darby (Non-Executive Director (Resigned 9 April 2020))

Company secretaries

Kim Bradley-Ware (Resigned 1 April 2020)
Dean Jagger (Appointed 1 April 2020 and resigned 30 December 2020)
Richard Jenkins (Appointed 30 December 2020)

Registered office and principle
place of business

Range International Limited

Level 5, 126 Phillip Street
Sydney NSW 2000

Share register

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

Auditor

BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000

Bankers

ANZ Banking Group Limited

Stock exchange listing

Range International Limited shares are listed on the Australian Securities Exchange
(ASX code: RAN)

Website

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

Range International Limited

Directors' report

31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Range International Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2020.

Directors

The following persons were directors of Range International Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Bowhill	Managing Director (Appointed 14 April 2020)
Peter Wallace	Non-Executive Director (Resigned 14 April 2020)
Kenneth MacMillan	Non-Executive Director (Resigned 9 April 2020)
Matthew Darby	Non-Executive Director (Resigned 9 April 2020)
Richard Jenkins	Executive Chairman
Christopher Fong	Executive Director

Kim Bradley-Ware resigned as Company Secretary and CFO effective 1 April 2020. Dean Jagger was appointed Company Secretary on 1 April 2020 and resigned 30 December 2020. Richard Jenkins (Executive Chairman) was appointed Company Secretary on 30 December 2020.

Principal activities

The Company is a manufacturer of recycled plastic pallets. Our ThermoFusion™ technology allows us to make plastic pallets from 100% recycled mixed waste plastic at a price that is competitive with wood pallets. There was no significant change in the nature of the Company's activities during the financial year.

Dividends

There is no current intention for the Company to pay a dividend. In the event that the Company 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.

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.

Board changes and COVID-19 impact

Alison Crealy, of Automic Group resigned on 8 December 2020 as CFO of the Company. Automic Group continued to provide these services after resignation.

COVID-19 has affected the pipeline of many of the Company's potential projects across Indonesia and Asia, and subsequently on our pipeline of business. In 2020, the Company undertook many actions to reduce its cost base and continue operations as effectively as possible. We optimised shifts and working days, we did not renew certain casual workers, while we outsourced factory workers to have more flexible employment options. Our electricity supplier also provided slightly discounted COVID-19 tariffs. In the year there was a reduction in director fees due to resignations and new directors are not receiving director fees. Towards the end of the year we saw sales and production throughput increasing again and while it is too early to say that business conditions are 'normal', as pricing pressure remains, the situation is more stable than it was in the March to August 2020 period.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Going Concern

During the year, the Group incurred an operating loss after tax of \$2.9 million (FY2019: \$9.2 million), net operating cash outflows of \$1.5 million (FY2019: \$2.7 million), net investing cash outflows of \$0.04 million (FY2019: \$0.07 million) and financing cash inflows of \$1.6 million (FY2019: nil).

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As at 31 December 2020 the Group has cash and cash equivalents of \$0.49 million (Dec 2019: \$0.57 million).

Through the reporting period we made several announcements detailing our successes with new business, with companies such as Nestle Philippines and Unilever Indonesia. We anticipate that demand for the Re>Pal 100% recycled pallet will continue as companies look to move from an unsustainably sourced product to a recycled product. Furthermore we also anticipate that the "EasyPay" rental scheme will accelerate access to Re>Pal's product, and we will update the market on any wins in this new area for Re>Pal.

Subsequent to the end of the financial year, the Company successfully raised A\$1.8 million (before costs) through a placement of 90,000,000 fully paid ordinary shares (see below). The funds raised will support improvements in raw material procurement, waste plastic washing/processing, more throughput capacity/removing bottlenecks in the production process, and the introduction of a financed backed rental sales product "EasyPay".

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 to deliver its sales targets and meet its cash flow forecasts;
- improve its gross margins on the sale of pallets;
- manage its broader cost base; and
- the ability of the Group to raise additional capital or obtain external financing if forecasts are not achieved.

To preserve the cash on hand the Board implemented a number of cost savings measures during the reporting period to reduce its cost base. These actions optimising shifts, non-renewal of casual workers, outsourcing factory workers and laying off or rostering off permanent workers to match reduced forecasted demand in the short-term and fitting into new COVID-19 tariffs from our electricity supplier.

If the factors mentioned above regarding going concern do not eventuate, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether the Group will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements. Should the Group not achieve the above factors, the Directors will be required to obtain additional financing or raise further capital.

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 2020. 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.

Matters subsequent to the end of the financial year

On 29 January 2021 the Company announced it has received commitments from investors to raise A\$1.8m through a placement of 90,000,000 fully paid ordinary shares at an issue price of A\$0.02 per share. Investors who have participated in the Placement will also receive free attaching unlisted options, which will be issued subject to Shareholder approval. One option will be issued for each two Shares subscribed for, resulting in the issue of 45,000,000 options. Proceeds from the shares will support improvements in raw material procurement, plastic processing, more production capacity, and the introduction of a financed backed sales product.

On 5 February 2021, the Company completed the above-mentioned placement, raising A\$1.8m (before costs).

On 8 February 2021 90,000,000 fully paid ordinary shares were issued. The issue of 45,000,000 unlisted options will be subject to shareholder approval, which will be sought at the 2021 Annual General Meeting, expected to be held in April 2021.

In January 2021 we appointed a new Factory Manager to oversee operations in Pasuruan and at the time of writing we are in the process of finalising the appointment of Mr Marcus Goldstein as Director Operations in Pasuruan to further strengthen the local team and provide local leadership and management of items of material importance such as raw materials supply.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Range International Limited

Directors' report

31 December 2020

Likely developments and expected results of operations

Notwithstanding the unpredictable nature of COVID-19's effect on the market, logistic demand for pallets is strong and the drive towards sustainability is happening. We see this in the desire of Unilever Indonesia to work with Re>Pal and reuse their waste in the forthcoming trial of their RP1210L pallet in April 2021. We hope this trial is successful and will lead to a new Purchase Order. We are hopeful for more demand in Philippines and in the home market of Indonesia, and we will also be growing the reseller channels in Indonesia and building the recurring revenue business via the "EasyPay" pallet rental product.

The Company will continue with its longer-term strategy of developing its product range (new RP1210L, new CP1311), developing its direct and indirect sales capability, ensuring continuing product quality, and ensuring efficiency of operations and ultimately scaling up production while ensuring we are buying raw materials effectively and also driving COGS lower through using more client waste where possible.

Environmental and Governance

Environmental regulations

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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 (4th edition) and the Company's corporate governance statement which can be found on its website via the following link:

<https://www.rangeinternational.automic.com.au/documents>

Information on directors

Name:	Stephen Bowhill
Title:	Managing Director (Appointed 14 April 2020)
Experience and expertise:	<p>Stephen brings over twenty-five years of business leadership experience to Range International, with a proven track record and focus on sales growth and business transformation, having led and grown several businesses in Australia and run sales teams in Asia and Australia.</p> <p>Stephen was previously a Director of the Australian and Asian activities for VivoPower International PLC, a Nasdaq listed global solar developer (NASDAQ: VVPR), and served on the Board of VivoPower's Australian subsidiary companies (Aevitas, Kenshaw and J.A.Martin).</p> <p>Prior to VivoPower, he was Managing Director of an Australian Securities Exchange (ASX) listed IT research company, IDEAS International (ASX:IDE). Within five years, he delivered a ten-fold increase in the company's valuation and secured its sale to Gartner Inc.</p>
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	10,741,067
Interests in options:	12,000,000

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Name: Peter Francis Wallace
Title: Non-Executive Director (Resigned 14 April 2020)
Qualifications: Bachelor of Commerce, Masters of Business Administration and is a Chartered Accountant
Experience and expertise: 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.
Other current directorships: Nil
Former directorships (last 3 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.
Special responsibilities: Member of Remuneration and Nomination Committee and Chair of Audit and Risk Committee
Interests in shares: 3,533,333
Interests in options: Nil

Name: Kenneth Andrew MacMillan
Title: Non-Executive Director (Resigned 9 April 2020)
Qualifications: Bachelor of Economics, RG146 registered, Accredited Derivatives Advisor (levels 1 and 2)
Experience and expertise: 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.
Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil
Interests in options: Nil

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Name: Matthew Darby
Title: Non-Executive Director (Resigned 9 April 2020)
Experience and expertise: 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.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interests in shares: Nil
Interests in options: 1,413,448

Name: Richard Jenkins
Title: Executive Chairman
Experience and expertise: 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 stock 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.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Chair of Remuneration and Nomination Committee and a Member of Audit and Risk Committee
Interests in shares: 21,666,667
Interests in options: 12,000,000

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Name:	Christopher Fong
Title:	Executive Director
Experience and expertise:	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.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of the Remuneration and Nomination Committee and the Audit and Risk Committee
Interests in shares:	14,687,259
Interests in options:	12,000,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Kim Bradley Ware (Resigned as Company Secretary and CFO 1 April 2020)

Kim was engaged by Range as Chief Financial Officer and Company Secretary on 1 April 2018 and resigned 1 April 2020. 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.

Dean Jagger (Appointed 1 April 2020 and resigned 30 December 2020)

Mr Jagger works in the company secretarial division of Automic Group, a company that offers Legal, Registry, Company Secretarial, Governance, Finance and Insurance services. Mr Jagger provides company secretarial and corporate compliance services to several listed public and private companies. Mr Jagger has 10 years' experience in the financial services sector.

Richard Jenkins (Appointed 30 December 2020)

Mr Jenkins is currently the Executive Chairman of the company and Company Secretary.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2020, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Stephen Bowhill	10	10	-	-	-	-
Peter Wallace	3	3	-	-	1	1
Kenneth MacMillan	3	3	-	-	-	-
Matthew Darby	3	3	-	-	-	-
Richard Jenkins	13	13	-	-	2	2
Christopher Fong	12	13	-	-	2	2

Held: represents the number of meetings held during the time the director held office.

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Directors' report

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Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The Board has determined that the following individuals were KMP during FY20 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 Resigned 14 April 2020
Kenneth McMillan	Non-Executive Chairman Non-Executive Director	Appointed 24 January 2019 to 5 December 2019 Appointed 28 February 2018 Resigned 9 April 2020
Matthew Darby	Non-Executive Director	30 October 2017 - 28 February 2018 and from 24 January 2019 Resigned 9 April 2020
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) Managing Director	Appointed 10 September 2018 Appointed 14 April 2020
Kim Bradley Ware	Chief Financial Officer and Company Secretary	Appointed 1 April 2018 Resigned 1 April 2020
Yanie Lee	Chief Operating Officer	Resigned 31 December 2020
Alison Crealy	Chief Financial Officer	Appointed 1 April 2020 Resigned 8 December 2020

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.

Principles used to determine the nature and amount of 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:

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Directors' report

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- 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 2020 the Committee's two members were Executive Director Christopher Fong and Executive Chairman Richard Jenkins - Chair of the Committee. There are currently no Non-Executive Directors serving as members of the Committees.

No remuneration consultants were engaged during FY20.

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 FY20

Executive KMP remuneration in FY20 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 FY20 was Australia. Intended to be positioned in the 60th 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 FY20

Short Term Incentive (STI)

Mr Bowhill commenced as CEO on 10 September 2018 and was appointed Managing Director on 14 April 2020. The Directors have agreed a new STI structure for Mr Bowhill for the financial years ended 31 December 2020 and 31 December 2021. Please refer to service agreement 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 12 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 FY20 was within the approved aggregate fee pool of A\$750,000.

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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 2020. 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.

Executive Director remuneration

On 5 December 2019 Richard Jenkins was appointed as Executive Chairman and Company Secretary on 30 December 2020 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 note 30 for further details.

Stephen Bowhill was appointed as Managing Director from 14 April 2020. The remuneration paid to the Company's Managing Director remained the same as his Executive Annual base salary and fees of A\$295,000, (any applicable superannuation contributions provided by the Company are included in these amounts).

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 FY2020 nor are they entitled to retirement or termination benefits other than statutory superannuation contributions (if applicable).

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 the year until 1 April 2020. Company Matters Pty Limited 2020 remuneration comprised US\$54,170 exclusive of GST. Remuneration is paid on an hourly rates basis. This role was taken over by Automic Group for the remainder of the year. Automic Group 2020 remuneration comprised of US\$68,347 exclusive of GST. Remuneration is paid on a retainer basis, with an additional out of scope hourly rate basis.

There were no loans or other transactions transacted with KMPs during FY20.

Details of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2020	Cash salary and fees*** US\$	Short-term benefits			Post-employment benefits	Share-based payments	Total US\$
		Cash bonus US\$	Annual leave US\$	Other benefits**** US\$	Super-annuation US\$	Equity-settled***** US\$	
<i>Non-Executive Directors:</i>							
Matthew Darby*	20,968	-	-	-	-	-	20,968
Kenneth MacMillan	11,553	-	-	-	-	-	11,553
Peter Wallace	8,665	-	-	-	-	-	8,665
<i>Executive Directors:</i>							
Richard Jenkins**	-	-	-	-	-	64,419	64,419
Christopher Fong**	-	-	-	-	-	64,419	64,419
Stephen Bowhill	169,172	3,747	23,043	17,452	15,876	47,359	276,649
	210,358	3,747	23,043	17,452	15,876	176,197	446,673

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2019	Short-term benefits				Post-employment benefits	Share-based payments	Total US\$
	Cash salary and fees** US\$	Cash bonus US\$	Annual leave US\$	Other benefits*** US\$	Super-annuation US\$	Equity-settled**** US\$	
<i>Non-Executive Directors:</i>							
Matthew Darby	53,538	-	-	-	-	21,473	75,011
Kenneth Macmillan	34,805	-	-	-	-	-	34,805
Peter Wallace	58,598	-	-	-	-	-	58,598
<i>Executive Directors:</i>							
Matthew Darby	3,874	-	-	-	-	2,547	6,421
<i>Other Key Management Personnel:</i>							
Stephen Bowhill	173,370	7,993	6,497	17,526	14,456	40,439	260,281
	<u>324,185</u>	<u>7,993</u>	<u>6,497</u>	<u>17,526</u>	<u>14,456</u>	<u>64,459</u>	<u>435,116</u>

* Matthew Darby received a settlement payment of A\$10,247 for being removed as a member of the Board of Commissioners of the Company due to the restructuring of the Company.

** Richard Jenkins and Christopher Fong were appointed on 5 December 2019. On 6 January 2020, the Company held an Extraordinary General Meeting to approve the 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 2020 and 2019. Please see Equity awards below for further details.

*** Includes the value of individual income taxes accrued on behalf of the KMPs by the Company.

**** Other benefits comprise car allowance.

***** Equity-settled share based payments includes options only.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		Variable - STI		Variable - LTI	
	2020	2019	2020	2019	2020	2019
<i>Non-Executive Directors:</i>						
Matthew Darby	100%	71%	-	-	-	29%
Kenneth Macmillan	100%	100%	-	-	-	-
Peter Wallace	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Matthew Darby	-	60%	-	-	-	40%
Richard Jenkins	-	-	-	-	100%	-
Christopher Fong	-	-	-	-	100%	-
Stephen Bowhill	82%	81%	1%	3%	17%	16%

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Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Stephen Bowhill
Title:	Managing Director (Appointed 14 April 2020)
Agreement commenced:	14 April 2020
Term of agreement:	(i) A base salary of A\$295,000 per annum (inclusive of superannuation)
	(ii) STIs applicable for FY 2020: (A) The Board (excluding Mr Bowhill) will determine and pay a discretionary cash bonus to Mr Bowhill, calculated periodically based on number of pallets sold.
	(iii) Other industry standard provisions for a senior executive of a public listed company.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2020.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Issued in the year ended 31 December 2019

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 A\$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).

Issued in the year ended 31 December 2020

On 6 January at an Extraordinary General Meeting the exercise price of the options issued to Stephen Bowhill were amended from A\$0.075 (7.5 cents) per share to A\$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 Mr Fong as part of their remuneration package and in lieu of Directors fees on the following terms:

- the options are exercisable at A\$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.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2020.

Range International Limited
Directors' report
31 December 2020

Additional information

The earnings of the consolidated entity for the five years (from inception) to 31 December 2020 are summarised below:

	2020 US\$'000	2019 US\$'000	2018 US\$'000	2017 US\$'000	2016 US\$'000
Gross Revenue	1,422	1,655	1,655	1,383	462
Net loss after tax	(2,987)	(9,207)	(7,746)	(34,818)	(9,943)
Share price at year end	A\$0.02	A\$0.02	A\$0.03	A\$0.06	A\$1.20
Equity returns	nil	nil	nil	nil	nil

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
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)	-
Stephen Bowhill	1,089,991	-	11,151,076	(1,500,000)	10,741,067
	<u>30,076,149</u>	<u>-</u>	<u>41,151,076</u>	<u>(24,132,232)</u>	<u>47,094,993</u>

* Richard Jenkins holds his interests indirectly through Kizoz Pty Ltd and Shell Cove Capital Management.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Stephen Bowhill	12,000,000	-	-	-	12,000,000
Matthew Darby	1,413,448	-	-	-	1,413,448
Richard Jenkins*	-	12,000,000	-	-	12,000,000
Christopher Fong	-	12,000,000	-	-	12,000,000
	<u>13,413,448</u>	<u>24,000,000</u>	<u>-</u>	<u>-</u>	<u>37,413,448</u>

* Richard Jenkins holds his interests indirectly through Shell Cove Capital Management.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of Range International Limited under option outstanding at the date of this report.

Unissued ordinary shares of Range International Limited under option at the date of this report are as follows:

Range International Limited
Directors' report
31 December 2020

Grant date	Expiry date	Exercise price	Number under option
20/07/2016	20/07/2022	A\$1.00	1,413,448
14/02/2019	10/09/2024	A\$0.03	12,000,000
06/01/2020	14/01/2023	A\$0.03	12,000,000
06/01/2020	14/01/2023	A\$0.03	12,000,000
			<u>37,413,448</u>

Shares issued on the exercise of options

There were no ordinary shares of Range International Limited issued on the exercise of options during the year ended 31 December 2020 and up to the date of this report.

Indemnity and insurance 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).

The Company is in the process of renewing its Director and Officer insurance.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Range International Limited

Directors' report

31 December 2020

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of BDO Audit Pty Ltd.

There are no officers of the company who are former partners of BDO Audit Pty Ltd.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Jenkins
Executive Chairman

26 February 2021

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 2020, 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 Audit Pty Ltd
Sydney
26 February 2021

For personal use only

Range International Limited

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31 December 2020

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General information

The financial statements cover Range International Limited as a consolidated entity consisting of Range International Limited (the Company) and its subsidiaries (the Group) it controlled at the end of, or during, the year. The financial statements are presented in US dollars, which is the Company's presentation currency. The Company's functional currency is Australian dollars.

Range International Limited is a listed public company limited by shares on the Australian Securities Exchange (ASX: RAN), incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street
Sydney NSW 2000 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2021. The directors have the power to amend and reissue the financial statements.

Range International Limited
Consolidated statement of profit or loss
For the year ended 31 December 2020

	Note	Consolidated 2020 US\$'000	2019 US\$'000
Revenue	4	1,422	1,655
Other income	5	86	60
Expenses			
Employee benefits expense	6	(763)	(979)
Depreciation and amortisation expense	6	(120)	(471)
Cost of sales		(2,634)	(3,056)
Sales and marketing expense		(151)	(256)
Professional fees		(322)	(600)
Impairment expense	6	(211)	(5,409)
Other expenses		(277)	(168)
Foreign exchange (loss)/gain		(17)	17
Loss before income tax expense		(2,987)	(9,207)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Range International Limited		<u>(2,987)</u>	<u>(9,207)</u>
		Cents	Cents
Basic loss per share	29	(0.84)	(4.58)
Diluted loss per share	29	(0.84)	(4.58)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes

Range International Limited
Consolidated statement of other comprehensive income
For the year ended 31 December 2020

	Consolidated 2020 US\$'000	2019 US\$'000
Loss after income tax expense for the year attributable to the owners of Range International Limited	(2,987)	(9,207)
Other comprehensive (loss)/income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign controlled entities	(115)	376
Other comprehensive income for the year, net of tax	(115)	376
Total comprehensive loss for the year attributable to the owners of Range International Limited	<u>(3,102)</u>	<u>(8,831)</u>

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

Range International Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	Consolidated 2020 US\$'000	2019 US\$'000
Assets			
Current assets			
Cash and cash equivalents	8	490	569
Trade and other receivables	9	554	454
Inventories	10	118	262
Other current assets		28	61
Total current assets		1,190	1,346
Non-current assets			
Property, plant and equipment	12	7,243	8,729
Right-of-use assets	11	584	612
Other current assets		100	106
Total non-current assets		7,927	9,447
Total assets		9,117	10,793
Liabilities			
Current liabilities			
Trade and other payables	14	463	768
Provisions	15	2,650	2,650
Total current liabilities		3,113	3,418
Non-current liabilities			
Provisions	15	157	158
Total non-current liabilities		157	158
Total liabilities		3,270	3,576
Net assets		5,847	7,217
Equity			
Issued capital	17	111,239	109,676
Reserves	18	(28,054)	(28,108)
Accumulated losses		(77,338)	(74,351)
Total equity		5,847	7,217

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

Range International Limited
Consolidated statement of changes in equity
For the year ended 31 December 2020

Consolidated	Issued capital US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2019	109,676	(28,563)	(65,144)	15,969
Loss after income tax expense for the year	-	-	(9,207)	(9,207)
Other comprehensive income for the year, net of tax	-	376	-	376
Total comprehensive (loss)/income for the year	-	376	(9,207)	(8,831)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 30)	-	79	-	79
Balance at 31 December 2019	109,676	(28,108)	(74,351)	7,217
Consolidated	Issued capital US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2020	109,676	(28,108)	(74,351)	7,217
Loss after income tax expense for the year	-	-	(2,987)	(2,987)
Other comprehensive loss for the year, net of tax	-	(115)	-	(115)
Total comprehensive loss for the year	-	(115)	(2,987)	(3,102)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 30)	-	169	-	169
Issue of shares, net of transaction costs	1,563	-	-	1,563
Balance at 31 December 2020	111,239	(28,054)	(77,338)	5,847

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

Range International Limited
Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	Consolidated 2020 US\$'000	2019 US\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,359	1,694
Payments to suppliers (inclusive of GST)		(2,959)	(4,354)
		(1,600)	(2,660)
Interest received		5	-
Government grants received		67	-
Income taxes paid		(7)	(5)
Net cash used in operating activities	28	(1,535)	(2,665)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(44)	(80)
Proceeds from disposal of property, plant and equipment		-	8
Net cash used in investing activities		(44)	(72)
Cash flows from financing activities			
Proceeds from issue of shares	17	1,611	-
Transaction costs related to share issue		(48)	-
Net cash from financing activities		1,563	-
Net decrease in cash and cash equivalents		(16)	(2,737)
Cash and cash equivalents at the beginning of the financial year		569	3,275
Effects of exchange rate changes on cash and cash equivalents		(63)	31
Cash and cash equivalents at the end of the financial year	8	<u>490</u>	<u>569</u>

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

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

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

Going concern

During the year, the Group incurred an operating loss after tax of \$2.9 million (FY2019: \$9.2 million), net operating cash outflows of \$1.5 million (FY2019: \$2.7 million), net investing cash outflows of \$0.04 million (FY2019: \$0.07 million) and financing cash inflows of \$1.6 million (FY19: nil).

As at 31 December 2020 the Group has cash and cash equivalents of \$0.49 million (Dec 2019: \$0.57 million).

Through the reporting period we made several announcements detailing our successes with new business, with companies such as Nestle Philippines and Unilever Indonesia. We anticipate that demand for the Re>Pal 100% recycled pallet will continue as companies look to move from an unsustainably sourced product to a recycled product. Furthermore we also anticipate that the "EasyPay" rental scheme will accelerate access to Re>Pal's product, and we will update the market on any wins in this new area for Re>Pal.

Subsequent to the end of the financial year, the Company successfully raised A\$1.8 million (before costs) through a placement of 90,000,000 fully paid ordinary shares (see below). The funds raised will support improvements in raw material procurement, waste plastic washing/processing, more throughput capacity/removing bottlenecks in the production process, and the introduction of a financed backed rental sales product "EasyPay".

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 to deliver its sales targets and meet its cash flow forecasts;
- improve its gross margins on the sale of pallets;
- manage its broader cost base; and
- the ability of the Group to raise additional capital or obtain external financing if forecasts are not achieved.

To preserve the cash on hand the Board implemented a number of cost savings measures during the reporting period to reduce its cost base. These actions optimising shifts, non-renewal of casual workers, outsourcing factory workers and laying off or rostering off permanent workers to match reduced forecasted demand in the short-term and fitting into new COVID-19 tariffs from our electricity supplier.

If the factors mentioned above regarding going concern do not eventuate, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether the Group will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements. Should the Group not achieve the above factors, the Directors will be required to obtain additional financing or raise further capital.

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 2020. 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements have been prepared on a going concern basis using historical cost conventions.

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 1. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Range International Limited ('Company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the year then ended. Range International Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

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).

Foreign currency translation

The financial statements are presented in US dollars, which is Range International Limited's presentation currency. Range International Limited's functional currency is Australian dollars.

Foreign operations

The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Monte-Carlo Simulation or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Tax provisioning

The consolidated entity is subject to direct and indirect taxes in the multiple jurisdictions in which it operates. Significant judgement is required in determining direct and indirect tax liabilities. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Operating segments

Identification of reportable operating segments

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

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 3. Operating segments (continued)

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. Most sales to external customers are made within Indonesia.

Operating segment information

	Indonesia US\$'000	Australia & New Zealand US\$'000	Thailand US\$'000	Philippines US\$'000	Other segments US\$'000	Total US\$'000
Consolidated - 2020						
Revenue						
Sales to external customers	909	9	115	389	-	1,422
Total revenue	909	9	115	389	-	1,422
Assets						
Segment assets	8,777	335	-	1	4	9,117
Total assets						9,117
Consolidated - 2019						
Revenue						
Sales to external customers	1,371	12	142	118	12	1,655
Total revenue	1,371	12	142	118	12	1,655
Assets						
Segment assets	10,304	456	-	3	30	10,793
Total assets						10,793

Within the Indonesian segment there were two customers who accounted for over 10% of revenue each within the Indonesian segment. Customer one \$297,000, 33% (2019: \$360,000, 22%) and Customer two \$90,000, 10% (2019: \$181,000, 11%).

Note 4. Revenue

	Consolidated	
	2020 US\$'000	2019 US\$'000
Pallet sales - point of sales	1,422	1,655

Accounting policy for 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.

Range International Limited
Notes to the consolidated financial statements
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Note 4. Revenue (continued)

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.

Note 5. Other income

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Other income	14	41
Interest income	5	19
ATO COVID-19 Cashflow Boost	67	-
	<hr/>	<hr/>
Other income	<u>86</u>	<u>60</u>

Other income comprises sales of miscellaneous steel pipes.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and that the grant will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which grants are intended to compensate. If the grant relates to expenses or losses already incurred by the entity, or to provide immediate financial support to the entity with no future related costs, the income is recognised in the period in which it becomes receivable.

Range International Limited
Notes to the consolidated financial statements
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Note 6. Expenses

Consolidated
2020 **2019**
US\$'000 **US\$'000**

Loss before income tax includes the following specific expenses:

<i>Cost of sales</i>		
Cost of sales	2,634	3,056
<hr/>		
<i>Depreciation and amortisation</i>		
Leasehold improvements right-of-use assets	22	45
Property, plant and equipment	98	126
Intangible assets	-	300
<hr/>		
Total depreciation	120	471
<hr/>		
<i>Impairment expense</i>		
Plant and equipment	211	1,127
Intellectual Property	-	4,282
<hr/>		
Total impairment expense	211	5,409
<hr/>		
<i>Employee benefits expense</i>		
Remuneration, bonuses and on-costs	929	1,344
Superannuation expenses	66	80
Defined benefits liability	-	65
Net share-based payments expense	169	79
Less amounts included in Cost of sales	(401)	(589)
<hr/>		
Employee benefits expense	763	979
<hr/>		

Employee benefits expense

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. The plan is in place in Indonesia for 55 employees.

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 30.

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 6. Expenses (continued)

Impairment expense

The Group's Cash Generating Unit (**CGU**) is assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist.

During the year ended 31 December 2019, It was determined that there were indicators of impairment of the Group's assets as operating performance was below expectations. Whilst a number of key relationships had been established, and the circular economy movement was becoming more pertinent in Indonesian, the impairment charge was driven by 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 ended 31 December 2019.

In performing the value-in-use calculations during the year ended 31 December 2019, the Group 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%.

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 31 December 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 ended 31 December 2019 any adverse change in any of the key assumptions will unlikely give rise to a further impairment charge.

Management have reviewed the 2019 valuation report and have not identified any changes to the impairment assumptions other than impairing two moulds that are not expected to be used in future years.

Note 7. Income tax expense

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,987)	(9,207)
Tax at the statutory tax rate of 30%	(896)	(2,762)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	-	90
Impairment of assets	47	1,626
Difference in overseas tax rates	140	168
Non-deductible expenses	115	146
Tax losses for which no deferred tax asset has been recognised	594	732
Income tax expense	<u>-</u>	<u>-</u>

Range International Limited
Notes to the consolidated financial statements
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Note 7. Income tax expense (continued)

Unrecognised deferred tax assets

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

Tax losses - consolidated

	2020	2019
	\$'000	\$'000
Tax losses - Australia (the Company) (i),(ii)	38,597	8,620
Tax losses - Australia (Re>Pal Australia) (i),(ii)	744	743
Tax losses - Indonesia (i),(iii)	26,076,992	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

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.

Range International Limited
Notes to the consolidated financial statements
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Note 8. Cash and cash equivalents

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Current assets</i>		
Cash at bank	490	569

Accounting policy for cash and cash equivalents

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 rates.

Note 9. Trade and other receivables

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Current assets</i>		
Trade receivables	318	211
Other receivables	236	243
	<u>554</u>	<u>454</u>

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Opening balance	40	149
Provision for expected credit loss derecognised during the year	(40)	(109)
Closing balance	<u>-</u>	<u>40</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. 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.

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 9. Trade and other receivables (continued)

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.

Note 10. Inventories

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Current assets</i>		
Raw materials - at cost	22	11
Work in progress - at net realisable value	2	-
Finished goods - at net realisable value	94	251
	118	262
	118	262

Accounting policy for inventories

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.

Note 11. Right-of-use assets

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Leasehold improvements - right-of-use	634	634
Translation differences	17	23
Less: Accumulated depreciation	(67)	(45)
	584	612
	584	612

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 and management have confirmed that they will renew.

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.

Accounting policy for 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.

Range International Limited
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Note 11. Right-of-use assets (continued)

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 its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. The estimated useful life of the right to use asset is 29 years.

Note 12. Property, plant and equipment

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Non-current assets</i>		
Plant and equipment - at cost	6,745	19,173
Less: Accumulated depreciation and impairment	<u>(2,282)</u>	<u>(14,301)</u>
	4,463	4,872
Building - at cost	2,479	5,972
Less: Accumulated depreciation and impairment	<u>(339)</u>	<u>(3,688)</u>
	2,140	2,284
Motor vehicles - at cost	-	14
Less: Accumulated depreciation and impairment	<u>-</u>	<u>(14)</u>
	-	-
Factory and office furniture and fixtures - at cost	-	686
Less: Accumulated depreciation and impairment	<u>-</u>	<u>(686)</u>
	-	-
Capital work-in-progress - at cost	<u>640</u>	<u>1,573</u>
	<u><u>7,243</u></u>	<u><u>8,729</u></u>

Range International Limited
Notes to the consolidated financial statements
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Note 12. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Motor vehicles US\$'000	Factory & office furniture & fixtures US\$'000	Plant & equipment US\$'000	Building US\$'000	Capital work- in-progress US\$'000	Total US\$'000
Balance at 1 January 2019	7	218	5,442	3,180	2,200	11,047
Additions	-	-	13	-	67	80
Disposals	(6)	(1)	-	-	-	(7)
Exchange differences	-	7	194	88	74	363
Impairment of assets	-	(183)	-	(221)	(723)	(1,127)
Transfers in/(out)	-	-	45	(634)	(45)	(634)
Depreciation expense	(1)	(41)	(822)	(129)	-	(993)
Balance at 31 December 2019	-	-	4,872	2,284	1,573	8,729
Additions	-	-	1	-	45	46
Disposals	-	-	(2)	-	(277)	(279)
Exchange differences	-	-	(75)	(26)	(16)	(117)
Impairment of assets	-	-	(222)	-	-	(222)
Transfers in/(out)	-	-	684	1	(685)	-
Depreciation expense	-	-	(795)	(119)	-	(914)
Balance at 31 December 2020	-	-	4,463	2,140	640	7,243

All assets as at 31 December 2020 and 2019 are owned by the Group.

During the year ended 31 December 2019 the Company engaged an external expert to value the right of use assets, buildings and property plant and equipment excluding construction in progress. All assets are measured at cost less impairment to reflect the recoverable value. Management has reviewed the 2019 impairment calculations and has not identified any changes to the impairment assumptions other than impairing two moulds that are not expected to be used in future years.

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, and the cost of major inspections.

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 is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	20 years
Office furniture and fixtures	4-8 years
Plant and equipment	4-10 years
Plant machinery	4-10 years

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

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 12. 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.

Note 13. Intangibles

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Non-current assets</i>		
Development - at cost	277	277
Less: Accumulated amortisation and impairment	(277)	(277)
	-	-
Intellectual property - at cost	10,424	10,424
Less: Accumulated amortisation and impairment	(10,424)	(10,424)
	-	-
	-	-

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Design & Development US\$'000	Intellectual property US\$'000	Total US\$'000
Balance at 1 January 2019	70	4,512	4,582
Impairment of assets	(43)	(4,239)	(4,282)
Amortisation expense	(27)	(273)	(300)
Balance at 31 December 2019	-	-	-
Balance at 31 December 2020	-	-	-

Note 13. Intangibles (continued)

An impairment loss of US\$4.3 million was recorded in the year ended 31 December 2019.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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 using the valuation method, refer to note 6.

Note 14. Trade and other payables

Current liabilities
Trade payables
Other payables

	Consolidated	
	2020	2019
	US\$'000	US\$'000
	155	96
	308	672
	463	768
	463	768

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

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Notes to the consolidated financial statements
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Note 14. Trade and other payables (continued)

Accounting policy for trade and other payables

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.

Note 15. Provisions

	Consolidated	
	2020	2019
	US\$'000	US\$'000
<i>Current liabilities</i>		
Tax provisioning	2,650	2,650
<i>Non-current liabilities</i>		
Employee benefits	157	158
	<u>2,807</u>	<u>2,808</u>

Accounting policy for provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Accounting policy for employee benefits

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 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.

Note 16. Capital commitments and contingencies

	Consolidated	
	2020	2019
	US\$'000	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 2020

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Note 17. Issued capital

	2020 Shares '000	Consolidated 2019 Shares '000	2020 US\$'000	2019 US\$'000
Ordinary shares - fully paid	361,371	201,055	111,239	109,676

Movements in ordinary share capital

Details	Date	Shares '000	Issue price	US\$'000
Balance	1 January 2019	201,055		109,676
Balance	31 December 2019	201,055		109,676
Issue of ordinary shares	14 January 2020	160,316	US\$0.01	1,563
Balance	31 December 2020	361,371		111,239

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2019 Annual Report.

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Note 18. Reserves

	Consolidated	Consolidated
	2020	2019
	US\$'000	US\$'000
Restructure reserve	(27,891)	(27,891)
Foreign currency reserve	(581)	(466)
Share-based payments reserve	418	249
	<u>(28,054)</u>	<u>(28,108)</u>

Foreign currency reserve

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.

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the grant date fair value of options issued to employees and directors but not exercised. Reserve for options forfeited during the year reclassified to profit and loss.

Restructure reserve

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.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Restructure Reserve US\$'000	Share based payment Reserve US\$'000	Foreign Currency Reserve US\$'000	Total US\$'000
Balance at 1 January 2019	(27,891)	170	(842)	(28,563)
Foreign currency translation	-	-	376	376
Share based payment transactions, net	-	79	-	79
Balance at 31 December 2019	(27,891)	249	(466)	(28,108)
Foreign currency translation	-	-	(115)	(115)
Share based payment transactions, net	-	169	-	169
Balance at 31 December 2020	<u>(27,891)</u>	<u>418</u>	<u>(581)</u>	<u>(28,054)</u>

Note 19. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Range International Limited
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Note 20. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Audit Committee.

Market risk

Foreign currency 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:

	Foreign currency amount 2020 '000	Foreign currency amount 2019 '000	Amount in USD 2020 US\$'000	Amount in USD 2019 US\$'000	Rate of Exchange as at year end 2020	Rate of Exchange as at year end 2019
Financial Assets						
Trade, and other receivables						
- Indonesian Rupiah	7,661,580	6,124,609	547	441	IDR/US14,016	IDR/US13,886
- AU Dollar	10	19	8	13	AUD/US1.2938	AUD/US1.4226
Cash and cash equivalents						
- Indonesian Rupiah	2,555,411	1,445,989	182	104	IDR/US14,016	IDR/US13,886
- AU Dollar	397	410	307	288	AUD/US1.2938	AUD/US1.4226
Financial Liabilities						
Trade and other payables						
- Indonesian Rupiah	(3,135,933)	(6,418,094)	(224)	(462)	IDR/US14,016	IDR/US13,886
- AU Dollar	(261)	(371)	(202)	(261)	AUD/US1.2938	AUD/US1.4226
- Philippine Peso	(41)	-	(1)	-	PHP/US48.04	PHP/US50.71
- Malaysian Ringgit	(13)	-	(3)	-	MYR/US4.03	MYR/US4.09

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.

Range International Limited
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Note 20. Financial instruments (continued)

	Pre-Tax Loss Higher/(lower)	
	2020	2019
	\$'000	\$'000
US/IDR exchange rate – increase (10%)	51	8
US/IDR exchange rate – decrease (10%)	(51)	(8)
US/AUD\$ exchange rate – increase (10%)	11	4
US/AUD\$ exchange rate – decrease (10%)	(11)	(4)
US/PHP exchange rate – increase (10%)	-	-
US/PHP exchange rate – decrease (10%)	-	-
US/MYR exchange rate – increase (10%)	-	-
US/MYR exchange rate – decrease (10%)	-	-

Price risk

The consolidated entity is not exposed to any significant price risk.

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.

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	
	2020	2019
	US\$'000	US\$'000
By Country		
Australia	8	13
Singapore and others	155	-
Indonesia	391	441
	<u>554</u>	<u>454</u>

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 20. Financial instruments (continued)

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 2020 based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Consolidated 2020 US'000	Consolidated 2019 US'000
Trade and other payables		
Not yet due	418	768
Under three months	43	3
Over six months	-	(3)
	<u>461</u>	<u>768</u>

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Range International Limited
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Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Short-term employee benefits	255	350
Post-employment benefits	16	14
Long-term benefits	-	6
Share-based payments	176	64
	447	434
	447	434

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company, its network firms and unrelated firms:

	Consolidated	
	2020	2019
	US\$	US\$
<i>Audit services -</i>		
Audit or review of the financial statements	109,942	117,649
<i>Other services -</i>		
Other services	30,896	14,780
	140,838	132,429
<i>Audit services - PricewaterhouseCoopers Network</i>		
Audit or review of the financial statements	-	20,000
<i>Other services - PricewaterhouseCoopers Network</i>		
Preparation of the tax return	9,084	-
Other services	-	3,975
	9,084	3,975
	9,084	23,975
<i>Audit services - BDO Network</i>		
Audit or review of the financial statements	-	18,723
<i>Other services - BDO Network</i>		
Other services	-	18,723
	-	18,723
	-	37,446

With effect from 2019, BDO Audit Pty Ltd (BDO) was appointed as auditor of the Company, replacing PricewaterhouseCoopers LLP (PwC).

Range International Limited
Notes to the consolidated financial statements
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Note 24. Related party transactions

Parent entity

Range International Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2020	2019
	US\$	US\$

Payment for goods and services:

Purchase of goods from other related party	-	24,571
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Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2020	2019
	US\$'000	US\$'000

Loss after income tax	(1,156)	(1,902)
Exchange rate differences	(1,043)	(35)
Total comprehensive loss	<u>(2,199)</u>	<u>(1,937)</u>

Range International Limited
Notes to the consolidated financial statements
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Note 25. Parent entity information (continued)

Statement of financial position

	Parent	
	2020	2019
	US\$'000	US\$'000
Total current assets	331	465
Total assets	331	1,354
Total current liabilities	201	861
Total liabilities	201	861
Equity		
Issued capital	111,239	109,676
Restructure reserve	(16)	(16)
Foreign currency reserve	(21,948)	(34)
Share-based payments reserve	414	(247)
Accumulated losses	(89,560)	(109,380)
Total equity	<u>130</u>	<u>493</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2020 or 31 December 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2020 or 31 December 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2020 or 31 December 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Range International Limited
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Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
Trading			
Range International Holdings Limited	Singapore	100.00%	100.00%
PT Repal Internasional Indonesia	Indonesia	100.00%	100.00%
Non Trading			
Re-Pal Australia Pty Limited	Australia	100.00%	100.00%
Repal Malaysia SDN BHD	Malaysia	100.00%	100.00%
Re-Pal Sustainability Philippines Inc	Philippines	100.00%	100.00%

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.

Note 27. Events after the reporting period

On 29 January 2021 the Company announced it has received commitments from investors to raise A\$1.8m through a placement of 90,000,000 fully paid ordinary shares at an issue price of A\$0.02 per share. Investors who have participated in the Placement will also receive free attaching unlisted options, which will be issued subject to Shareholder approval. One option will be issued for each two Shares subscribed for, resulting in the issue of 45,000,000 options. Proceeds from the shares will support improvements in raw material procurement, plastic processing, more production capacity, and the introduction of a financed backed sales product.

On 5 February 2021, the Company completed the above-mentioned placement, raising A\$1.8m (before costs).

Range International Limited
Notes to the consolidated financial statements
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Note 27. Events after the reporting period (continued)

On 8 February 2021 90,000,000 fully paid ordinary shares were issued. The issue of 45,000,000 unlisted options will be subject to shareholder approval, which will be sought at the 2021 Annual General Meeting, expected to be held in April 2021.

In January 2021 we appointed a new Factory Manager to oversee operations in Pasuruan and at the time of writing we are in the process of finalising the appointment of Mr Marcus Goldstein as Director Operations in Pasuruan to further strengthen the local team and provide local leadership and management of items of material importance such as raw materials supply.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 28. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Loss after income tax expense for the year	(2,987)	(9,207)
Adjustments for:		
Depreciation and amortisation	935	1,294
Impairment of non-current assets	211	5,389
Share-based payments	169	79
Foreign exchange differences	77	(6)
Defined benefits plan liability movements	-	65
Write-off of inventory to net realisable value	-	24
Provision for doubtful debts	(40)	(71)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(60)	117
Decrease in prepayments	41	-
Decrease in other non-current assets	7	12
Decrease in trade and other payables	(31)	(137)
Increase in other provisions	-	15
Decrease/(increase) in inventories	143	(224)
Increase in other current assets	-	(15)
Net cash used in operating activities	<u>(1,535)</u>	<u>(2,665)</u>

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.

Note 29. Earnings per share

	Consolidated	
	2020	2019
	US\$'000	US\$'000
Loss after income tax attributable to the owners of Range International Limited	<u>(2,987)</u>	<u>(9,207)</u>

Range International Limited
Notes to the consolidated financial statements
31 December 2020

Note 29. Earnings per share (continued)

	Number '000	Number '000
Weighted average number of ordinary shares used in calculating basic earnings per share	355,677	201,055
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>355,677</u>	<u>201,055</u>
	Cents	Cents
Basic loss per share	(0.84)	(4.58)
Diluted loss per share	(0.84)	(4.58)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Range International Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 30. 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).

Note 30. Share-based payments (continued)

(c) Director Options

Richard Jenkins and Christopher Fong were appointed as Directors 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 on the following terms:

- (i) The Director Options will vest of the date the Director Options are issued (Issue Date). Unless Mr Jenkins and Mr Fong assign the Director Options to a trustee of their choice, the Director Options are otherwise not transferable.
- (ii) The Director Options are exercisable at \$0.03 (3 cents) per share and are exercisable until the date that is 3 years after the Issue Date. Each Director Option upon exercise will convert into 1 share upon exercise. The minimum number of director options exercisable is 12,000,000.
- (iii) Any shares issued on exercise of the Director Options will rank equally with all existing shares.
- (iv) If at any time the issued capital of the Company is reconstructed (including consolidation, subdivision, reduction or return), all rights of a holder of Director Options are to be changed to the extent necessary in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (v) The Director Options will not be quoted on the AS.
- (vi) There are no participation rights or entitlements inherent in the Director Options and holders of Director Options will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options without first exercising their Director Options.
- (vii) The exercise price and the one-for-one exercise ratio are fixed for the life of the Director Options subject to reconstruction (as per (iv)) above), the Listing Rules and the Corporations Act.

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 A\$
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	0.055
			Service condition (non-market condition)		0.315
Shareholder approved 14 February 2019	Executive performance options	10 September 2019	Service condition (non-market condition)	10 September 2024	0.005
Director Options 6 January 2020	Director Options	14 January 2020	Vest on issue	14 January 2023	0.008

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.

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Note 30. Share-based payments (continued)

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) Service condition (non-market condition)	Monte-Carlo simulation Binomial tree
Shareholder approved 14 January 2019	Performance options	Service condition (non-market condition)	Black Scholes
Director Options 6 January 2020	Director Options	Vest on issue	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.

Valuation assumptions

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

Key assumptions

	20 July 2016	20 July 2016	14 January 2019	6 January 2020
Grant date	20 July 2016	20 July 2016	14 January 2019	6 January 2020
Award type	Employee performance options	Non-executive Director performance options	Executive performance options	Director Options
Vesting date	20 July 2019	20 July 2019	10 September 2019	14 January 2020
Expiry date	20 July 2022	20 July 2021	10 September 2024	14 January 2023
Share price at the grant date	A\$1.00	A\$1.00	A\$0.025	A\$0.0190
Exercise price	A\$1.00	A\$1.00	A\$0.03	A\$0.03
Expected life	4.5 years	4.0 years	5.6 years	3 years
Volatility	35%	35%	50%	80%
Risk free interest rate	1.57%	1.53%	1.74%	0.783%
Dividend yield	0.0%	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 2020 Average exercise price per share option A\$	Consolidated 2020 Number of options	Consolidated 2019 Average exercise price per share option A\$	Consolidated 2019 Number of options
As at 1 January	0.79	14,206,375	1.00	2,206,375
Granted during the year	0.03	24,000,000	0.07	12,000,000
		<u>38,206,375</u>		<u>14,206,375</u>

No options were issued, vested or expired during the year (2019: 12,000,000 options vested on 10 September 2019). 24,000,000 Director options, 12,000,000 shareholder approved and 2,206,375 options were exercisable at 31 December 2020 (2019: 12,000,000 shareholder options and 2,206,375 options).

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

Range International Limited
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Note 30. Share-based payments (continued)

Grant Date	Expiry Date	Exercise Price	Share options 2020	Share options 2019
20/07/2016	22/07/2021	1.000	1,413,448	1,413,448
20/07/2016	22/07/2022	1.000	792,927	792,927
14/01/2019	10/09/2024	0.030	12,000,000	12,000,000
06/01/2020	14/01/2023	0.030	12,000,000	-
06/01/2020	14/01/2023	0.030	12,000,000	-

The Group recognised a share based payment expense during the year of \$169k (2019: \$79k).

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 2.49 years (2019:4.3 years).

Range International Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Jenkins
Executive Chairman

26 February 2021

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 2020, 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 2020 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.

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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>Revenue recognition</p> <p>Revenue is one of the key drivers of performance for the Group. Sales revenue is generated from the sale of the pallets.</p> <p>Revenue recognition is a key audit matter due to significance of revenue to the financial report and users of the financial statements.</p>	<p>In obtaining audit evidence, our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Reviewed the revenue recognition policy to ensure that the Group has consistently applied AASB 15 <i>Revenue from Contracts with Customers</i>; • Reviewed the processes and controls used by the Group in recognising revenue surrounding the existence and occurrence of revenue; • Performed an analytical review to identify trends in each revenue stream and compared revenue generated with expectations and investigated any exceptions; • Performed test of details on a sample basis, tracing to the delivery documents and other supporting documents to ensure that performance obligation were met on recognition of the revenue and revenue was recorded in the correct period; • Performed cut-off testing of sales; and • Reviewed credit notes issued subsequent to year end for evidence of any revenue that may need to be reversed at year end.

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Carrying value of property, plant and equipment</p> <p>The carrying value of Property, Plant and Equipment is a key audit matter due to:</p> <ul style="list-style-type: none"> • The financial significance of the total balance to the financial report as a whole; and • The key estimates and judgements associated with determining the recoverable amount of property, plant and equipment. This assessment is inherently complex and requires judgements by the Group. 	<p>We focused our efforts on developing an understanding of and testing the overall calculation and methodology of the Group’s assessment of the carrying value.</p> <p>In obtaining audit evidence, our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Assessed if any impairment indicators (internal and external) exist to any class of assets including Property, plant and equipment; • Reviewing the assumptions being used by management in the prior year and ensuring the assumptions are still valid and there are no adverse changes to market or economic factors impacting the carrying value of the Property, plant and equipment; • Reviewed the useful life of the assets and ensure it is consistent with the Group policy; • Agreed a sample of the additions during the year to supporting documentation, and ensuring that the amounts were capitalised correctly; and • Evaluated the related financial statement disclosures for consistency with Australian Accounting Standard requirements.

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 2020, 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 2020.


In our opinion, the Remuneration Report of Range International Limited, for the year ended 31 December 2020, 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 Audit Pty Ltd

BDO


Leah Russell
Director

Sydney, 26 February 2021

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Range International Limited
Shareholder information
31 December 2020

The shareholder information set out below was applicable as at 18 February 2021.

There were 1,544 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.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders	Number of shares	% of total shares issued
1 to 1,000	92	40,256	0.01
1,001 to 5,000	242	771,542	0.17
5,001 to 10,000	182	1,518,179	0.34
10,001 to 100,000	587	26,652,817	5.90
100,001 and over	441	422,388,650	93.58
	<u>1,544</u>	<u>451,371,444</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>598</u>	<u>3,415,947</u>	<u>0.89</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
Shell Cove Capital Management Limited	15,000,000	3.32
Mr Christopher Fong	14,687,259	3.25
Citicorp Nominees Pty Limited	14,208,699	3.15
Sri Widati Ernawan Putri	11,526,575	2.55
1215 Capital Pty Ltd	10,672,734	2.36
Bowhill Family Superannuation Pty Ltd	10,441,067	2.31
BNP Paribas Nominees Pty Ltd	9,593,417	2.13
Ms Chunyan Niu	9,501,962	2.11
Yucaja Pty Ltd	7,940,000	1.76
Altor Capital Management Pty Ltd	7,750,000	1.72
HSBC Custody Nominees (Australia) Limited - A/C 2	7,210,610	1.60
Kizoz Pty Ltd	6,666,667	1.48
T C Wollaston & Co Pty Ltd	6,651,096	1.47
T & J Shaw Pty Ltd	6,398,208	1.42
J P Arentsen Holding B V	6,316,667	1.40
Mr John Alexander Eckersey	6,306,497	1.40
Enviropallets Europe S A R L	5,264,701	1.17
HSBC Custody Nominees (Australia) Limited	5,077,836	1.13
Pejay Pty Limited	5,000,000	1.11
Two Princes Investment Pte Ltd	4,500,000	1.00
	<u>170,713,995</u>	<u>37.82</u>

Unquoted equity securities

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

Range International Limited
Shareholder information
31 December 2020

	Number on issue	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 14 January 2023	24,000,000	2

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.

Options on issue expiring 14 January 2023 were approved by Shareholders on 6 January 2020.

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Ravishing Pty Ltd	Options expiring 10 September 2024	12,000,000
Mr Christopher Fong	Options expiring 14 January 2023	12,000,000
Shell Cove Capital Management Ltd	Options expiring 14 January 2023	12,000,000

Substantial holders

There are no substantial holders in the Company.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities which have voting rights.