Results Announcement

		Percentage change %	2017 Amount US$'000	2016 Amount US$'000
Revenue from ordinary activities	increase	199% to	1,383	462
Net loss after income tax from ordinary activities attributable to members	increase	250% to	(34,818)	(9,935)

FINANICAL HEADLINES

1. Net loss after income tax of US$-34.8m on a revenue of US$1.4m

2. Revenue of US$1.4m which represented sales activity mainly towards the second half of the year, was +199% higher than last year's revenue of US$0.5m

3. Net loss after income tax of US$-34.8m includes significant items of US$-18.9m compared to a year 2016 loss after tax of US$-9.9m

4. The significant items of US$-18.9m includes (i) non-cash impairment and write offs amounting to US$-17.9m and (ii) restructuring costs of US$-1.0m

5. Excluding the significant items, the loss after tax is US$-15.9m

6. Cash at bank ended the year at $9.7m following the utilisation of US$13.1m for operating activities and US$11.8m for capital expenditure against collections of US$0.8m and receipt of funds from the capital raise of $11.3m (net of costs)

OPERATING OVERVIEW

7. Higher volume production was achieved during the year. The long term objective is to ramp up the East Java plant to full capacity once input costs have been stabilized and are optimized in full production.

8. The non cash impairment charge was raised following an expected downturn in cashflow forecast given that the operations are being reset as per the 'Back to Basics' plan. The impairment accounting treatment is to share the burden proportionally to all assets types including IP, we believe however that the IP of the business remains intact. Indeed the Board believe in the market's essential long term endorsement of products made from recycled plastic to which the company is well positioned as an early mover in the sector. The non cash impairment will not affect the Company's ability to focus on executing the 'Back to Basic' plan or ongoing efforts to drive future business optimization.

9. Back to Basics plan was approved by the Board in December 2017. The management team have been implementing the plan over the last two months and will continue to do so until such time as there are conclusions. The primary objectives of 'Back to Basics' is to reset key parameters in the business to simplify the business while extending the cashflow runway into year 2019. Key focal areas of 'Back to Basics' are (i) cost restructuring, (ii) optimizing market price, (iii) stabilizing production input costs, (iv) finalizing plant commissioning, and (v) focusing sales in fewer key markets.

10. The company has and will continue to retain disciplined pricing discipline, cost control, and capital deployment.

Appendix 4 E – Unaudited Preliminary Final Report

For the year ended 31 December 2017

ABN 22 611 998 200

Current reporting period :	year ended 31 December 2017
Previous corresponding period :	year ended 31 December 2016

Results for announcement to the market

		Percentage change %	2017 Amount US$'000	2016 Amount US$'000
Revenue from ordinary activities	increase	199% to	**1,383**	462
Earnings/(Loss) before interest, tax, depreciation & amortisation (EBITDA)	increase	246% to	**(32,399)**	(9,366)
Earnings/(Loss) before interest and tax (EBIT)	increase	246% to	**(34,756)**	(10,054)
Net loss after income tax from ordinary activities attributable to members	increase	250% to	**(34,818)**	(9,935)
No dividend has been determined for the year ended 31 December 2017				

Net tangible assets

	Current year cents per security	Previous corresponding year cents per security
Net tangible assets per security (US cents)	**10 cents**	25 cents

Associates and joint venture entities

Range held no interests in associates or joint ventures during the year ended 31 December 2017 (2016: nil).

Control gained or lost over entities

Prior to 21 June 2016, the Company was an investment holding company domiciled in the Commonwealth of Dominica through which Range's founder, Matthew Darby, held shares in Range International Holdings Limited (RIHL) a company established in Singapore that conducted 100% of the operations of the Range business. The Company's only shareholder and director was Matthew Darby. As at 31 December 2015, the Company owned 24.91% of RIHL. The investment reduced to 17.38% in June 2016. The Company's place of domicile migrated to Australia on 21 June 2016.

On 25 June 2016, Range and its controlled entities completed a transaction with the existing shareholders of Range International Holdings Limited (RIHL). As a result of the transaction, Range obtained 100% legal ownership of RIHL. This transaction has been viewed as similar to a business combination in which the legal subsidiary obtained control of the legal parent, a reverse acquisition.

The impact of the above transaction is the comparative results of the year ended 31 December 2016 shown in the income statement reflect RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016.

Compliance statement

This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Interpretations or other standards acceptable to ASX. No other standards have been applied.

This report, and the accounts upon which the report is based use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

Audit of the Financial Statement
This report is based on accounts which are in the process of being audited. The 31 December 2017 financial report, when audited, is likely to contain an independent auditor's report containing an emphasis of matter paragraph outlining the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional disclosure has been included in note 1 to the unaudited preliminary financial statements.

The entity has a formally constituted audit committee.

The results for announcement to the market should be read in conjunction with the attached unaudited preliminary financial report for the year ended 31 December 2017.

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Signed on behalf of Range International Limited

Sign here:

Gillian Nairn
Company Secretary

Date: 28 February 2018

Commentary on Results

For the year ended 31 December 2017

Range International Limited (referred to as Range, or the Company) is a for-profit company limited by shares incorporated in the Commonwealth of Dominica and re-domiciled to Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of Range and its subsidiaries (referred to as 'the Group') are described in the operating and financial review below. All amounts shown within this report are in US dollars (unless otherwise stated).

These unaudited financial statements present the consolidated results of the Company and its subsidiaries for year ended 31 December 2017.

This financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001. This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Operating and Financial Review

Range is a manufacturer of plastic pallets and sells its pallets under the brand Re>Pal™. Our unique ThermoFusion™ production technology allows Range to manufacture its plastic pallets from 100% recycled plastic.

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

Review of results

The table below details key financial information for the year ended 31 December 2017, in comparison to the 2016 results which is the basis for the discussion in this Operating and Financial Review.

	2017 US$'000	2016 US$'000	YOY%
Sales revenue	1,383	462	199%
Cost of goods sold	(5,394)	(1,885)	186%
Gross loss	(4,011)	(1,423)	182%
Significant items	(18,908)	(2,836)	567%
Other expenses	(11,851)	(5,684)	109%
Income tax	(48)	-	100%
Statutory net loss after tax	(34,818)	(9,943)	250%

Review of results (continued)

Revenue for the 2017 reporting period was $1.4 million, compared to the 2016 revenue of $0.5 million, representing an increase of 199% driven by sales volumes. Further detail of revenue by operating segment is disclosed in note 3.

During the second quarter of 2017 a comprehensive operational and expenditure review was undertaken. A further internal review of business operations and financial forecasts was carried out by the Company's new Executive Management team in the last quarter of 2017. The review identified a number of positive findings in respect to product development and continued interest in Re->Pal™ pallets. There were also a number of challenges identified in relation to production efficiencies and delayed optimisation of raw material costs.

In order to manage and preserve shareholder capital, the Company's Board of Directors endorsed a new short-term strategy ('Back to Basics') for the business. The benefits of the 'Back to Basics' strategy will be primarily realised in financial year 2018 with the intention to extend the Company's cash flow runway into 2019 to allow time to adjust the Company's strategy and drive operational cashflow.

The statutory net loss after tax for FY2017 reporting period was $34.8 million, compared to FY2016 reporting period of $9.9 million, representing an increase of 250%, however the results reflect some significant items of $18.9 million noted as follows:

(a) restructuring costs totalling $1 million as a result of the cost reduction initiatives implemented during FY2017;
(b) current financial year costs include non-cash asset impairments recognised and non-cash write offs totalling $17.9 million;

Operating costs (excluding significant items) in general have increased compared to last year, given the establishment of the new plant, higher production volumes and supported by a full overheads structure.

During the second half of 2017, the Company raised $11.3 million by way of a placement and share purchase plan. The funds raised are being used for operational and working capital purposes.

Closing cash on hand at year end was $9.7 million following the utilisation of US$13.1 million for operating activities and US$11.8 million for capital expenditure against collections of US$0.8 million and receipt of funds from the capital raise of $11.3 million (net of costs).

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017 – RANGE INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

Consolidated Income Statement
For the year ended 31 December 2017

		Consolidated	
	NOTE	31 Dec 2017 US$'000	31 Dec 2016# US$'000
Sales revenue		1,383	462
Cost of sales		(5,394)	(1,885)
Gross loss		(4,011)	(1,423)
Other income		38	111
Employee benefits		(4,071)	(2,722)
Professional fees		(1,953)	(2,585)
IPO expenses		-	(2,836)
Impairment of assets	4	(17,139)	-
Other expenses		(6,214)	(1,862)
Foreign exchange (loss)/gain		(1,420)	1,374
Loss before tax		(34,770)	(9,943)
Tax expense		(48)	-
Loss for the year after tax		(34,818)	(9,943)
Attributable to:			
Non-controlling interest		-	(8)
Members of the parent		(34,818)	(9,935)
		(34,818)	(9,943)
Loss per share (cents per share)			
- basic loss per share	5	(21.29)	(8.66)
- diluted loss per share	5	(21.29)	(8.66)

#As set out in note 1 to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for the year ended 31 December 2016 represents the results of RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016.

The above consolidated income statement should be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2017

	Consolidated	
	31 Dec 2017 US$'000	31 Dec 2016# US$'000
Loss for the year after tax	(34,818)	(9,943)
Other comprehensive (loss)/income		
- Remeasurements of post-employment obligations	-	(119)
- Exchange differences on translating foreign controlled entities	900	(1,358)
Total comprehensive loss for the year	(33,918)	(11,420)
Comprehensive loss attributable to:		
Non-controlling interest	-	(8)
Members of the parent	(33,918)	(11,412)
	(33,918)	(11,420)

#As set out in note 1 to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for the year ended 31 December 2016 represents the results of RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016.

The above consolidated statement of comprehensive income should be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Financial Position
As at 31 December 2017

		Consolidated	
	NOTE	31 Dec 2017 US$'000	31 Dec 2016# US$'000
ASSETS			
Current assets			
Cash and cash equivalents		9,656	23,947
Trade and other receivables		735	90
Inventories		335	248
Other current assets		157	429
Total current assets		10,883	24,714
Non-current assets			
Intangible assets		5,188	10,533
Property, plant and equipment		14,509	15,961
Other non-current assets		130	191
Total non-current assets		19,827	26,685
Total assets		30,710	51,399
LIABILITIES			
Current liabilities			
Trade and other payables		2,611	1,140
Provisions		3,027	2,640
Total current liabilities		5,638	3,780
Non-current liabilities			
Provisions		137	221
Total non-current liabilities		137	221
Total liabilities		5,775	4,001
Net assets		24,935	47,398
EQUITY			
Contributed equity	6.1	109,676	98,341
Other reserves	6.2	(27,343)	(28,363)
Accumulated losses	6.3	(57,398)	(22,580)
Total equity		24,935	47,398

#As set out in note 1 to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information as at 31 December 2016 represents the consolidated position of Range and RIHL post transaction.

The above consolidated statement of financial position should be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Cash Flows
For the year ended 31 December 2017

		Consolidated	
	NOTE	31 Dec 2017 US$'000	31 Dec 2016# US$'000
Cash flows from operating activities			
Receipts from customers		754	447
Payments to suppliers and employees		(13,886)	(7,630)
Net Interest received/(Interest paid)		(14)	111
Net cash used in operating activities		(13,146)	(7,072)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		27	-
Payments for property, plant and equipment		(11,811)	(12,249)
Payments for intangible assets		(169)	(4,011)
Net cash used in investing activities		(11,953)	(16,260)
Cash flows from financing activities			
Net proceeds from issue of shares, net of transaction costs		11,336	43,284
Non-controlling interest share buy-back		-	(16)
Net cash inflow from financing activities		11,336	43,268
Net increase in cash and cash equivalents		(13,763)	19,936
Cash and deposits, net of overdrafts, at beginning of the year		23,947	4,115
Effect of exchange rate changes		(528)	(104)
Cash at end of the year		9,656	23,947

#As set out in note 1 to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for year ended 31 December 2016 represents the cash flows of RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016.

The above consolidated statement of cash flows should be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2017

	Contributed equity US$'000	Other reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total equity US$'000
31 December 2016					
Opening balance at 1 January 2016	17,652	780	(12,526)	(68)	5,838
Loss for the year	-	-	(9,935)	(8)	(9,943)
Other comprehensive income	-	(1,358)	(119)	-	(1,477)
Total comprehensive loss	-	(1,358)	(10,054)	(8)	(11,420)
Equity Transactions:					
Issue of ordinary shares	54,014	-	-	-	54,014
Transaction costs	(1,125)	-	-	-	(1,125)
Reverse existing capital resulting from restructure	(34,165)	-	-	-	(34,165)
Ordinary shares issued to existing shareholders	61,965	-	-	-	61,965
Reserve from restructure	-	(27,891)	-	76	(27,815)
Share based payment transactions	-	106	-	-	106
Closing balance at 31 December 2016#	98,341	(28,363)	(22,580)	-	47,398
31 December 2017					
Opening balance at 1 January 2016	98,341	(28,363)	(22,580)	-	47,398
Loss for the year	-	-	(34,818)	-	(34,818)
Other comprehensive income	-	900	-	-	900
Total comprehensive loss	-	900	(34,818)	-	(33,918)
Equity Transactions:					
Issue of ordinary shares	12,000	-	-	-	12,000
Transaction costs	(665)	-	-	-	(665)
Share based payment transactions	-	120	-	-	120
Closing balance at 31 December 2017	109,676	(27,343)	(57,398)	-	24,935

#As set out in note 1 to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for the year 31 December 2016 represents the results of RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016 and the equity transactions arising from the restructure.

The above consolidated statement of changes in equity should be read in conjunction with the Interim Financial Report for the period ended 30 June 2017 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

1. Corporate Information

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

Range has production facilities located in Indonesia operated by its subsidiary PT Enviropallets Bali and sells its pallets under the brand Re>Pal™, while its Singapore subsidiary, Range International Holdings Limited ("RIHL"), owns all of Range's intellectual property.

a) Capital Structure

Capital management objectives

Range's objectives when managing capital are to

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

Corporate restructure
Prior to 21 June 2016, the Company was an investment holding company domiciled in the Commonwealth of Dominica, which at 31 December 2015 owned 24.91% in Range International Holdings Limited (RIHL) a company established in Singapore that conducted 100% of the operations of the business. The investment reduced to 17.38% in June 2016 due to the capital raising. The Company's only shareholder was RIHL's founder and majority shareholder, Matthew Darby.

The Company's place of domicile migrated to Australia on 21 June 2016. On 25 June 2016, a transaction occurred whereby the Company acquired the remaining 82.62% of RIHL and became the legal parent company of RIHL. The transaction occurred by way of share exchange whereby the existing shareholders of RIHL exchanged their shares for shares in the Company.

As a result of the share exchange transaction, the Company obtained 100% of the legal ownership of RIHL and the remaining previous shareholders of RIHL became shareholders of the Company.

Business combinations

When considering how to account for the above share exchange transaction, it is the view of the Group that the transaction was similar to a business combination in which the legal subsidiary obtained control of the legal parent, a reverse acquisition. In these types of transactions, the new group would be presented as a continuation of the legal subsidiary and an acquisition of the legal parent at the date of the transaction. As such, the consolidated financial statements of the Company have been presented as a continuation of the profit and loss, financial position and cash flows of RIHL at the pre-transaction values.

These financial statements include:

- The comparative results of the year ended 31 December 2016 shown in the income statements reflect RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016;
- The comparative cash flows for year ended 31 December 2016 represents the cash flows of RIHL only for the period from 1 January 2016 to 24 June 2016 and the consolidated Range and RIHL results post transaction for the period 25 June 2016 to 31 December 2016;
- The statement of financial position as at 31 December 2016 reflects the balances of the post-transaction consolidated Group including Range and RIHL.

b) Basis of preparation

These financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for year ended 31 December 2017.

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

c) Going Concern

During the year, the Group incurred an operating loss after tax of $34.8 million (FY2016: $9.9 million), net operating cash outflows of $13.1 million (FY2016: $7.1 million) and investing cash outflows of $12.0 million (FY2016: $16.3 million).

As at 31 December 2017 the Group has cash and cash equivalents of $9.7 million (Dec 2016: $23.9 million).

To preserve the cash on hand the Board and management implemented a number of cost savings measures during the half year to reduce the expense base. A further internal review of business operations and financial forecasts was carried out by the Company's new Executive Management team in the last quarter of 2017. The review identified a number of positive findings in respect to product development and continued interest in Re->Pal™ pallets. There were also a number of challenges identified in relation to production efficiencies and delayed optimisation of raw material costs.

As a result of the review, the Board endorsed a new short-term strategy ('Back to Basics') for the business. Management have completed a review of all costs and are implementing the 'Back to Basics' strategy to reduce expenditure on non-critical areas of the business. All expense items have been, where possible, reduced or eliminated including external advisers, head count and other service providers. The benefits of the strategy have resulted in savings which will be primarily realised in FY2018.

The Group's ability to continue as a going concern, recover the carrying amount of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to meet its future cash forecasts, sales targets and may also require the Group to secure additional funding. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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 2017. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

2. Dividends

The Board of Directors resolved not to declare a dividend for the year ended 31 Dec 2017 (31 Dec 2016: nil).

3. Segment information

	Consolidated	
	2017 US$'000	2016 US$'000
Indonesia	815	354
China	478	-
Australia & New Zealand	57	71
Other	33	37
Total external revenue	1,383	462

<u>Identification of reportable segments.</u>
The Group has determined operating segments based on the information provided to the Managing Director/CEO (Chief Operating Decision Maker).

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

<u>Sales revenue by geographic location</u>
Revenue obtained from external customers is attributed to individual countries based on the location of the customer. The majority of sales to external customers are made within Indonesia.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

4. Significant items

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

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

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

	Consolidated	
	2017 US$'000	2016 US$'000
IPO expenses (a)	-	2,836
Restructuring costs (b)	1,029	-
Asset write off (c)	740	-
Impairment of assets (d)	17,139	-
	18,908	2,836

(a) Comparative period costs of $2.8 million relate to costs associated with the initial public offering.
(b) Restructuring costs of $1 million consist of employment terminations and leasehold expenses in relation to closure of redundant offices.
(c) Asset write-off of $0.7 million relate mainly to obsolete assets.
(d) Assets are assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist. It was determined that there were indicators of impairment of the Group's assets as at year end. In accordance with applicable accounting standards, management performed an impairment review applying value in use principals. As a result of the review, the carrying amount of Group's non-current assets was reduced to its recoverable amount through the recognition of a non cash impairment charge of $17.1 million. Value in use calculations are highly sensitive to changes in certain key assumptions. For Group's assets, the carrying amount is equal to the value in use and therefore a change in any of the key assumptions could give rise to a further impairment charge.

5. Loss per share

	Consolidated	
	2017	2016
Loss attributable to ordinary equity holders of the parent ($'000)	(34,818)	(9,943)
Weighted average number of shares used in calculation of basic LPS (shares, '000)	163,559	114,873
Weighted average number of shares used in calculation of diluted LPS (shares, '000)	163,559	114,873
Basic LPS (cents per share)	(21.29)	(8.66)
Diluted LPS (cents per share)	(21.29)	(8.66)

Calculation of Loss per share

<u>Basic loss per share (LPS)</u>
Basic LPS is calculated by dividing the loss attributable to members of the parent by the weighted average number of ordinary shares outstanding.

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

6. Equity and Reserves

6.1 Share Capital

	Consolidated		
	2017 Number of shares '000	2017 US$'000	2016 US$'000
Movement in ordinary shares on issue			
Opening balance	150,000	98,341	17,652
Issue of ordinary shares pre-restructure (a)	-	-	16,514
Issue of ordinary shares post-restructure (b)	51,055	12,000	37,500
Transaction costs capitalised (b)	-	(665)	(1,125)
Ordinary shares issued to existing shareholders (c)	-	-	61,965
Reverse existing capital resulting from restructure (c)	-	-	(34,165)
Closing balance	201,055	109,676	98,341

Share capital is classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(a) Issue of Ordinary Shares pre-restructure
During March 2016, pre-IPO capital of $9.9 million was raised by RIHL to fund existing liabilities, working capital, investment in production lines and the purchase of intellectual property (IP). On 29 April 2016, the Company issued shares valued at $6.5 million as part of the purchase consideration for IP from Range Industries Limited (a New Zealand registered entity).

(b) Issue of Ordinary Shares post-restructure
i). On 30 August 2017, the Company announced a capital raising which successfully raised net proceeds of $11.3 million to fund operational and working capital requirements.
ii). On 14 June 2016, the Company lodged its prospectus with ASIC for an Initial Public Offering ("IPO") of 50 million ordinary shares at $0.75 (A$1.00) per share. The offer closed on 6 July 2016 with the Company successfully admitted to the Official List of the Australian Securities Exchange under the ASX code "RAN" on 21 July 2016. Total transaction costs amounted to $3.9 million, of this amount $1.13 million has been recognised in equity with the balance of costs expensed under 'IPO expenses'.

(c) Ordinary shares issued to existing shareholders
As described above on 25 June 2016 the Company acquired the remaining 82.62% of RIHL and became the legal parent company of RIHL. As a result of the transaction, the share capital of RIHL at the time of the transaction ($34.2 million) has been replaced with the legal share capital of the Company.

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

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

6.2 Other reserves

	Notes	Restructure Reserve US$'000	Share based Payment reserve US$'000	Currency Translation reserve US$'000	Total reserves US$'000
At 1 January 2016		-	-	780	780
Exchange differences on translating foreign controlled entities	(a)	-	-	(1,358)	(1,358)
Other comprehensive income		-	-	(1,358)	(1,358)
Transactions with owners in their capacity as owners:					
Difference in RIHL share capital and fair value of shares issued to existing shareholders on restructure	(b)	(27,800)	-	-	(27,800)
Share based payment transactions	(c)	-	106	-	106
Acquisition of non-controlling interest	(d)	(91)	-	-	(91)
At 31 December 2016		(27,891)	106	(578)	(28,363)
At 1 January 2017		(27,891)	106	(578)	(28,363)
Exchange differences on translating foreign controlled entities	(a)	-	-	900	900
Other comprehensive income		-	-	900	900
		-	-	-	-
Transactions with owners in their capacity as owners:		-	-	-	-
Share based payment transactions	(c)	-	120	-	120
At 31 December 2017		(27,981)	226	322	(27,343)

a) The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
   - assets and liabilities are translated at the closing exchange rates at the reporting date;
   - income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
   - all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

   These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.
b) The restructure reserve is the difference between the amount of RIHL's share capital and the fair value of shares exchanged as part of the corporate restructure discussed in note 1. This has been recognised in an equity account called restructure reserve.
c) The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.
d) This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests.
   On 2 June 2016, the Company entered into a purchase agreement whereby it agreed to acquire a 1% shareholding that Eva Akunia held in PT Enviropallets Bali for a cash payment of $15,851.

6.3 Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated 2017 US$'000	Consolidated 2016 US$'000
Opening balance	(22,580)	(12,526)
Remeasurements of post-employment obligations	-	(119)
After tax (loss) attributable to the equity holders of the parent during the year	(34,818)	(9,935)
Closing balance	(57,398)	(22,580)

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

7. Subsidiaries

The Group's principal subsidiaries at 31 December 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

		Ownership interest held by the Group	
Legal entity	Country of incorporation	2017 %	2016 %
Range International Holdings Limited	Singapore	100%	100%
PT Enviropallets Bali	Indonesia	100%	100%
Re-Pal Australia Pty Ltd	Australia	100%	100%

Accounting for Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the liability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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

Business combinations
Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement. See Note 1 for further details on business combinations during the year.

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

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

8. Subsequent events

As disclosed to the market the following event occurred after balance sheet date:

On 2 January 2018, Mark Daniel resigned as director of the Company with effect from 1 January 2018.

Effective 28 February 2018, there were changes to the existing Board of Directors and Executive team as follows:
- Jon Guyett (CEO) will step down at the end of April 2018;
- Stewart Hall (Chairman and Director) and Bill Koeck (Director) will step down and be replaced and
- Matthew Darby, will take up the position of Executive Chairman.

Other than those outlined above no matters or circumstances have arisen since 31 December 2017 that have significantly affected or may significantly affect:

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

Forward-looking statements
This Unaudited Preliminary Final Report (Appendix 4E) may include forward-looking statements about our financial results, guidance and business prospects that may involve risks and uncertainties, many of which are outside the control of Range International Limited. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the Company include, but are not limited to, adverse decisions by regulators, changes in the competitive environment, lawsuits, loss of contracts or unexpected growth in costs and expenses. The statements being made in this report do not constitute an offer to sell, or solicitation of an offer to buy, any securities of Range International Limited. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Range International Limited). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward-looking statement will be achieved. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.