# Results for Announcement to the Market

# Appendix 4D

## Consolidated Financial Report

for the half-year ended 30 June 2016

| | 2016 US$'000 | 2015 US$'000 | % CHANGE |
|---|---|---|---|
| Revenue from ordinary activities | 153 | 116 | 32% |
| Loss for the period from ordinary activities after tax attributable to members | (4,160) | (2,441) | 70% |
| Net loss for the period attributable to members | (4,160) | (2,441) | 70% |
| Net tangible asset per security (US cents) | 0.05 | 0.05 | |

No dividends declared during the period.

On 24 June 2016, Range International Limited and its controlled entities (Range or the Group) 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 impacts of this are:

- The results of the half year ended 30 June 2016 shown in the income statement reflect RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016;
- The results of the half year ended 30 June 2015 shown in the income statement reflect RIHL only for the period from 1 January 2015 to 30 June 2015;
- The statement of financial position as at 31 December 2015 reflects the balances of RIHL only while the statement of financial position as at 30 June 2016 reflects the balances of the post-transaction consolidated group including Range and RIHL.

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half-year ended 30 June 2016.

RANGE INTERNATIONAL

# Interim Financial Report

For the half-year ended 30 June 2016

# RANGE INTERNATIONAL LIMITED

# ABN 22 611 998 200

## Contents

# Directors' Report

Your Directors present their report on the consolidated entity consisting of Range International Limited (ASX: RAN) (referred to hereafter as Range or the Group), and the entities it controlled at the end of, or during, the half-year ended 30 June 2016.

## Directors

The following persons were directors of Range International Limited (the Company) during the half-year and up to the date of this report:

| | | |
|---|---|---|
| Stewart Hall | Executive Chairman | Appointed 21 June 2016 |
| Matthew Darby | Founder and Executive Director | |
| William (Bill) Koeck | Non-executive Director | Appointed 21 June 2016 |
| Mark Daniel | Non-executive Director | Appointed 21 June 2016 |
| Lars Amstrup | Managing Director | Appointed 21 June 2016 |

## Principal Activities

Range is a manufacturer of recycled plastic pallets. Our ThermoFusion™ technology allows Range to make plastic pallets from 100% recycled mixed waste plastic at a price that is competitive with wood pallets. It currently has two production lines operating at its existing factory in Indonesia and sells its pallets under the brand Re>Pal™.

## Company Restructure & Re-domicile

Prior to 21 June 2016, the Company was an investment holding company domiciled in the Republic 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 referred to below. 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 24 June 2016 a restructure of capital occurred whereby the Company acquired the remaining 82.62% of RIHL and became the 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.

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 impacts of this are:

- The results of the half year ended 30 June 2016 shown in the income statement reflect RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016;
- The results of the half year ended 30 June 2015 show in the income statement reflect RIHL only for the period from 1 January 2015 to 30 June 2015;
- The statement of financial position as at 31 December 2015 reflects the balances of RIHL only while the statement of financial position as at 30 June 2016 reflects the balances of the post-transaction consolidated group including Range and RIHL.

The functional currency of the Company is Australian Dollars. The Board resolved that the Company adopt US Dollars as its presentation currency of the financial statements as it believes a presentation currency 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).

## Review and Results of Operations

The main focus throughout the period continued to be product development and testing with a variety of different pallet types. Range has two production lines in operation at its existing facility with the second production line commissioned in December 2015. During the half-year ended 30 June 2016, Range had sales revenue of $153k (2015: $116k) from the sale of pallets.

### Summary of Consolidated Income Statement

| | Six Months to 30 June 2016 $'000 | Six Months to 30 June 2015 $'000 |
|---|---|---|
| Sales revenue | 153 | 116 |
| Cost of sales | (695) | (645) |
| Gross loss | (542) | (529) |
| Loss for the period after tax | (4,168) | (2,449) |

Range has reported a net loss after tax of $4.2 million for the six-month period ended 30 June 2016 (2015: net loss: $2.4 million), on sales revenue of $153k (2015: $116k).

## Funding and Liquidity

With the purchase of a second production facility, Range began preparations to increase operations to a more commercial level by hiring key staff. A capital raising on 29 April 2016 raised $9.9 million to fund existing liabilities, operating expenses, working capital and investment in new production lines.

On 29 April 2016, RIHL entered into a Sale and Purchase Agreement whereby it agreed to purchase Intellectual Property (IP) to the value of $10.4 million from Range Industries Limited (a New Zealand registered entity and a related party entity of Range International Limited). The consideration under the agreement was a cash payment of NZD5.7 million ($3.9 million) and issue of shares valued at $6.5 million in Range International Holdings Limited.

In May 2016, Range paid a deposit of $504k for the acquisition of two new production lines for the proposed new production facility.

## Dividends

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

## After Balance Date Events

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 under the ASX code "RAN" on 21 July 2016. The accounting for the successful IPO will be reflected within the full year results to 31 December 2016.

On 30 August 2016, Range completed an agreement to acquire 19,000 sqm factory site in East Java, Indonesia to house a new and significantly expanded production facility.

On 27 September 2016, Range announced it has ordered six additional production lines for installation during 2017 at the Company's new production facility site.

Other than the activities described in the Directors' report above there were no other significant changes in the state of affairs of the Company for the half-year ended 30 June 2016.

## Auditor’s Independence Declaration

The Auditor’s independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 7.

## Rounding of amounts

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

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

Stewart Hall
Executive Chairman
30 September 2016

# Auditor's Independence Declaration

As lead auditor for the review of Range International Limited for the half-year ended 30 June 2016, 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 review; and

2. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Range International Limited and the entities it controlled during the period.

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
30 September 2016

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# Consolidated Financial Report

For the half-year ended 30 June 2016

INDEX

# Consolidated Income Statement

For the half-year ended 30 June 2016

| | | Consolidated | |
|---|---|---|---|
| | **NOTE** | **30 June 2016#<br>US$'000** | **30 June 2015#<br>US$'000** |
| Sales revenue | 3 | 153 | 116 |
| Cost of sales | | (695) | (645) |
| Gross loss | | (542) | (529) |
| | | | |
| Other income | | 2 | - |
| Employee benefits | | (713) | (247) |
| Administrative and other expenses | 4 | (3,420) | (877) |
| Foreign exchange gain/(loss) | | 505 | (796) |
| Loss before tax | | (4,168) | (2,449) |
| Tax expense | | - | - |
| Loss for the period after tax | | (4,168) | (2,449) |
| | | | |
| Attributable to: | | | |
| Non-controlling interest | | (8) | (8) |
| Members of the parent | | (4,160) | (2,441) |
| | | (4,168) | (2,449) |

#As set out in Note 2 (r) to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for 30 June 2015 represents the financial performance of RIHL only for the period from 1 January 2015 to 30 June 2015. The income statement for the six months to 30 June 2016 represents the results of RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016.

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

# Consolidated Statement of Comprehensive Income

For the half-year ended 30 June 2016

| | Consolidated | |
|---|---|---|
| | **30 June 2016#**<br>**US$'000** | **30 June 2015#**<br>**US$'000** |
| Loss for the period | (4,168) | (2,449) |
| Exchange differences on translating foreign controlled entities | (474) | 862 |
| | (4,642) | (1,587) |
| Attributable to: | | |
| Non-controlling interest | (8) | (8) |
| Members of the parent | (4,634) | (1,579) |
| | (4,642) | (1,587) |

#As set out in Note 2 (r) to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for 30 June 2015 represents the financial performance of RIHL only for the period from 1 January 2015 to 30 June 2015. The statement of comprehensive income for the six months to 30 June 2016 represents the results of RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016.

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

# Consolidated Statement of Financial Position

As at 30 June 2016

| | | Consolidated | |
|---|---|---|---|
| | NOTE | 30 June 2016# US$'000 | 31 Dec 2015# US$'000 |
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalent | | 5,334 | 4,115 |
| Trade and other receivables | 5 | 853 | 288 |
| Inventories | | 71 | 24 |
| **Total current assets** | | 6,258 | 4,427 |
| **Non-current assets** | | | |
| Intangible assets | 6 | 10,424 | - |
| Property, plant and equipment | | 4,074 | 4,117 |
| Other non-current assets | | 611 | 117 |
| **Total non-current assets** | | 15,109 | 4,234 |
| **Total assets** | | 21,367 | 8,661 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | | 23 | 11 |
| Other current liabilities | | 1,044 | 277 |
| Tax related liability | | 2,512 | 2,269 |
| **Total current liabilities** | | 3,579 | 2,557 |
| **Non-current liabilities** | | | |
| Amount due to third parties | | - | 194 |
| Other long-term liabilities | | 75 | 71 |
| **Total non-current liabilities** | | 75 | 265 |
| **Total liabilities** | | 3,654 | 2,822 |
| **Net assets** | | 17,713 | 5,839 |
| **EQUITY** | | | |
| Contributed equity | 7 | 61,966 | 17,652 |
| Restructure reserve | 7 | (27,873) | - |
| Accumulated losses | 8 | (16,686) | (12,526) |
| Currency translation reserve | | 306 | 780 |
| Non-controlling interests | | - | (67) |
| **Total equity** | | 17,713 | 5,839 |

#As set out in Note 2 (r) to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information as at 31 December 2015 represents the financial position of RIHL only. The statement of financial position as at 30 June 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 accompanying notes.

# Consolidated Statement of Cash Flows

For the half-year ended 30 June 2016

| | Consolidated | |
|---|---|---|
| | 30 June 2016# US$'000 | 30 June 2015# US$'000 |
| **Cash flows from operating activities** | | |
| Receipts from customers | 145 | 94 |
| Payments to suppliers and employees | (4,037) | (2,052) |
| **Net Cash used in operating activities** | (3,892) | (1,958) |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | (583) | (169) |
| Loan to shareholders | - | (150) |
| Payments for intangible assets | (3,902) | - |
| **Net cash used in investing activities** | (4,485) | (319) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | 9,777 | - |
| Proceeds from equity loan | - | 1,725 |
| **Net cash inflow from financing activities** | 9,777 | 1,725 |
| **Net increase in cash and cash equivalents** | 1,400 | (552) |
| Cash and deposits, net of overdrafts, at beginning of the period | 4,115 | 493 |
| Effect of exchange rate changes | (181) | 398 |
| **Cash at end of the period** | 5,334 | 339 |

#As set out in Note 2 (r) to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for 30 June 2015 represents the cash flows of RIHL only for the period from 1 January 2015 to 30 June 2015. The cash flows for the six months to 30 June 2016 represents the cash flows of RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016.

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

# Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2016

| | Contributed equity US$'000 | Restructure reserve US$'000 | Accumulated losses US$'000 | Currency translation reserve US$'000 | Non-controlling interest US$'000 | Total equity US$'000 |
|---|---|---|---|---|---|---|
| **Half-year ended 30 June 2015** | | | | | | |
| Opening balance at 1 January 2015 | 8,329 | - | (6,641) | 133 | (32) | 1,789 |
| Loss for the period | - | - | (2,441) | - | (8) | (2,449) |
| Other comprehensive income | - | - | - | 862 | - | 862 |
| Total comprehensive loss | - | - | (2,441) | 862 | (8) | (1,587) |
| **Equity Transactions:** | | | | | | |
| Issue of ordinary shares | - | - | - | - | - | - |
| Closing balance at 30 June 2015# | 8,329 | - | (9,082) | 995 | (40) | 202 |
| **Half-year ended 30 June 2016** | | | | | | |
| Opening balance at 1 January 2016 | 17,652 | - | (12,526) | 780 | (67) | 5,839 |
| Loss for the period | - | - | (4,160) | - | (8) | (4,168) |
| Other comprehensive income | - | - | - | (474) | - | (474) |
| Total comprehensive loss | - | - | (4,160) | (474) | (8) | (4,642) |
| **Equity Transactions:** | | | | | | |
| Issue of ordinary shares | 16,532 | - | - | - | - | 16,532 |
| Reverse existing capital resulting from restructure | (34,183) | - | - | - | - | (34,183) |
| Ordinary shares issued to existing shareholders | 61,965 | - | - | - | - | 61,965 |
| Reserve from restructure | - | (27,873) | - | - | 75 | (27,798) |
| Closing balance at 30 June 2016# | 61,966 | (27,873) | (16,686) | 306 | - | 17,713 |

#As set out in Note 2 (r) to the financial statements, as a result of the transaction with the existing shareholders of RIHL, the comparative information for 30 June 2015 represents the financial performance of RIHL only for the period from 1 January 2015 to 30 June 2015. The statement of changes in equity for the six months to 30 June 2016 represents the results of RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016 and the equity transactions arising from the restructure.

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

# Notes to the Financial Statements
For the half-year ended 30 June 2016

## 1. Corporate Information

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

Range has production facilities located in Indonesia operated by its subsidiary 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.

The address of Range International Limited registered office and its principal place of business is Level 5, 134 William Street, Woolloomooloo, NSW Australia 2010.

The financial statements of Range International Limited (the Company) for the half year ended 30 June 2016 were authorised for issue in accordance with a resolution of the Directors.

## 2. Accounting Policies

### a) Basis of preparation

These financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for the half-year ended 30 June 2016. The transaction between Range and the existing shareholders of RIHL has been viewed as similar to a business combination in which the legal subsidiary, RIHL, obtained control of the legal parent, the Company, a reverse acquisition. The impact of this transaction is discussed in more detail in Note 2 (r) and Note 7.

The general purpose financial statements for the interim half-year reporting period ended 30 June 2016 have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Range is a for-profit entity for the purpose of preparing these consolidated financial statements. These interim consolidated financial statements do not include all of the notes that would normally be included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities as the full financial report. The interim consolidated financial statements should be read in conjunction with the prospectus published 14 June 2016, which provides further detail on the transaction between Range and RIHL, and public announcements made by Range during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act.

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value;
- assets held for sale – measured at fair value less cost of disposal; and
- defined benefit pension plans – plan assets measured at fair value.

### b) 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 Group's activities. Sales are presented, net of general sales tax, rebates and discounts, and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

# Notes to the Financial Statements (continued)

**c) Group accounting**

*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 Australian Accounting Standards. 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.

*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.

**d) Property, plant and equipment**

i). Measurement

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

# Notes to the Financial Statements (continued)

ii). Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

| | Useful lives |
|---|---|
| Motor vehicles | 7 years |
| Warehouse and office furniture and fixtures | 3-5 years |
| Plant and equipment | 10-30 years |
| Plant and machinery | 4-10 years |

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

iii). 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.

iv). 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 gains/ (losses) – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

**e) Investments in a subsidiary**

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

**f) Impairment of non-financial assets**

Property, plant and equipment, intangibles and investments in subsidiaries are 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.

# Notes to the Financial Statements (continued)

**g) Financial assets**

i). Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired.

*Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as “trade and other receivables” and “cash and cash equivalents” on the balance sheet.

ii). Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss. Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

iii). Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

iv). Subsequent measurement

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method. Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

v). Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

# Notes to the Financial Statements (continued)

### h) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

### i) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### j) 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. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### k) 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.

### l) Income 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 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.

# Notes to the Financial Statements (continued)

Deferred income tax is measured:

i). 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

ii). 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.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

**m) Provisions**

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

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

**n) Employee compensation**

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.

*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.

# Notes to the Financial Statements (continued)

**o) Currency translation**

*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.

*Transactions and balances*

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

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

i). Translation of Group entities' financial statements

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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

**p) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

# Notes to the Financial Statements (continued)

**q) Share capital**

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

**r) Corporate restructure**

Prior to 21 June 2016, the Company was an investment holding company domiciled in the Republic 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 referred to Note 7. 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 24 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 transaction, the Company obtained 100% of the legal ownership of RIHL. The existing shareholders of RIHL became shareholders of the Company. When considering how to account for this 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 results of the half year ended 30 June 2016 shown in the income statements reflect RIHL only for the period from 1 January 2016 to 23 June 2016 and the consolidated Range and RIHL results post transaction for the period 24 June 2016 to 30 June 2016;
- The results of the half year ended 30 June 2015 show in the income statements reflect RIHL only for the period from 1 January 2015 to 30 June 2015;
- The statement of financial position as at 31 December 2015 reflects the balances of RIHL only while the statement of financial position as at 30 June 2016 reflects the balances of the post-transaction consolidated group including Range and RIHL.

# Notes to the Financial Statements (continued)

### 3. Segment Information

Identification of reportable segments.
The group has determined operating segments based on the information provided to the Board of Directors (Chief Operating Decision Maker).

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

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

### 4. Administrative and other expenses

| | Consolidated | |
|---|---|---|
| | **30 June 2016 US$'000** | **30 June 2015 US$'000** |
| Accounting and other advisory fees | 132 | 20 |
| IPO expenses | 2,320 | - |
| Other expenses | 968 | 857 |
| | 3,420 | 877 |

### 5. Trade and other receivables

| | Consolidated | |
|---|---|---|
| | **30 June 2016 US$'000** | **31 Dec 2015 US$'000** |
| Trade receivables | 70 | 88 |
| Prepayments | 239 | 110 |
| Other receivables | 544 | 90 |
| | 853 | 288 |

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

### 6. Intangible assets

| | Consolidated |
|---|---|
| | **Intellectual property US$'000** |
| **31 December 2015** | |
| Opening balance at 1 Jan 2015 | - |
| Amortisation | - |
| Closing balance at 31 Dec 2015 | - |
| **30 June 2016** | - |
| Opening balance at 1 Jan 2016 | - |
| Additions | 10,424 |
| Amortisation | - |
| Closing balance at 30 June 2016 | 10,424 |

On 29 April 2016 RIHL entered into a Sale and Purchase Agreement whereby it agreed to purchase Intellectual Property (IP) to the value of $10.4 million from Range Industries Limited (a New Zealand registered entity and a related party entity of Range International Limited). The consideration under the agreement was a cash payment of NZD5.7 million ($3.9 million) and issue of shares valued at $6.5 million in the Company.

# Notes to the Financial Statements (continued)

## 7. Contributed equity

| | Consolidated | |
|---|---|---|
| | **30 June 2016 US$'000** | **31 Dec 2015 US$'000** |
| **Movement in ordinary shares on issue** | | |
| Opening balance | 17,652 | 8,329 |
| Issue of Ordinary Shares (a) | 16,532 | 9,323 |
| Ordinary shares issued to existing shareholders (b) | 61,965 | - |
| Reverse existing capital resulting from restructure (b) | (34,183) | - |
| Closing balance | 61,966 | 17,652 |

(a) Pre-IPO capital $9.9 million was raised by RIHL to fund existing liabilities, working capital and investment in production lines. On 29 April 2016 RIHL entered into a Sale and Purchase Agreement whereby it agreed to purchase Intellectual Property (IP) to the value of $10.4 million from Range Industries Limited (a New Zealand registered entity and a related party of Range International Limited). The consideration under the agreement was a cash payment of NZD5.7 million ($3.9 million) and issue of shares valued at $6.5 million in the RIHL.

(b) On 24 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. The Company accounted for the exchange of shares of RIHL for shares of the Company similar to a reverse acquisition, such that the legal subsidiary obtained control of the legal parent. The new group has been presented as a continuation of the legal subsidiary. 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. The difference between amount of the RIHL share capital and that issued as part of the transaction has been recognised in an equity account called “Restructure Reserve”.

## 8. Accumulated losses

| | Consolidated | |
|---|---|---|
| | **30 June 2016 US$'000** | **31 Dec 2015 US$'000** |
| Opening balance | (12,526) | (6,641) |
| After tax (loss) attributable to the equity holders of the parent during the year | (4,160) | (5,885) |
| Closing balance | (16,686) | (12,526) |

## 9. Dividends

The Board of Directors resolved not to declare an interim dividend for the half year ended 30 June 2016 (31 Dec 2015: nil).

## 10. Capital Commitments

The Company entered into a purchase agreement to purchase two ThermoFusion™ machines. The total capital commitment, including the deposit of $0.5 million, for the machines is $3.36 million. The Company has no other capital commitments outstanding at 30 June 2016.

## 11. Contingent assets and liabilities

There are no contingent assets or liabilities outstanding or recorded at 30 June 2016.

# Notes to the Financial Statements (continued)

**12. Subsequent events**

On 14 June 2016, the Company lodged its prospectus with ASIC for an Initial Public Offering (“IPO”) of 50 million ordinary shares at US$0.75 (A$1.00) per share. The offer closed on 6 July 2016 with the Company successfully admitted to the Official List under the ASX code “RAN” on 21 July 2016. The accounting for the successful IPO will be reflected within full year results to 31 December 2016.

On 30 August 2016, Range completed an agreement to acquire 19,000 sqm factory site in East Java, Indonesia to house a new and significantly expanded production facility.

On 27 September 2016, Range announced it has ordered six additional production lines for installation during 2017 at the Company’s new production facility site.

# Directors' Declaration

In the opinion of the Directors of Range International Limited:

a) the financial statements and notes set out on pages 9 to 24 are in accordance with the *Corporations Act 2001*, including:

   (i). complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (ii). giving a true and fair view of the consolidated financial position of Range International Limited as at 30 June 2016 and of its performance for the half-year ended on that date; and

b) there are reasonable grounds to believe that Range International Limited will be able to pay its debts as and when they become due and payable.

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

Stewart Hall
Executive Chairman
30 September 2016

# Independent auditor's review report to the members of Range International Limited

## *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Range International Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Range International (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Range International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Range International Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
30 September 2016