RANGE INTERNATIONAL

Annual Report

For the year ended 31 December 2017

Range International Limited
Annual Report, 31 December 2017

Dear Shareholder,

2017 was a developmental year for the Company. The plant in East Java was commissioned with seven extrusion and compression moulding lines, and we ramped-up to production volumes of over 50,000 pallets in November. We expanded the sales team into multiple markets across Asia Pacific, and a new product was launched - the ‘Nestable Pallet’ (NSP). A capital raise was done in the third quarter of 2017. A detailed analysis of the business was carried out in the fourth quarter of 2017 with the conclusion being the adoption of the ‘Back to Basics’ strategy in December 2017. The opportunity presented by Range International remains compelling in spite of the challenges.

Achieving 50,000 pallets a month in sales orders proved that there is a demand for the Re>Pal™ products, and the ability to ramp production to meet this demand was a good test of the Company’s production capability. The capital raise of US$11.3 million (net of costs) in Q3 2017 provided the funds needed to support essential capital expenditure needed for the plant to be operational and to support the working capital needs of the business.

The East Java facility is up and running with seven extrusion and compression moulding lines commissioned and a further three lines onsite and able to be commissioned in short cycle when demand requires. There have been challenges with commissioning of the third party raw material pre-processing equipment which have delayed our ability to source cheaper raw materials and optimise electricity costs. The Company is continuing to work on resolving these issues with the suppliers. However, the pre-processing system is not integral to the pallet production process and production has continued.

‘Back to Basics’ was formulated in response to the operational challenges in the plant, their knock-on effect to the economics of the business, and the need to extend the Company’s cashflow into 2019. The objective is to provide time for Range to fix the operational issues, optimise input costs, reset pricing, make changes to and develop products where the market demands and shape the commercial structure of the business. Implementation of the Back to Basics strategy is ongoing.

Going forward the business will focus sales on the larger ASEAN markets of Indonesia due to its scale, proximity and reasonable pallet prices, and the Philippines due to the unique opportunity afforded by logging restrictions, and a large market in the fresh fruit sector. Range is reducing its focus on other sales markets to reduce costs and optimise management effort.

The key priorities in 2018 are driving sales in Indonesia and the Philippines, launching two new products, reducing costs and resetting pricing to afford a long-term profit position for the Company.

We are looking forward to putting the business on a sustainable growth path.

Matthew Darby
Executive Chairman/Founder

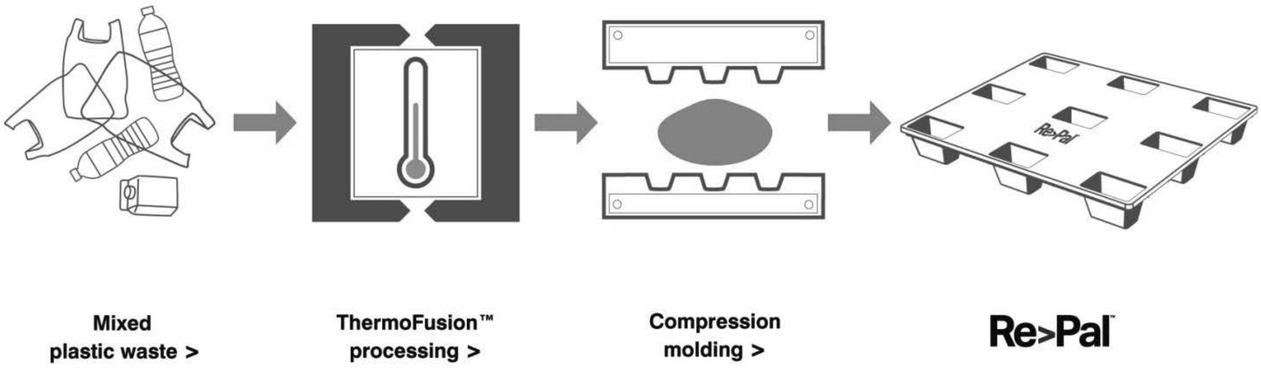
Operating and Financial Review

1. Company Overview

Range's competitive advantage

Range[1] is a producer of 100% recycled waste plastic pallets, sold under the Re>Pal™ brand. Range manufactures its Re>Pal™ pallets using a unique production technology, ThermoFusion™, which is the result of over 10 years' research and development.

ThermoFusion™ technology enables Range to avoid the process of grading and sorting waste material. Converting the plastic and subsequently using compression moulding, the plastic is pressed into moulds to produce pallets. The pallets produced are durable, do not absorb moisture, are resistant to fungi and infestation, and can easily be fitted with radio frequency identification devices (RFID).



The Re>Pal pallet is a sustainable solution to global environmental issues relating to plastic waste and timber consumption.

Waste plastic is a major global issue. Over 300 million tonnes of plastic was produced in 2014 and this is projected to reach well over 600 million tonnes per annum by 2034[2]. Only 14% of this waste plastic is being captured by recycling systems. [3] The rest is going to landfills, incineration or otherwise escaping into ecological systems.

Timber consumption is a serious issue facing the pallet industry. The pallet market is dominated by timber pallets, with wood pallets forecast to represent 92% of global pallet sales by unit and 84% of global pallet sales in dollar terms, in 2017.[4] The independent industry report on the pallet market from Frost & Sullivan commissioned for the Prospectus stated: 'about 40% of hardwood produced in the USA goes into pallet production. In the EU approximately 20% of sawnwood is used for pallet production, and in some countries such as Spain, it is up to 40%'.[5].

Competitive landscape

Range operates within a growing global pallet market, the key driver of which is continuing growth in global merchandise trade. Pallets are an integral facilitator of global trade. Global demand for pallets is forecast to exceed 5 billion pallets or USD$50 billion in value in 2017.[6]

Asia Pacific is the fastest growing region with a forecast annual growth rate in unit sales for the period 2012 to 2017 of 8.1%[7], representing 33% of global pallet sales in 2017.[8]

Frost & Sullivan found that plastic pallets represent a relatively small share of the pallets manufactured although use of plastic pallets is growing faster than other types of pallets, particularly wood pallets.[9]

1 Range International Limited is referred to in this Annual Report as 'Range' or 'the Company' and 'the Group' means collectively Range and its subsidiaries
2 World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company, *The New Plastics Economy. Rethinking the future of plastics* (2016 http://www.ellenmacarthurfoundation.org/publications), p. 17
3 World Economic Forum, Ellen MacArthur Foundation and McKinsey & Company, p.17
4 The Freedonia Group, Inc, *Industry Study #3126 World Pallets February 2014* p. 45
5 Frost & Sullivan Independent Industry Report on the Pallet Market, Range International Prospectus, p. 48
6 The Freedonia Group Inc, p. 30
7 The Freedonia Group Inc, p. 1
8 The Freedonia Group, Inc, p.3
9 Frost & Sullivan, p. 47

2. Operations Review

Overview

In 2017 Range achieved a number of key milestones – completion of installation at the Pasuruan, East Java site of eight new extrusion lines, the relocation to the site of the two lines from Range's pilot plant in Bali and installation of waste plastic pre-processing equipment with commissioning ongoing.

Note: All amounts in this Operating and Financial Review are in US dollars unless otherwise stated.

Operating efficiency

During the reporting period Range proved volume production by producing over 50,000 pallets during the month of November 2017.

A raw materials pre-processing system was installed, a new wash plant commissioned, and commissioning of new plastic pellet production equipment began. Due to issues encountered with the wash plant and the commissioning of the plastic pellet production equipment, the Company continued to buy washed recycled or landfill plastic from third party suppliers rather than pre-processing the waste plastic in-house.

The Group installed eight new production lines in the East Java facility, and transferred the two lines from Tabanan, Bali. The eight new lines have been commissioned and are available for production, the two Tabanan lines have not been commissioned but can be commissioned in short cycle when needed.

Challenges experienced with input costs in the second half of 2017, meant that Range reduced production in the short term to allow time to investigate and optimise these costs. Range also increased prices to test price points for Re>Pal products and to protect the cash position of the Company.

Product development

Range has four pallet types in the market with two size envelopes. The range includes:

a. a nestable pallet designed for one directional product shipment,
b. a rackable pallet based on the nestable design but with runners to facilitate racking storage,
c. a nestable stackable pallet, and
d. a heavy duty pallet which is designed for handling within distribution centres, heavy lifting and racking storage.

Range expects to launch production of two new pallets in 2018 based on customer needs.

Nestable Pallet

Rackable Pallet

Nestable Stackable Pallet

Heavy Duty Pallet

Production inputs

Waste plastic is the only raw material input used in Range's pallet production process. The other key inputs are labour and power. Range has experienced issues with raw materials costs mainly due to delays in volume use of the pre-processing equipment which the Company is continuing to work through. Electricity costs have also been higher than expected and Range continues to work through a number of solutions both from a technical angle and in partnership with the power provider with a view to optimising these costs to expected levels.

Range currently sources waste plastic through local contractors in Indonesia. Securing a sufficient supply of waste plastic at the right price will be key to the success of Range's scale up of production in 2018 and beyond. Range continues to work on securing the required supplies of waste plastic including reviewing potential local and global sources.

Range has reliable access to labour which is a key criteria in Range's decision to establish factories in East Java where labour is priced competitively.

3. Financial Review

Results for the year

The Group reported a loss after tax of $34.8 million for the 2017 reporting period. The results include significant items of $18.9 million.

	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)	108%
Income tax	(48)	–	100%
Statutory net loss after tax	(34,818)	(9,943)	250%

Revenue for the reporting period was $1.4 million, compared to the 2016 revenue of $0.5 million, representing an increase of 199% driven by sales volumes generated in the second half of the year as operating capacity was increased.

The operating costs (excluding significant items) have increased compared to last year, given the establishment of the new plant in East Java Indonesia, including associated depreciation of plant and equipment, higher production volumes and a full overheads structure, including sales and marketing costs associated with promoting the Company's product across the region. The gross margin will normalise as the Company is able to build scale, optimise the production input costs and reset market prices.

The significant items of $18.9 million include a (i) non-cash impairment charge of $17.9 million given an expected downturn in cashflow forecast as the operations are being reset as per the 'Back to Basics' plan and the write off of fixed assets identified as obsolete and (ii) restructuring costs totalling $1.0 million, mainly due to cost reduction initiatives relating to organisational structure and facilities.

Capital Raise

During the second half of 2017, Range successfully raised a total of $11.3 million (net of costs) by a placement and share purchase plan. The placement to institutional and sophisticated investors raised $9.7 million (net of costs) and a share purchase plan raised $1.6 million (net of costs) to fund existing liabilities, working capital and remaining investment for key areas of the plant.

The placement of $10.2 million was made in two tranches, to institutional and sophisticated investors at a price of $0.24 (A$0.30) per share comprising:

- Successful completion of an unconditional placement of $5.0 million (net of costs), representing 15% of the available placement capacity at $0.24 (A$0.30) per share; and
- A conditional placement of $4.7 million (net of costs) at $0.24 (A$0.30) per share to board members and investors over and above the placement capacity, conditional on a shareholder vote which was obtained at an Extraordinary General Meeting (EGM) held on 11 October 2017.

An invitation to participate in a Share Purchase Plan (SPP) was distributed to eligible shareholders on 4 September 2017 to allow them to invest up to A$15,000 at A$0.30 per share, consistent with the placement to institutional investors raising $1.6 million (net of costs).

Cash

Range's focus has been to complete installation of the plant and capital equipment at the East Java facility, and with the formulation of the back to basics plan, optimise the Company's sales and overheads structure with a view to extending the Company's cashflow runway into 2019. As at the end of December 2017, the Group had $9.7 million in cash. This follows $11.3 million (net) received from the capital raise, net cash used in operating activities of $13.1 million and cash used for investment activities of $12.0 million. The Company has no debt.

The attached annual report for the year ended 31 December 2017 contains an independent auditor's report which includes a material uncertainty related to going concern paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. For further information, refer to Note 1 to the financial statements, together with the auditor's report.

Changes in Company Structure

During 2017, to accompany the expansion of the sales team, the Group created new subsidiaries in China, Malaysia, the Philippines and Hong Kong. The continued operation of these subsidiaries is under review as part of the back to basics plan adopted in late 2017 and the decision to limit the focus of sales efforts to Indonesia and the Philippines.

Outlook

Range's key objectives for 2018 are to develop a Re>Pal™ product set that satisfies customer requirements and can deliver cashflow to the Company. Range will not further expand its production or distribution capability until it has greater certainty that an expansion will deliver cashflow positive results. Range decided in early 2018 to focus on its core geographical sales markets of Indonesia and the Philippines due to their large opportunity and close proximity to East Java. Range will pursue this strategy until such time as operations can provide cash for market expansion.

Range's still intends to become the go-to alternative for wood pallet purchasers but plans to place increased emphasis on being an alternative to virgin plastic pallets through a focus on price competitiveness, product performance and environmental benefits. Range is continuing to monitor market pricing and pallet products in each of the regions in which it operates and invest in product development to improve functionality and meet specific customer requirements.

Range also plans to start to investigate other products that can leverage the ThermoFusion™ production technology and provide a cashflow return to the Company.

As of March 2018, our focus is to continue to pare down all unnecessary costs, develop solutions to the Company's input cost challenges, focus on quality sales in Indonesia and the Philippines, and drive price as best possible. Restructuring efforts are ongoing to allow Range to extend its cashflow runway as long as possible to give time to turn around the business.

In the medium term (beyond 2019), Range will review opportunities in other markets outside of Indonesia and will explore options for the Company's longer-term development to deliver its products into a global market.

Risk

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

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

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

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

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

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

Material Business Risks	**Risk Management Strategy**
Risk of non-delivery of gross sales against objectives	Meeting Range's sales objectives involves not only offering products that meet customer requirements and market expectations on a timely basis, but also promoting and marketing such products effectively so that customers have good visibility of the products we offer. It is important that Range understands or accurately anticipates the pricing and product features customers want and understands the trends in the pallet industry, to be competitive. An important part of understanding customer requirements is regular engagement with them. Range, through its sales force, works closely with customers to build awareness of Re>Pal products, understand customers' product needs and identify the product features that will be attractive to them. These findings are reviewed by management with the sales force and the customers directly, and informed considerations relating to product development, as well as the introduction of new products that are most likely to reflect the requirements of current and potential customers, are made. Range follows a continuous improvement approach to its products. The Board receives regular assessments of the likely markets and key customers expected to purchase Re>Pal products and how the sales team has been engaging with those customers. This is an ongoing area of attention in 2018. Range is focussing its sales and marketing efforts primarily in its home market, Indonesia and the Philippines in 2018 to allow focussed development of products, markets and specific customers.
Risk of inability to meet customer orders due to production constraints or quality standards	Meeting Range's strategic objectives is dependent on its ability to scale-up production and meet customer orders. In the near term, Range has adopted a build to customer purchase order approach. There is significant production capacity to fulfil existing forward orders. Capacity can also be increased in a short time frame. The Company reviews its production processes with a view to ongoing continuous improvement of production efficiencies. The Company has yet to finalize commissioning of material pre-processing and is working with its equipment suppliers; production of pallets however is not predicated on this pre-processing equipment and therefore pallet output is not affected. Range also has the experienced personnel to ensure the regular servicing and maintenance of our production equipment. Downtime has been included in the production schedule to allow for maintenance. The Company undertakes performance monitoring and has implemented quality control processes.

Risk of non-delivery of objectives due to inadequate supply and quality of raw materials	The production of Range's Re>Pal pallets is dependent upon Range having an uninterrupted and sufficient supply of low cost waste plastic of the required quality. Range continues to source raw materials in Indonesia and continues to review opportunities for sourcing off shore. Range continues to develop its pre-processing capabilities with a view to facilitating processing of multiple raw materials sources within it production process. The Board receives regular updates on the Company's supply of raw materials and the activities of the procurement team. This is an ongoing area of attention in 2018.
Risk of loss of protection of intellectual property rights	Protecting Range's proprietary technology is an important part of Range being able to compete successfully. Range relies on a combination of trade secret, confidential information and trademark laws, non-disclosure and other contractual agreements and technical measures to protect its proprietary rights. The Board and management recognise the importance of implementing a considered strategy in respect of intellectual property matters, including protecting the Group's proprietary technology in order that the Group may compete successfully. The Company trains its staff in the requirements of the Company's intellectual property protection strategy and has implemented a non-disclosure agreement protocol. The Company has ensured the secure storage of intellectual property and where appropriate, registration of its intellectual property interests.
Risk of potential litigation such as breach of third party intellectual property rights	The Company recognises that intellectual property litigation poses risks and uncertainties that may materially and adversely affect or disrupt its business or results of operations. The Audit Committee has established a Legal Matters Register on which management report at each Audit Committee meeting.
Risks associated with operating in foreign countries	Operating in a foreign country creates various risks to the business. The Company is managing these risks by engaging accounting and legal professionals and other third parties to advise and assist us in respect of the establishment and running of our overseas offices and by engaging experienced local personnel in our overseas offices.
Risks relating to workplace health and safety	The health and safety of Range's people is a key priority for the Range Board. The Company has chosen to be guided by Australian work health and safety practices in all of its operations including the new East Java factory. The Company manages health and safety risks by engaging experienced workplace health and safety personnel. Staff undertake appropriate training where required.
Bribery and corruption	Range recognises that allegations of bribery or corruption could significantly damage Range's reputation and impact Range's financial performance. The Company requires all staff to comply with its Code of Conduct and Anti-Corruption and Bribery Policy and Range's executive team are experienced in the management of these risks.
Reliance on key staff	The successful achievement of Range's objectives is reliant on the capabilities of a number of key employees. The loss of one or more of the key employees and any delay in their replacement may adversely impact the ability of Range to implement and expand its business and growth strategies
Risk associated with the current enterprise resource planning system	Range's current enterprise resource system does not capture all activities of the business (such as production planning and management) and may be unable to scale-up with future business growth and associated complexity. In 2017, Range decided to defer implementation of a comprehensive enterprise resource planning system subject to the business' growth.
Development of competing products	Range operates in a competitive global pallet market. Competitors or new entrants might develop new products or technologies which compete with Range and its ThermoFusion™ technology. Range periodically monitors information relating to the global pallet market to inform itself of available products.
Liquidity and funding	The operating and financial performance of Range and its ability to grow, is partly reliant on its ability to manage all of its activities which generate cashflow and if needed, secure sufficient capital. There is a risk that Range may not be able to access capital from debt or equity markets for future expansion or may only be able to do so on restricted terms. The inability to access required capital could have a material adverse impact on Range's business and financial condition. Refer to note 1 within the financial report.

Corporate Governance Statement

The Board of Range International Limited recognises the importance of having proper and effective corporate governance arrangements and of communicating our approach to corporate governance to our shareholders.

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) seek to promote eight (8) general corporate governance principles detailed below and provide recommendations as to how a listed entity might give effect to these eight principles (ASX **Recommendations**).

This Corporate Governance Statement discloses the extent to which Range has followed the ASX Recommendations during the reporting period and identifies any Recommendation which the Company has not followed and states the Company's reasons and what alternative governance practices the Company adopted in lieu of the Recommendation.

- Principle 1: Lay solid foundations for management and oversight
- Principle 2: Structure the board to add value
- Principle 3: Act ethically and responsibly
- Principle 4: Safeguard integrity in corporate reporting
- Principle 5: Make timely and balanced disclosure
- Principle 6: Respect the rights of security holders
- Principle 7: Recognise and manage risk
- Principle 8: Remunerate fairly and responsibly

Principle 1: Lay solid foundations for management and oversight

Articulation of the roles of the board and management

The Company has articulated the division of responsibilities between the Board of Directors and management and the role and responsibilities of the Chair of the Board in the Board Charter.

The Board Charter sets out the following matters as being reserved to the Board for decision (in addition to matters expressly required by law to be approved by the Board):

- appointment and removal of the Managing Director, the determination of the Managing Director's terms and conditions (including remuneration) and review of the Managing Director's performance;
- appointment and removal of the Chief Financial Officer and the Company Secretary;
- any matters in excess of the authority limits set in the Company's written delegation of authority or any other discretions that the Board has delegated to management;
- approval of:
  - the Company strategy and annual budget;
  - the Company's remuneration policy;
  - significant changes to the organisational structure of the Company;
  - the appointment, and performance evaluation of, senior executives and any other officers as the Board may determine;
  - the acquisition, establishment, disposal or cessation of any significant assets of the Company;
  - the amount, nature and term of the Company's debt facilities;
  - the issue of any shares, options, equity instruments or other equity securities in the Company;
  - any public statements which reflect significant issues regarding the Company performance, policy or strategy;
  - any changes to the discretions delegated by the Board; and
  - the Company's dividend policy and the payment of dividends;
- reviewing, with the assistance of reports from the Remuneration and Nomination Committee, Managing Director and senior executive succession planning on a regular and continuing basis; and
- appointment, reappointment or replacement of the external auditor, upon the advice of the Audit and Risk Committee.

All other matters are delegated to management.

Each Director has the right to seek, with the consent of the Chairman and with the assistance of the Company Secretary, independent professional advice at the expense of the Company on any matter connected with the discharge of the Director's responsibilities. Each Board Committee may also seek the advice of independent advisers on any matter relating to the powers, duties or responsibilities of the Committee.

The Company has made clear to the Directors and senior executives their roles and responsibilities and its expectations of them in the form of a letter of appointment in the case of the Non-Executive Directors and a detailed service contract in the case of senior executives.

At present, whilst the Company has both an Executive Chairman and Chief Executive Officer, the duties of Managing Director are divided between these roles.

Background checks on board candidates

The Company has undertaken appropriate checks in respect of the Directors and will ensure that appropriate checks are undertaken before any further appointment to the Board is made.

The Company will continue to provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. This information will be provided in the Explanatory Notes accompanying a Notice of Meeting.

Role of the Company Secretary

The Company recognises the important role played by the Company Secretary in supporting the effectiveness of the Board and its Committees and has ensured that the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary for the purpose of obtaining information and advice and the Company Secretary is able to communicate directly with each of the Directors.

The Company's current Company Secretary, Ms Gillian Nairn, will be leaving the Company on 31 March 2018. The Company intends to outsource its company secretarial requirements from 1 April 2018.

Diversity and Inclusion

The Board adopted a Diversity and Inclusion Policy (Policy) in June 2016 at the time of the Company's initial public offering. The Policy imposes responsibility on the Board to establish diversity related measurable objectives and to assess annually both the objectives and the Company's progress in achieving them. The Policy also places responsibility on the Managing Director to monitor progress and report to the Board on the effectiveness of diversity related initiatives, including progress against measurable objectives.

In 2016, the Board established the following measurable objectives in respect of diversity and inclusion:

- appoint at least one female non-executive director to the Board by 2019
- develop a more diverse representation of cultures and better gender balance at the senior management level
- develop a recruitment strategy that focuses on supporting an inclusive culture and delivers improved diversity and gender balance
- require the Board and senior management team to receive training in inclusive leadership and unconscious bias mitigation

As a result of the financial and other challenges faced by the Company during 2017 and consequent cost saving initiatives and downsizing required, the Company has not made any material progress in meeting these measurable objectives.

The Company continues to be keenly aware of the importance of diversity in its workforce if it is to achieve its full potential.

The Company continues to be committed to fostering an environment in which discrimination, harassment, vilification and victimisation will not be tolerated.

The Company's total staff number as at 31 December 2016 was 98. This number grew to over 300 by 31 December 2017, with over 90% of staff being Indonesian. The majority of this growth came from the opening of the new production facility in Pasuruan in East Java. This constrained the Company's ability to achieve gender balance across the entire workforce due to the applicants for factory roles involving manual duties being generally male due to the location of the plant and the local culture. Since year end, as part of the Company's Back to Basics strategy, the Company has downsized its workforce by more than 50%.

The Board continues to recognise that all of the Directors are male and that the appointment of at least one woman to the Board would further increase the diversity of perspectives on the Board and contribute to gender balance objectives.

As at 31 December 2017, the cultural and gender diversity on the Board, in senior executive positions and across the whole organisation was as follows:

Group	Number in group	Proportion Men : Women	Proportion Indonesian citizens : others
The Board	5	5 : 0	0 : 5
Senior executives*	25	3 : 1	2 : 1
Whole organisation	302	13 : 1	14 : 1

*The Company has defined 'senior executive' as an employee either reporting directly to the Managing Director or reporting to someone who reports directly to the Managing Director.

The Company is not required to report under the *Workplace Gender Equality Act 2012* (Cth) due to the size and location of the Company's workforce as at 31 December 2017.

Evaluation of Board performance

The Board's Charter provides that the Board will evaluate, at least annually, the performance of the Board, each Board Committee and each Director. Due to the Board's focus on the challenges faced by the business during 2017 and changes in the composition of the Board during the year, Board performance evaluations were not undertaken in 2017.

Evaluation of senior executives' performance

The Board is responsible for evaluating the performance of the CEO and the CEO evaluates the performance of executives reporting to him, under the oversight of the Remuneration and Nomination Committee. The CEO reports to the Remuneration and Nomination Committee on the results of the performance evaluations carried out.

Whilst informal performance evaluations of the senior executives were undertaken during 2017, no formal performance evaluations of the CEO or the senior executives reporting to the CEO were undertaken during 2017 as a result of the resignation of all but one member of the executive team during the year and post year end.

The Managing Director, Mr Lars Amstrup, resigned with effect from 3 July 2017 and a permanent replacement did not commence until 30 October 2017. Mr Russell Twine, the former Head of Sales and Marketing, resigned with effect from 30 June 2017 and Mr Geoffrey Walker, the Chief Financial Officer, and Mr Kenneth Brandt, the Head of Product Development, resigned in the second half of 2017. Ms Rachelle Woodsford's employment ceased after the end of the reporting period.

Mr Jonathan Guyett, the Company's CEO, and Mr Evasio Barbero, the Company's CFO, announced their resignations on 28 February 2018 and 5 March 2018 respectively.

Principle 2: Structure the board to add value

Nomination Committee

Range's Board has established a Remuneration and Nomination Committee and a Charter for the Committee. During 2017, the Committee comprised two Non-Executive Directors, Mr Daniel and Mr Koeck, who were both considered to be independent. Mr Daniel was the Chair of the Committee. Subsequent to the year end, Messrs Daniel and Koeck resigned as directors.

The Committee currently comprises two Non-Executive Directors, Mr Stephen Bowhill and Mr Kenneth MacMillan, who are both considered by the Board to qualify as independent directors. Mr Bowhill is the Chair of the Committee.

The Board considers that the Remuneration and Nomination Committee is of a sufficient size to discharge its mandate effectively, notwithstanding that it does not have at least three members as recommended by the ASX Corporate Governance Council.

The Remuneration and Nomination Committee responsibilities are established in its Charter and in the area of nomination include:

- reviewing and recommending to the Board the size and composition of the Board;
- reviewing, assessing and recommending to the Board the desirable competencies of Board members in line with the Company's board skills matrix;
- developing succession plans for the Board and overseeing the development of succession planning in relation to senior management;
- assisting the Board to identify individuals who are qualified to become Board members;
- reviewing and providing recommendations to the Board concerning the election or re-election of persons as Directors;
- developing and reviewing an effective induction process; and
- developing and reviewing a professional development program to ensure Directors have the opportunity to develop and maintain the requisite skills and knowledge

The Company has disclosed the number of times the Remuneration and Nomination Committee met throughout the reporting period in the Directors' Report.

Board skills matrix

Range adopted its first Board Skills Matrix in early 2017. Since the adoption of this matrix, all but one member of the Board has changed and a new Board matrix is to be prepared.

Independence

Range's Board comprises two Non-Executive Directors (Mr Bowhill and Mr MacMillan) and the Executive Chairman, the Company's Founder Mr Darby. The Board has determined that both Mr Bowhill and Mr MacMillan qualify as independent directors.

The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director.

The Board's Charter provides that in assessing independence, the Board will have regard to the factors set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The length of service of each Director is set out in the Company's Directors' Report for the reporting period.

Number of independent directors

The Company notes the ASX Corporate Governance Council's recommendation that a majority of the Board be independent directors and the Company's Board complies with this recommendation.

There are three members of Range's Board – two are independent directors and one, the Executive Chairman, is not considered to be independent due to his executive role in the Company.

Chairperson and independence

The Company notes the ASX Corporate Governance Council's recommendation that the chair of the board of a listed entity be an independent director and that the Company's Chair is not an independent director.

Mr Darby is the Executive Chairman of the Company. Mr Jon Guyett is the chief executive officer of the Company but will be stepping down as CEO on 30 April 2018.

The Board considers Mr Darby to be the most appropriate person to act as Chairman of the Group at this time in the Company's development notwithstanding that he is not an independent director for the following reasons.

Mr Darby has a deep understanding of the Company's business being the founder of the business and having been involved in the growth of the business since its commencement. Mr Darby lives in Indonesia where the Company's factory is located.

The Company recognises the important but separate roles and functions of the office of Chairman of the Board and the office of Chief Executive Officer of the Company.

Under the Board Charter, the role of the Chairman is to:

(a) ensure the efficient organisation and conduct of the Board's functions;
(b) facilitate the effective contribution of all Directors;
(c) promote constructive and respectful relations between Board members and between the Board and management;
(d) be responsible for ensuring that the principles and processes of the Board are maintained;

(e) review the agenda for each meeting prepared by the Company Secretary or the Managing Director (any Director may request that an item be added to the agenda);
(f) report to the Board and committees of the Board as appropriate on decisions and actions taken between meetings of the Board; and
(g) chair general meetings of the Company.

The Board has committed in its Board Charter to identifying a non-executive director to act as alternate Chairman if the Chairman is unable to perform their role for any reason.

The Executive Chairman, with management, is responsible for implementing the Company's strategy and achieving the Company's business performance objectives and financial objectives and for carrying out the day-to-day management and control of the Company's affairs.

The Executive Chairman must operate in accordance with the Board's approved policies and delegated limits of authority.

In arriving at the above views regarding the Company's Chairman, the Board observed that the Board has delegated certain key responsibilities to the Board's Audit & Risk Committee and Remuneration and Nomination Committee, whose only members are the Company's two independent Non-Executive Directors.

Induction and professional development

Directors may, with the approval of the Chairman, undertake appropriate professional development opportunities at the Company's expense to maintain the skills and knowledge needed to perform their role.

During the reporting period, operational site visits were arranged for the Board.

The Board has delegated to the Remuneration and Nomination Committee responsibility for developing and reviewing a professional development program for the Directors and for establishing the Company's induction process for new directors.

Principle 3: Act ethically and responsibly

The Company recognises that its reputation is a valuable asset which must be protected. Key to this is ensuring that staff act ethically and responsibly. The Company has articulated the standard of conduct it expects of Directors and staff in a written Code of Conduct. The Code of Conduct has been bolstered with a detailed Anti-Corruption and Bribery Policy espousing a zero-tolerance approach to corruption and bribery.

Principle 4: Safeguard integrity in corporate reporting

The Board has established an Audit and Risk Committee to assist the Board in the effective discharge of its responsibilities for financial and corporate reporting as well as risk management, compliance, and audit matters. Whilst the Board retains ultimate responsibility for these matters, the Board considers that having a separate independent audit committee to assist it is an effective mechanism to independently verify and safeguard the integrity of the Company's corporate reporting processes.

The Audit and Risk Committee comprises two independent directors, Mr Stephen Bowhill and Mr Kenneth MacMillan. Mr MacMillan is the Chair of the Committee. The Board considers that the members of the Audit and Risk Committee have the accounting and financial knowledge and a sufficient understanding of the industry in which the Company operates to be able to discharge the Committee's mandate effectively and that the Committee is of a sufficient size to discharge its mandate effectively, notwithstanding that it does not have at least three members as recommended by the ASX Corporate Governance Council.

In carrying out its responsibilities, the Audit and Risk Committee:

- has access to the Company records and any other document, report, material or information in the possession of an employee or external adviser of the Company, as reasonably necessary to perform its functions; and
- may invite an employee, the external auditor or any other person to attend a meeting of the Committee, including without management present, for the purpose of seeking explanations and additional information from a person.

The Audit and Risk Committee may seek the advice of independent advisers on any matter relating to the powers, duties or responsibilities of the Committee and the Committee may initiate special investigations as it sees fit, or as directed by the Board, in relation to matters set out in the Committee's Charter.

The Company has disclosed the number of times the Audit and Risk Committee met throughout the reporting period in the Directors' Report.

Before approving the Company's financial statements for a financial period, the Board receives declarations from the Chief Executive Officer and Chief Financial Officer that in their opinion the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that this opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In accordance with its obligations under the Corporations Act, the Company will ensure that the Company's external auditor attends the Company's annual general meeting and is available to answer questions from shareholders relevant to audits of the Company's annual financial report.

Principle 5: Make timely and balanced disclosure

The Company has established a Continuous Disclosure Policy which establishes assessment and authorisation processes designed to ensure that the Company's announcements are timely and expressed in a clear and balanced manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6: Respect the rights of security holders

During 2017, the Board received regular reports from management and Catapult Partners regarding the Company's investor relations activities. Catapult Partners' engagement as the Company's dedicated investor relations adviser ended on 30 November 2017.

The Company's website provides ready access to information about the Company, the Board, the Company's governance practices, daily and historical security price information, important key dates, ASX announcements and reports and key documents such as notices of meeting.

The Company's current investor relations program uses the following additional means to communicate with shareholders and other stakeholders:

- the Company's quarterly, half year and full year reports
- by offering the opportunity to register for email alerts regarding Company announcements and weekly share trading activity on the investor relations page of the Company's website

The Company actively encourages shareholders to receive communications electronically. The Company's share registry, Link, receives and sends electronic communications to shareholders and through the 'Contact us' page on the Company's website, shareholders have the opportunity to make enquiries of the Company via electronic means. In the mailout for the Company's 2017 Annual General Meeting, the Company encouraged shareholders to insert their email address on a form included in the pack to allow the Company to communicate with them electronically.

The Company will encourage the participation of shareholders at the Company's 2018 Annual General Meeting by providing a question sheet in the Annual General Meeting mailout on which shareholders can write questions they wish to submit to the Company or to the Company's Auditor ahead of the Annual General Meeting. The Company will endeavour to answer questions submitted, where appropriate and time permits, at the Annual General Meeting.

Principle 7: Recognise and manage risk

The Board views its role in recognising and managing risk as crucial to its objective of creating and protecting shareholder value. The Board has established an Audit and Risk Committee to assist the Board in fulfilling its responsibilities in relation to risk management, as well as assist it in respect of financial and corporate reporting and audit related matters.

Please refer to the commentary under Principle 4 for information on the composition of the Audit and Risk Committee.

The Company has developed a Risk Register for the management of material business risks. Management is required to report to the Board on changes to the Company's material business risks and the Audit Committee commenced a review of the Company's Risk Register during the reporting period and this review is expected to continue in FY2018.

The Board recognises the importance of providing sufficient information on risk to enable investors to make informed investment decisions and refers to the commentary provided in the Company's Operating and Financial Review in the Directors' Report on the main risks that could impact the Company's prospects in future financial years.

Due to the Company's current size, the Company does not have an internal audit function. The Company's Audit Committee evaluates the effectiveness of the Company's risk management and internal control processes.

The Company does not have any material exposure to economic, environmental or social sustainability risks. Details of the material business risks applicable to the Company and its business and the actions being taken by the Company to manage its exposure to those risks are set out in the Directors' Report.

Principle 8: Remunerate fairly and responsibly

The Board has established a Remuneration and Nomination Committee to ensure transparency, focus and independent judgment in respect of remuneration decisions. The Remuneration and Nomination Committee's role and responsibilities are articulated in the Committee's Charter.

As a listed company established in Australia, the Company is required to make detailed disclosures in its Remuneration Report on its policies and practices regarding the remuneration of non-executive directors and executive directors and other persons who directly or indirectly had authority and responsibility for planning, directing and controlling the Group's activities during the reporting period, referred to as 'key management personnel' or KMP. Further, the Company's Remuneration Report is subject to an advisory vote by shareholders.

The Company will provide shareholders with the opportunity to comment on and ask questions about the Remuneration Report at the Company's 2018 Annual General Meeting.

The Range 'Retain and Grow' Plan links incentives to the achievement of annual financial performance objectives and project milestones, to encourage KMPs to pursue the growth and success of the Company both in the short term and over the longer term. No incentives were awarded to KMPs under the Retain and Grow Plan during the reporting period or period to date in 2018.

Pay design and reward decisions must be made within the framework established in the Company's Remuneration Policy.

The Company has established a Securities Trading Policy which prohibits directors, KMPs and employees who work in the Company's head office from entering into arrangements which have the effect of hedging the risk associated with the equity element of an incentive opportunity. This prohibition seeks to protect the relationship between equity incentives and Company performance and ensure that KMPs are exposed to the risks associated with share value growth.

Please refer to the commentary under Principle 2 for information on the composition of the Remuneration and Nomination Committee. The Board considers that the Remuneration and Nomination Committee is of sufficient size to discharge its mandate in the area of remuneration effectively, notwithstanding that it does not have at least three members as recommended by the ASX Corporate Governance Council.

The information in this Statement is current as at 26 March 2018 and has been approved by the Board of Directors.

Charters and Policies referred to in this Statement are available on the Company's website at: http://investors.rangeinternational.com/Investors/?page=corporate-governance or from the Company Secretary.

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 year ended 31 December 2017.

Directors

The Directors of Range International Limited ('the Company') during the year and up to the date of this report are shown below.

Matthew Darby	Executive Director	Appointed 10 June 2016# to 29 October 2017
	Non-Executive Director	Appointed 30 October 2017 to 28 February 2018
	Executive Chairman	Appointed 28 February 2018
Stephen Bowhill	Non-Executive Director	Appointed 28 February 2018
Kenneth MacMillan	Non-Executive Director	Appointed 28 February 2018
Stewart Hall	Executive Chairman	10 June 2016 - 16 May 2017
	Non-Executive Director	Appointed 17 May 2017 to 31 December 2017
	Non-Executive Chairman	Appointed 1 January 2018 / Resigned 28 February 2018
William (Bill) Koeck	Independent Non-Executive Director	Appointed 10 June 2016 / Resigned 28 February 2018
Mark Daniel	Independent Non-Executive Director	Appointed 10 June 2016 to 16 May 2017
	Non-Executive Chairman	Appointed 17 May 2017 to 2 July 2017; 30 October 2017 to 1 January 2018 / Resigned 1 January 2018
	Executive Chairman & Interim CEO	Appointed 3 July 2017 to 29 October 2017
David Lee	Independent Non-Executive Director	Appointed 1 July 2017 / Resigned 31 December 2017
Lars Amstrup	Managing Director	Appointed 10 June 2016 / Resigned 3 July 2017

Matthew Darby was the sole director of the Company on and from its incorporation in the Commonwealth of Dominica in October 2012 until 10 June 2016.

Board of Directors

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

Matthew Darby, Founder and Executive Chairman

Experience: Matthew has an entrepreneurial background having founded a number of companies prior to Range. His first venture was Media Partners, which he founded in 1992. Media Partners was a specialist advertising company, which was sold to US based TMP Worldwide in 1996. Following this, he started EStarOnline in 1997. EStarOnline was a proprietary logistic software system company used by companies such as Village Roadshow and the Rugby World Cup. The company was listed on NZX in 1999 and Matthew exited the business and divested his shareholding in 2002. In 2002, Matthew founded Range with the aim of developing sustainable technology for the pallet industry. He led the Company through nearly 10 years of research and development before moving the business to Indonesia in 2012. Matthew stepped down as an Executive Director to Non-Executive Director on 30 October 2017 and then assumed the role of Executive Chairman on 28 February 2018.
Interests in shares and options
19,098,899 shares; 1,413,448 options

Stephen John Bowhill, Non-Executive Director

Qualifications: Physics (BSc. Hons) from Birmingham University, UK
Responsibilities: Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Experience: Stephen has over twenty-five years of business leadership experience with a proven track record and focus on sales growth and business transformation, having led and grown several businesses in Australia and run sales teams in Asia and Australia. Stephen is currently a Director of the Australian and Asian activities for VivoPower International PLC, a Nasdaq listed global solar developer (NASDAQ: VVPR), and serves on the Board of VivoPower's Australian subsidiary companies (Aevitas, Kenshaw and J.A.Martin). Prior to VivoPower, he was Managing Director of an Australian Securities Exchange (ASX) listed IT research company, IDEAS International (ASX:IDE). Within five years, he delivered a ten-fold increase in the company's valuation and secured its sale to Gartner Inc. Before this, Stephen ran a portfolio management software company, Garradin, which he successfully turned around - resulting in a doubling of the business within 3 years and a subsequent trade sale to Bravura, an ASX listed company. Stephen's first position in Sydney, after relocation from Asia, was Regional Vice President, RBC Global Services, managing the sales and relationship management teams. Before moving to Australia, Stephen worked in Singapore and in Hong Kong distributing software for K-Tek International (acquired by Sungard). He was in London and Hong Kong prior to this with Financial Times Information.
Interests in shares and options
Nil

Kenneth Andrew MacMillan, Non-Executive Director

Qualifications: Bachelor of Economics, RG146 registered, Accredited Derivatives Advisor (levels 1 and 2)
Responsibilities: Member of Audit and Risk Committee and Member of Remuneration and Nomination Committee
Experience: Kenn has over 26 years of financial services experience, beginning in 1990 as a Client Advisor at JB Were & Son and then Merrill Lynch in 1998. He was promoted to head Merrill Lynch's Australian Private Client business in 2000 where he was responsible for managing the entire business including the national team of client advisors. Kenn joined UBS Wealth Management in 2004 as head of its Sydney office and was promoted to Managing Director in 2007. In January 2013 Kenn joined Quantum as head of Qsmart Securities Pty Ltd and in July 2017 joined Peloton Capital. Kenn has significant experience managing financial services businesses and advising professional investors and corporate clients on all aspects of their businesses including raising capital, strategy and investment in all asset classes, particularly domestic and international equities and domestic and international fixed income and foreign exchange.
Interests in shares and options
Nil

Persons who ceased to hold office during or since the end of the financial year

Mark Daniel, Non-Executive Director

Mr Daniel was appointed a director on 10 June 2016 and resigned on 1 January 2018.
Qualifications: BCom(Econometrics)(UNSW), GradDip Accounting and Finance (UTS), MAICD
Responsibilities: Chair of the Remuneration and Nomination Committee and Member of the Audit and Risk Committee
Experience: Mark has more than 25 years' professional experience in supply chain and logistics, including prior senior management roles with Coca-Cola Amatil Indonesia, Linfox and Pacific Brands. Prior to this, he served 13 years with the Royal Australian Navy. Most recently, Mark was President of China Merchants Loscam International from 2008 until 2015. China Merchants Loscam International is one of the leading international pallet pooling businesses with operations across Australia, China, Hong Kong, Indonesia, Malaysia, New Zealand, Philippines, Singapore, Thailand and Vietnam.
Interests in shares and options
50,000 shares; 125,000 options

Stewart Hall, Non-Executive Director

Mr Hall was appointed on 10 June 2016 and resigned on 28 February 2018
Qualifications: BCom (UNSW)
Experience: Stewart is a professional with over 30 years of international corporate experience across various geographies. He has spent 15 years operating in Indonesia in senior positions, most notably as CEO for Standard Chartered Bank and then President, Director & CEO for PermataBank. Stewart's core strength is building high performance businesses through leadership and engagement of management teams to execute successfully on a vision and strategy. Stewart was appointed a director of Range International Holdings Limited in October 2012 when Range moved to Indonesia. He was later appointed, Executive Chairman. As part of the restructure of Range in 2016, Stewart's role as Executive Chairman was transferred from RIHL to Range International Limited. Stewart became a Non-Executive Director on 18 May 2017.
Interests in shares and options
8,584,504 shares; 1,413,448 options

William (Bill) Koeck, Non-Executive Director

Mr Koeck was appointed on 10 June 2016 and resigned on 28 February 2018
Qualifications: LLB, LLM (Hons), GradDip Applied Corporate Finance, MAICD
Responsibilities: Chair of the Audit and Risk Committee and Member of the Remuneration and Nomination Committee
Experience: Bill has over 40 years' experience in Australian and international corporate law specialising in mergers and acquisitions, equity capital markets, private equity, restructures and corporate governance. Bill has advised clients across a broad range of industry sectors including transport and logistics, manufacturing, consumer goods and energy and resources as a senior partner at Ashurst, a global law firm. Bill was appointed to the Australian Takeovers Panel in 2015. Bill was previously chairman of former ASX listed entity Fleet Capital Limited.
Interests in shares and options
249,388 shares; 125,000 options

David Lee, Non-Executive Director

Mr Lee was appointed on 1 July 2017 and resigned on 31 December 2017
Qualifications: B.Sc. and M.Sc. in Economics and Mathematics, London University
Experience: David was President and CEO of Peco Pallet from 2005 until 2006 prior to which he had been part of the launch team that established CHEP in the USA leaving as Executive Vice President responsible for CHEP's commercial and service programs throughout the Americas to become President and CEO of GE Capital's Transport International Pool in Europe (18 countries and $650MM in revenue). Prior to joining CHEP (1982), David spent ten years in UK Government service including three years as Private Secretary to the Secretary of State for Trade and three years as First Secretary at the British Embassy in Paris.
Interests in shares and options
166,666 shares Nil options

Lars Amstrup, Managing Director

Mr Amstrup was appointed to the role of Director and Chief Executive Officer of Range International Holdings Limited on 1 May 2015. As part of the restructure of Range in 2016, Lars was transferred to the role of Managing Director and Chief Executive Officer of Range. Lars resigned on 3 July 2017

Qualifications: Certification in Business Administration, University of Copenhagen Business School

Experience: Lars was appointed to the role of Director and Chief Executive Officer of Range International Holdings Limited on 1 May 2015. As part of the restructure of Range in 2016, Lars was appointed as Managing Director and Chief Executive Officer of Range. Lars has 30 years of experience in supply chain, logistics and industrial manufacturing and is a strong business leader with a proven track record of growing existing and new businesses. Lars served as President of CHEP Asia from 2012 to 2014, a subsidiary of Brambles, the global leader in B2B equipment rental. Lars' extensive career in logistics has provided him with a deep understanding of the pallet market. He also previously held positions as President of HAVI Logistics/AQL Japan and President of HAVI Food Services SE Asia.

Interests in shares and options

200,000 shares; Nil options

Company Secretary

Gillian Nairn, BA/LLB, LLM, AGIA

Gillian joined Range as Company Secretary and In-House Counsel on 3 August 2016. She is an experienced corporate governance professional with more than 15 years legal, commercial and company secretarial experience gained in private practice and in-house roles.

Principal activities

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

Remuneration Report

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

Review and Results of Operations

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

Significant Changes in the State of Affairs

Significant changes in the state of affairs of the group during the financial year were as follows.

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 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.

During the second half of 2017, a placement to institutional and sophisticated investors raised $9.7 million (net of costs) and a share purchase plan raised $1.6 million (net of costs) to fund existing liabilities, working capital and remaining investment for key areas of the plant.

The placement of $10.2 million was made in two tranches, to institutional and sophisticated investors at a price of $0.24 (A$0.30) per share comprising:

- Successful completion of an unconditional placement of $5.0 million (net of costs), representing 15% of the available placement capacity at $0.24 (A$0.30) per share; and
- A conditional placement of $4.7 million (net of costs) at $0.24 (A$0.30) per share to board members and investors over and above the placement capacity, conditional on a shareholder vote which was obtained at an Extraordinary General Meeting (EGM) held on 11 October 2017.

An invitation to participate in a Share Purchase Plan (SPP) was distributed to eligible shareholders on 4 September 2017 to allow them to invest up to A$15,000 at A$0.30 per share, consistent with the placement to institutional investors raising $1.6 million (net of costs).

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.

Dividends

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

Subsequent events

Other than as disclosed in the financial statements, the Directors are not aware of any matter of material circumstances which has arisen since the end of the financial year which would be expected to have a material effect on the financial or operating performance or results of the Group.

Likely developments in future years

Continued growth in the global demand for pallets, more global focus on environmental issues and possible need for fresh capital which will allow the growth in the Company's production capacity are expected to provide a favourable platform for the future. Range will continue with its longer-term strategy of developing its product range, developing its sales capability, driving product quality, and ultimately scaling up production.

Environmental regulations

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

Meetings of Directors

The number of Board and Board Committee meetings held and attended by each Director during the year ended 31 December 2017 is detailed below:

			Committees[4]					
	Board		Audit & Risk Committee		Remuneration & Nomination Committee		Special Purpose Committee[5]	
Director	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]	Attended
Stewart Hall	33	33	6	6		(1)		
Matthew Darby	33	31		(5)	1	1		
Lars Amstrup	11	11		(5)		(1)	2	2
William(Bill) Koeck[2]	33	28	7	7	2	1	2	2
Mark Daniel[3]	33	30	7	7	2	2	2	2
David Lee	22	21		(1)				

1. Indicates the number of meetings held during the period the director was a member of the Board or relevant Committee.

2. Mr Koeck was on approved sick leave during the period 7 February 2017 to 10 March 2017 inclusive. Mr Darby replaced Mr Koeck on the Remuneration & Nomination Committee during his absence on sick leave.

3. Mr Daniel was on approved sick leave during the period 16 October 2017 to 10 November 2017 inclusive. Mr Koeck was appointed acting Chair of the Board of Directors during Mr Daniel's absence on sick leave.

4. Committee meetings are open to all directors to attend. Where a director attended a meeting of the Committee of which he was not a member at the time, this is indicated by ( ).

5. A Special Purpose Committee was established by the Board on 30 March 2017 to oversee a line by line expenditure analysis by management with a view to reducing costs where possible.

Other Directorships

None of the Company's Directors held a directorship with another listed company at any time during the three years immediately preceding 31 December 2017. Mr Koeck's role as Chairman of Fleet Capital Limited ended on 1 March 2002 when the company was delisted.

Corporate governance

The Company and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) and the Company's corporate governance statement which forms part of this Annual Report.

Indemnification of officers

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

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

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

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

(i) a contract of insurance in respect of the Directors and other officers of the Company insuring them in accordance with the requirements of the Company's Constitution and the deeds of access, indemnity and insurance. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

(ii) a contract of insurance in respect of the Directors insuring them for costs incurred in defending proceedings relating to alleged conduct involving a wilful breach of duty or a contravention of Sections 182 or 183 of the Corporations Act 2001 provided that to the extent it is finally established in a final and non-appealable judgement or adjudication adverse to the insured that such conduct occurred, any previously advanced amounts must be repaid to the insurer (as permitted by Section 199B of the Corporations Act).

Non audit services

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

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

	US$'
Other assurance services	87,825
	87,825

After Balance Date Events

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 year ended 31 December 2017.

Auditor's Independence Declaration

The Auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 19.

Rounding of amounts

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

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

Matthew Darby
Executive Chairman

28 March 2018

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Range International Limited for the year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
28 March 2018

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Remuneration Report

The Directors present the Company's remuneration report for the period 1 January 2017 to 31 December 2017 (FY17) (Report).

The Report has been prepared in accordance with the disclosure requirements of the Corporations Act 2001 (Cth), the regulations made under that Act and Australian Accounting Standard AASB 124: Related Party Disclosures and outlines the remuneration arrangements for the Key Management Personnel of the Group(KMP) during FY17. KMP are those persons who directly or indirectly had authority and responsibility for planning, directing and controlling the Group's activities during the reporting period.

KMP

The Board has determined that the following individuals were KMP during FY17 within the meaning of Australia Accounting Standard AASB 124:

Name	Position title	Term as KMP
Non-Executive Directors		
William (Bill) Koeck	Non-Executive Director	Full Year/ Resigned 28 February 2018
Mark Daniel	Non-Executive Director	1 January 2017 – 16 May 2017
	Non-Executive Chairman	17 May 2017 – 2 July 2017; 30 October 2017 – 1 January 2018 / Resigned 1 January 2018
David Lee	Non-Executive Director	Appointed 1 July 2017 / Resigned 31 December 2017
Stewart Hall	Non-Executive Director	17 May 2017 – 28 February 2018
	Non-Executive Chairman	Appointed 1 January 2018 / Resigned 28 February 2018
Matthew Darby	Non-Executive Director	30 October 2017 - 28 February 2018
Executive Directors		
Stewart Hall	Executive Chairman	1 January 2017 – 16 May 2017;
Matthew Darby	Executive Director	1 January 2017 – 29 October 2017
Matthew Darby	Executive Chairman	Appointed 28 February 2018
Mark Daniel	Executive Chairman & Interim CEO	3 July 2017 – 29 October 2017
Lars Amstrup	Managing Director/CEO	1 January 2017 – 3 July 2017
Executive Management		
Jonathan Guyett	Chief Executive Officer (CEO)	Appointed 30 October 2017
Evasio Barbero	Chief Financial Officer	Appointed 6 November 2017
Matthew Allard	Head of Product Development	Appointed 6 November 2017
Geoffrey Walker	Chief Financial Officer	1 January 2017 – 30 November 2017
Kenneth Brandt	Head of Global Strategy	1 January 2017 -7 August 2017
Rachelle Woodsford	Head of Global Sales and Marketing	25 April 2017 – 11 February 2018
Russell Twine	Head of Global Sales and Marketing	Not considered KMP for FY 2017
Bambang Garnadi	Head of Global Operations	Full Year

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

Determination of KMP Remuneration

Role of the Board and Remuneration and Nomination Committee

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

(i) the determination of the CEO and Managing Director's remuneration arrangements and review of the CEO and Managing Director's performance; and

(ii) approval of:

  a. the Company's remuneration policy including:
    i. the remuneration of Executive Directors, the Chief Financial Officer, the Company Secretary and senior executives;
    ii. industrial instruments or agreements of general application to some or all of the Company's employees; and
    iii. incentive plans; and

  b. the performance evaluation of senior executives and any other officers as the Board may determine.

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

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

The Committee's two members were the Company's two Non-Executive Directors – Mark Daniel and Bill Koeck. Mark Daniel was the Chair of the Committee. Bill Koeck was on approved sick leave during the period 7 February 2017 to 10 March 2017 inclusive. Mr Darby replaced Bill on the Remuneration & Nomination Committee during his absence on sick leave.

Use of remuneration consultants

During FY17, the Committee engaged Minter Ellison to provide independent advice in respect of potential cancellation of existing option rewards and issue of new awards to management. Any advice prepared by Minter Ellison was provided to the Chair of the Remuneration and Nomination Committee as an input into the Board's decision-making process. Minter Ellison did not make any remuneration recommendations in relation to any KMP during FY17.

Remuneration policy and link to performance

Remuneration Policy

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

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

KMP remuneration elements FY17

Executive KMP remuneration in FY17 was comprised of the following elements:

Component	Fixed remuneration	Variable – STI	Variable – LTI
Determination	Based on relevant market relativities reflecting responsibilities, performance, qualifications, experience and geographic location.	Assessment against each KMP's key performance indicators	Vesting: 30% of the award subject to satisfaction of a continuous employment requirement; and 70% of the award subject to a share price performance hurdle and a continuous employment requirement.
Delivery	Salary plus benefits including any fixed elements relating to local markets such as superannuation or equivalents. All income taxation on net fixed remuneration is for the Company's account.	Cash payment	Grant of options under the Employee Share Option Plan (ESOP). The vesting of the options is subject to satisfaction of a continuous service requirement and share price performance hurdle for 3 years from grant date. Performance is tested once at the vesting date.
Strategic intent and market positioning	Set at the 60th percentile (median) of the Australian market considering expertise and performance in the role	Set at the 60th percentile (median) of the Australian market	LTI is intended to align interests of KMP with interests of investors. LTI intended to be positioned in the 60th percentile of the relevant benchmark comparisons.
Total target remuneration	Set by reference to the relevant geographic market for each KMP which in FY17 was either Australia or Indonesia. Intended to be positioned in the 60th percentile compared to the relevant market benchmark comparison. The Committee has determined that this is appropriate given the present size of the Company and market penetration of its product.		

KMP incentive strategy in FY17

<u>Short Term Incentive (STI)</u>

No STI targets were set by the Remuneration Committee for FY2017. Due to the Company's financial performance during the 2017 financial year no STI bonuses were approved for KMPs.

<u>Long Term Incentives (LTI)</u>

During FY16, the Company established an Employee Share Option Plan (**ESOP**) to assist in the motivation, retention and reward of participants as detailed in the Company's Prospectus relating to its initial public offering. The ESOP was designed to align the interests of participants with the interests of investors.

No LTI targets were set by the Remuneration Committee for FY17.

One grant of options was made under the ESOP on 29 December 2017. Each option has an exercise price of A$0.30 (equal to the offer price on the listing of the Company). A summary of the key terms of the option grants is outlined in the table below.

ESOP Grants in FY17

Grants to the executive management team	These options were split into two tranches with separate vesting criteria as follows: Tranche 1: the options are subject to the Company's volume weighted average share price over the 30 days prior to the 2nd anniversary of the grant date being equal to or more than A$1.00 per shares and being continuously employed up to the 2nd anniversary of the grant date; and Tranche 2: the options are subject to the Company's volume weighted average share price over the 30 days prior to the 3rd anniversary of the grant date being equal to or more than A$1.50 per shares and being continuously employed up to the 3rd anniversary of the grant date. The options expire 6 years from the grant date.

ESOP Rules

The key terms of the ESOP are outlined below:

Eligibility	The plan is open to all employees, Executive Directors and Non-Executive Directors of the Group, as determined by the Board.
Instrument	Grants will be comprised of options. Each option represents a right to acquire (whether by way of issue or transfer) one ordinary share in the Company subject to satisfaction of the applicable vesting conditions, the exercise of the option and payment of the exercise price (if any).
Terms and conditions applicable to an offer under the ESOP	The Board has absolute discretion to determine the terms and conditions applicable to an offer under the ESOP including: • any conditions to be satisfied before an option will be granted • any vesting, performance or other conditions required to be satisfied before options vest and may be exercised • the option exercise period (if any) • any applicable issue price or exercise price • any disposal restrictions on shares to be issued or transferred upon exercise of options • any other specific terms and conditions applicable to the offer
Vesting and exercise of options	If options are granted subject to vesting conditions, the Company must give the participant a vesting notice upon such conditions being satisfied or waived by the Board.
Restrictions on dealing in options	Except as permitted by the Board, a participant must not sell, transfer, encumber, hedge or otherwise deal with unvested options. Unless otherwise set out in a participant's offer invitation, no disposal restrictions apply to shares held by participants, other than the restrictions that apply under the Company's Securities Trading Policy.
Lapsing of options	Unless otherwise specified in a participant's invitation or otherwise determined by the Board in its discretion, an option may be forfeited and lapse: • if the Board determines that any vesting condition applicable to the option has not been met, or cannot be met, by the relevant date; • on expiry of the exercise period (if any); • if the option has not vested and the participant's employment or office is terminated (see further details below); • where the Board determines that the participant has committed an act of fraud or dishonesty or has wilfully breached his or her obligations to the Group; • if the participant purports to deal with the option in breach of any applicable disposal or hedging restrictions; • the participant materially breaches the ESOP Rules and fails to satisfactorily remedy the breach within the specified time period; • if the option has not vested and the participant becomes insolvent; and • any other circumstance set out in the participant's invitation.
Dividends	Participants do not receive dividends prior to an option being exercised.
Cessation of employment or office	In the event of resignation or dismissal, a participant may retain all vested but unexercised options. However, the participant may only retain such of his or her unvested options as the Board expressly determines. Any options the participant is not permitted to retain will be forfeited.
Change of control	In the event of a change of control, the Board may, in its absolute discretion, determine the manner in which any or all of a participant's options are dealt with.
Plan limit	No option may be issued or exercised by a participant if to do so would contravene the Corporations Act, the ASX Listing Rules or any relief or waiver granted by ASIC or the ASX that binds the Company in making any offer under the ESOP or otherwise in connection with the operation of the ESOP.

Non-Executive Directors' remuneration

The Company's Non-Executive Directors are remunerated in accordance with the Company's Constitution which provides for an aggregate pool that is set and varied only by approval of a resolution of shareholders. During FY17 shareholder approval was sought and granted to increase the aggregated fee pool as set by the Constitution from A$500,000 to A$750,000. The total fees paid to Non-Executive Directors in FY17 was within the approved aggregate fee pool.

The remuneration paid to the Company's Non-Executive Directors consists of base salary and fees for chairing a Board Committee. Annual Non-Executive Directors' fees are currently US$69,300 (A$90,000) and the annual fee for the role of chairing a Board Committee is US$11,550 (A$15,000). Superannuation contributions provided by the Company are included in these amounts. Exchange rate for FY17 is set at A$0.77

Non-Executive Directors are entitled to be reimbursed for expenses reasonably incurred in performing their duties. They do not receive any performance based remuneration, nor are they entitled to retirement or termination benefits other than statutory superannuation contributions.

During the year two of the Non-Executive Directors, David Lee and Stewart Hall, agreed to take 6 months of their annual fees in respect of their services as directors in the form of Company shares. Accordingly, David was issued 150,000 shares and Stewart was issued 150,000 shares at a share price of A$0.30 during the Company's Capital Raising in September 2017.

During the year Bill Koeck, performed additional consulting work in respect of the capital raising and recruitment of executives. Bill agreed to payment for these services in the form of Company Shares. Accordingly, Bill was issued 133,333 shares at a share price of A$0.30.

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

KMP incentives – Retain and Grow (RAG) Plan

At the 2017 Annual General Meeting, the Company's shareholders approved a new performance based pay plan for the KMPs which is called the Range 'Retain and Grow Plan'. Other key employees may be eligible to participate in the RAG Plan in the future, as determined by the Board. The RAG Plan provides participants with the opportunity to earn a cash payment and/or a grant of equity (Share Rights) based on achievement of financial and project objectives as set out below:

- Financial performance objectives are to be set each year. If those objectives are met or exceeded, there will be an immediate cash payment to reward achievement and a grant of Share Rights. The Share Rights will vest progressively over five years, subject to continuing employment. Progressive vesting means that 20% of an award becomes available for exercise one year after the grant date and then a further 20% each year for the next four years.
- Participants also earn rewards on completion of pre-determined project milestone(s), with cash and Share Rights being granted upon completion rather than at the end of a successful financial year. Share Rights granted upon completion of a project milestone will continue to vest in the same manner as those awarded for achievement of financial objectives, ie. Progressively over five years subject to continuing employment.

Awards under the RAG Plan may be earnt at two points in time:

1. at the end of each year to the extent that annual financial performance objectives for that year are achieved; and
2. upon achievement of a project milestone(s).

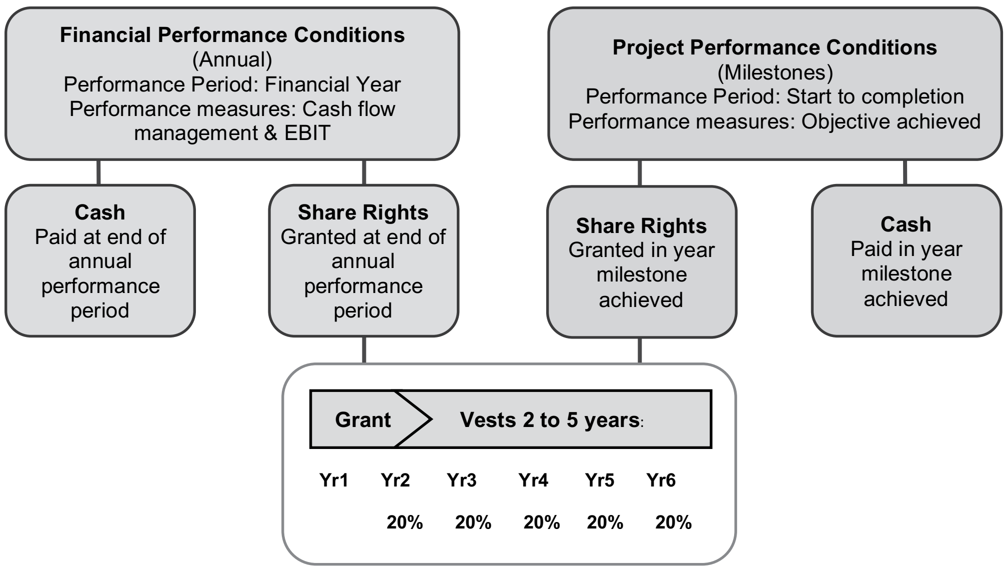
Once a Share Right has vested, the participant can exercise the Share Right to acquire a share in the Company. The Share Right will be granted under the existing ESOP rules as it is effectively a nil-priced option.

The Board believes that the RAG Plan will attract motivate and retain key employees by:

- incentivising executives to work together to achieve a small group of objectives that really matter, providing them with latitude to identify and manage the actions needed to build the business, without competing objectives; and
- facilitating the acquisition of Company shares, thus providing key employees with a longer-term ownership stake in the Company, and allowing them to share in any capital growth

The exposure of KMP to the risks associated with share value growth is protected by the prohibition, established in the Company's Securities Trading Policy and the *Corporations Act 2001*, on KMPs entering into arrangements which have the effect of hedging the risk associated with the equity element of a KMP's incentive opportunity.

The following illustration provides an overview of the design of the RAG Plan.



KMP Contractual Arrangements

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

Term	CEO	Other KMPs
Duration	No fixed term	No fixed term
Notice period	6 months either party	3 months either party
Termination for misconduct	Immediate dismissal, no notice	Immediate dismissal, no notice
Termination payments	Nil	Nil

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

There were no loans or other transactions transacted with KMPs during FY17.

KMP Remuneration Outcomes for FY17

Range's performance in FY17

The table below sets out the Group's performance during FY17:

Financial measure	
Revenue	$1.4m
Pallet production (units)	238,597
Share price at listing on 22 July 2016	$1.30
Share price at 31 December 2017	$0.06

Notes:

- For the year ended 31 December 2017, the Group generated $1.4 million (2016:$0.5 million) of revenue through the sale of pallets.
- During the 2017 financial year, the Group increased pallet production and manufactured 238,597 (2016: 87,773) pallets.

KMP Remuneration Outcomes for FY17

In FY17, the following incentives were paid to KMP:

- a grant of options was made under the Company's ESOP on 29 December 2017. The options were issued for nil consideration and each option has an exercise price of A$0.30per option.

The table below shows the accounting expense of remuneration received by the KMP during FY17.

KMP Statutory Disclosures

KMP remuneration

Set out in the following table is the remuneration received by KMP for the financial year ended 31 December 2017.

	Fixed Remuneration					Variable Remuneration			% Remuneration		
KMP	**Salary & Fees[1]**	**Other Benefits[2]**	**Post-employment benefits[3]**	**Termination**	**Accrued leave**	**STI Bonus**	**LTI Value of Equity[6]**	**Total**	**Fixed**	**STI**	**LTI**
Financial Year 31 Dec 2017	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**	**%**
Non-Executive directors											
Bill Koeck[5]	36,861	-	3,502	-	-	-	40,203	80,566	50%	-	50%
Mark Daniel	42,127	-	4,002	-	-	-	9,450	55,579	83%	-	17%
David Lee	-	-	-	-	-	-	34,597	34,597	-	-	100%
Stewart Hall	5,766	-	-	-	-	-	-	5,766	100%	-	-
Matthew Darby	23,065	-	-	-	-	-	-	23,065	100%	-	-
Sub-total non-executive directors	**107,819**	**-**	**7,504**	**-**	**-**	**-**	**84,250**	**199,573**			
Executive directors											
Stewart Hall	135,000	10,575	-	-	-	-	74,776	220,351	66%	-	34%
Matthew Darby	278,598	13,849	-	-	-	-	48,177	340,624	86%	-	14%
Lars Amstrup	134,631	66,899	-	116,206	15,990	-	(25,052)	308,674	70%	-	-8%
Sub-total executive directors	**548,229**	**91,323**	**-**	**116,206**	**15,990**	**-**	**97,901**	**869,649**			
Senior management											
Jonathan Guyett[4]	47,423	19,244	-	-	5,556	250,000	148	322,371	22%	78%	-
Evasio Barbero	49,698	-	-	-	3,272	-	64	53,034	100%	-	-
Matthew Allard	46,125	-	-	-	-	-	64	46,189	100%	-	
Geoff Walker	226,375	37,190	1,957	90,696	13,873	-	(6,267)	363,824	77%	-	-2%
Ken Brandt	144,964	26,696	-	90,768	19,875	-	(6,267)	276,036	69%	-	-2%
Bambang Garnadi	111,653	6,768	-	-	5,302	-	6,752	130,475	95%	-	5%
Rachelle Woodsford	150,164	-	6,948	-	18,403	-	-	175,515	100%	-	-
Sub-total senior management	**776,402**	**89,898**	**8,905**	**181,464**	**66,281**	**250,000**	**(5,506)**	**1,367,444**			
TOTAL	**1,432,450**	**181,221**	**16,409**	**297,670**	**82,271**	**250,000**	**176,645**	**2,436,666**			

1. Includes the value of individual incomes taxes accrued on behalf of the KMPs by the Company. The Company has structured all new KMP fixed remuneration such that all taxation on fixed remuneration will be for the KMP's account.
2. Other benefits comprise of housing, medical and car allowances.
3. Post-employment benefits are provided through a defined benefit and contribution pension plan. The amounts disclosed as remuneration represent each person's share of the current service cost of the plan measure in accordance with AASB119 *Employee Benefits.*
4. Jonathan Guyett has received a lump-sum sign on payment of US$250,000 in compensation for incentives forgone.
5. Bill Koeck has received payment in the form of shares for fees due to consulting services performed during the Capital Raising.
6. LTI Value of Equity includes negative amounts for options forfeited during the year.

KMP Statutory Disclosures

KMP remuneration

Set out in the following table is the remuneration received by KMP for the financial year ended 31 December 2016.

	Fixed Remuneration				Variable Remuneration			% Remuneration		
KMP	Salary & Fees[1]	Other Benefits[2]	Post-employment benefits[3]	Accrued leave	STI Bonus accrued	LTI Value of Equity	Total	Fixed	STI	LTI
	$	$	$	$	$	$	%	%	%	%
Non-Executive directors										
Bill Koeck[4]	32,932	-	6,762	-	-	42,342	82,036	48%	-	52%
Mark Daniel	37,960	-	3,606	-	-	4,099	45,665	91%	-	9%
Sub-total non-executive directors	**70,892**	**-**	**10,368**	**-**	**-**	**46,441**	**127,701**			
Executive directors										
Stewart Hall	290,250	14,805	-	-	-	20,898	325,953	94%	-	6%
Matthew Darby	279,500	2,643	37,717	-	-	20,898	340,758	94%	-	6%
Lars Amstrup	249,379	72,548	35,232	13,508	77,936	24,186	472,789	78%	16%	5%
Sub-total executive directors	**819,129**	**89,996**	**72,949**	**13,508**	**77,936**	**65,982**	**1,139,500**			
Senior management										
Geoff Walker	192,375	22,116	25,963	8,016	50,473	6,051	304,994	81%	17%	2%
Ken Brandt	219,450	40,018	25,395	15,960	63,091	6,051	369,965	81%	17%	2%
Russell Twine	134,571	33,640	14,263	1,835	-	3,814	188,123	98%	-	2%
Bambang Garnadi	95,340	5,876	21,012	6,368	31,174	2,929	162,699	79%	19%	2%
Sub-total senior management	**641,736**	**101,650**	**86,633**	**32,179**	**144,738**	**18,845**	**1,025,781**			
TOTAL	**1,531,757**	**191,646**	**169,950**	**45,687**	**222,674**	**131,268**	**2,292,982**			

1. Includes the value of individual incomes taxes accrued on behalf of the KMPs by the Company.
2. Other benefits comprise of housing, medical and car allowances.
3. Post-employment benefits are provided through a defined benefit and contribution pension plan. The amounts disclosed as remuneration represent each person's share of the current service cost of the plan measure in accordance with AASB119 Employee Benefits.
4. Bill Koeck received his 12 month fees in advance in respect of his first year of service as a director (1 July 2016 – 30 June 2017) in the form of shares.

KMP Statutory Disclosures

Equity awards

The following tables set out the details of options which were granted, forfeited and vested during FY17 to key management personnel and other officers who are among the five highest remunerated officers of the Company and the Group, but are not key management personnel.

31-Dec-17	Number of Options				
Details of option holder	Opening balance 1 Jan '17	Granted no of options	Options Forfeited	Closing Balance 31 Dec '17	Options vested
Stewart Hall	1,413,448	-	-	1,413,448	-
Matthew Darby	1,413,448	-	-	1,413,448	-
Jonathan Guyett	-	2,000,000	-	2,000,000	-
Lars Amstrup	1,635,802	-	(1,635,802)	-	-
Bill Koeck	125,000	-	-	125,000	-
Mark Daniel	125,000	-	-	125,000	-
Evasio Barbero	-	1,000,000	-	1,000,000	-
Geoff Walker	409,238	-	(409,238)	-	-
Matthew Allard	-	1,000,000		1,000,000	-
Ken Brandt	409,238	-	(409,238)	-	-
Russell Twine	257,959	-	(257,959)	-	-
Bambang Garnadi	198,100	1,000,000	-	1,198,100	-
Rachelle Woodsford	-	-	-	-	-
Total	5,987,233	5,000,000	(2,712,237)	8,274,996	-

				Terms and Conditions for each Grant					Exercisable		
Details of option holder	Grant date	Date of forfeiture	Expiry date	Fair value per option Tranche 1 Note 21	Fair value per option Tranche 2 Note 21	Total value A$	Total value USD	Exercise price per option	First available exercise date	Last available exercise date	No of options
Stewart Hall	20/07/2016	-	20/07/2022	A$0.0550	A$0.3150	A$187,989	$140,991	A$1.00	20/07/2019	20/07/2022	-
Matthew Darby	20/07/2016	-	20/07/2022	A$0.0550	A$0.3150	A$187,989	$140,991	A$1.00	20/07/2019	20/07/2022	-
Jonathan Guyett	29/12/2017	-	29/12/2023	A$0.0165	A$0.0945	A$95,400	$73,458	A$0.30	29/12/2019	29/12/2023	-
Lars Amstrup	20/07/2016	7/07/2017	-	-	-	-	-	-	-	-	-
Bill Koeck	20/07/2016	-	20/07/2021	A$0.2950	-	A$36,875	$27,656	A$1.00	20/07/2019	20/07/2021	-
Mark Daniel	20/07/2016	-	20/07/2021	A$0.2950	-	A$36,875	$27,656	A$1.00	20/07/2019	20/07/2021	-
Evasio Barbero	29/12/2017	-	29/12/2023	A$0.0165	A$0.0945	A$39,900	$30,723	A$0.30	29/12/2019	29/12/2023	
Geoff Walker	20/07/2016	30/11/2017	-	-	-	-	-	-	-	-	-
Matthew Allard	29/12/2017	-	29/12/2023	A$0.0165	A$0.0945	A$39,900	$30,723	A$0.30	29/12/2019	29/12/2023	
Ken Brandt	20/07/2016	7/08/2017	-	-	-	-	-	-	-	-	-
Russell Twine	20/07/2016	30/06/2017	-	-	-	-	-	-	-	-	-
Bambang Garnadi	20/07/2016	-	20/07/2022	A$0.0550	A$0.3150	A$26,347	$19,760	A$1.00	20/07/2019	20/07/2022	-
	29/12/2017	-	29/12/2023	A$0.0165	A$0.0945	A$39,900	$30,723	A$0.30	29/12/2019	29/12/2023	
Total						A$691,175	$522,681				-

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

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

(i) On 1 January 2018, Mark Daniel forfeited 125,000 options upon his resignation.

KMP Statutory Disclosures

Equity awards (continued)

The following table sets out the details of options which were granted and vested during FY16 to key management personnel and other officers who are among the five highest remunerated officers of the company and the group, but are not key management personnel:.

31-Dec-16	Number of Options				
Details of option holder	Opening balance 1 Jan '16	Granted no of options	Options Forfeited	Closing Balance 31 Dec '16	Options vested
Stewart Hall	-	1,413,448	-	1,413,448	-
Matthew Darby	-	1,413,448	-	1,413,448	-
Lars Amstrup	-	1,635,802	-	1,635,802	-
Bill Koeck	-	125,000	-	125,000	-
Mark Daniel	-	125,000	-	125,000	-
Geoff Walker	-	409,238	-	409,238	-
Ken Brandt	-	409,238	-	409,238	-
Russell Twine	-	257,959	-	257,959	-
Bambang Garnadi	-	198,100	-	198,100	-
Gillian Nairn	-	102,000	-	102,000	
Total	-	6,089,233	-	6,089,233	-

			Terms and Conditions for each Grant					Exercisable		
Details of option holder	Grant date	Expiry date	Fair value per option Tranche 1 Note 21	Fair value per option Tranche 2 Note 21	Total value A$	Total value USD	Exercise price per option	First available exercise date	Last available exercise date	No of options
Stewart Hall	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$187,989	$140,991	A$1.00	20/07/2019	20/07/2022	-
Matthew Darby	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$187,989	$140,991	A$1.00	20/07/2019	20/07/2022	-
Lars Amstrup	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$217,562	$163,171	A$1.00	20/07/2019	20/07/2022	-
Bill Koeck	20/07/2016	20/07/2021	A$0.2950	-	A$36,875	$27,656	A$1.00	20/07/2019	20/07/2021	-
Mark Daniel	20/07/2016	20/07/2021	A$0.2950	-	A$36,875	$27,656	A$1.00	20/07/2019	20/07/2021	-
Geoff Walker	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$54,429	$40,821	A$1.00	20/07/2019	20/07/2022	-
Ken Brandt	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$54,429	$40,821	A$1.00	20/07/2019	20/07/2022	-
Russell Twine	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$34,309	$25,731	A$1.00	20/07/2019	20/07/2022	-
Bambang Garnadi	20/07/2016	20/07/2022	A$0.0550	A$0.3150	A$26,347	$19,760	A$1.00	20/07/2019	20/07/2022	-
Total					A$836,802	$627,598				-

Option values have been converted to USD using the rate of exchange on grant date being AUD:USD$0.75.

KMP Statutory Disclosures

KMP interests in Range shares

The table below details the movements in the number of shares held by KMP during FY17 and comparative year FY16. Up until the date of this report, there has been no change to these interests since year end.

31 Dec 2017	Balance at 1 Jan 2017 No.	Granted as remuneration No.	On exercise of options No.	Shares sold No.	Shares Purchased No.	Balance end of period 31 Dec 2017 No.
Stewart Hall	7,917,838	150,000	-	-	516,666	8,584,504
Matthew Darby	18,598,899	-	-	-	500,000	19,098,899
Jonathan Guyett	-	-	-	-	333,333	333,333
Lars Amstrup	200,000	-	-	-	-	200,000
Bill Koeck	116,055	133,333	-	-	-	249,388
Mark Daniel	50,000	-	-	-	-	50,000
David Lee	-	150,000	-	-	16,666	166,666
Evasio Barbero	-	-	-	-	-	-
Geoff Walker	25,000	-	-	(33,334)	33,334	25,000
Matthew Allard	-	-	-	-	308,000	308,000
Ken Brandt	34,000	-	-	-	-	34,000
Bambang Garnadi	4,000	-	-	-	-	4,000
Total	26,945,792	433,333	-	(33,334)	1,707,999	29,053,790

31 Dec 2016	Balance at 1 Jan 2016 No.	Granted as remuneration No.	On exercise of options No.	Shares sold No.	Shares acquired through share exchange No.	Shares Purchased No.	Balance end of period 31 Dec 2016 No.
Stewart Hall	-	-	-	-	7,897,838	20,000	7,917,838
Matthew Darby	-	-	-	-	18,598,899	-	18,598,899
Lars Amstrup	-	-	-	-	-	200,000	200,000
Bill Koeck	-	66,055	-	-	-	50,000	116,055
Mark Daniel	-	-	-	-	-	50,000	50,000
Geoff Walker	-	-	-	-	-	25,000	25,000
Ken Brandt	-	-	-	-	-	34,000	34,000
Russell Twine	-	-	-	-	-	-	-
Bambang Garnadi	-	-	-	-	-	4,000	4,000
Total	-	66,055	-	-	26,496,737	383,000	26,945,792

Financial Statements

For the year ended 31 December 2017 – Range International Limited and its Controlled Entities

CONTENTS

Financial Statements

The financial statements were authorised for issue by the directors on 26 March 2018. The directors have the power to amend and reissue the financial statements

Consolidated Income Statement

For the year ended 31 December 2017

	NOTE	Consolidated 31 Dec 2017 US$'000	31 Dec 2016# US$'000
Sales revenue	10	1,383	462
Cost of sales		(5,394)	(1,885)
Gross loss		(4,011)	(1,423)
Other income	11	38	111
Employee benefits	12	(4,071)	(2,722)
Professional fees		(1,953)	(2,585)
IPO expenses		-	(2,836)
Impairment of assets	13	(17,139)	-
Other expenses		(6,214)	(1,862)
Foreign exchange gain/(loss)		(1,420)	1,374
Loss before tax		(34,770)	(9,943)
Tax expense	14	(48)	-
Loss for the period 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	4	(21.29)	(8.66)
- diluted loss per share	4	(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 accompanying notes.

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 period 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 accompanying notes.

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	5	9,656	23,947
Trade and other receivables	15	735	90
Inventories	16	335	248
Other current assets		157	429
Total current assets		10,883	24,714
Non-current assets			
Intangible assets	6	5,188	10,533
Property, plant and equipment	7	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	17	2,611	1,140
Provisions	18	3,027	2,640
Total current liabilities		5,638	3,780
Non-current liabilities			
Provisions	18	137	221
Total non-current liabilities		137	221
Total liabilities		5,775	4,001
Net assets		24,935	47,398
EQUITY			
Contributed equity	2.1	109,676	98,341
Other reserves	2.2	(27,343)	(28,363)
Accumulated losses	2.3	(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 accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2017

	NOTE	Consolidated 31 Dec 2017 US$'000	Consolidated 31 Dec 2016# US$'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 period		23,947	4,115
Effect of exchange rate changes		(528)	(104)
Cash at end of the period	5	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 accompanying notes.

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 accompanying notes.

Notes to the Consolidated Financial Statements – About this Report

For the year ended 31 December 2017

About this report

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

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

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

Significant judgements and estimates In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial statements include:	
Going Concern	Note 1
Impairment of assets	Note 13

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

The notes to the financial statements

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

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

The notes are organised into the following sections:

- Capital Management: provides information about the capital management practices of the Group, shareholder returns and significant capital investments during the year;
- Group structure: explains aspects of the group structure and how changes have affected the financial position and performance of the Group;
- Key Numbers: provides a breakdown of individual line items in the financial statements that the directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;
- Other Information: This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Capital Management

1. Capital Structure

Capital management objectives

Range's objectives when managing capital are to

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

Going Concern

During the year, the Group incurred an operating loss after tax of $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.

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 referred to Note 2.

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.

1. Capital Structure (continued)

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.

2. Equity and Reserves

2.1 Share Capital

	Consolidated			
	2017 Number of shares '000	2016 Number of shares '000	2017 US$'000	2016 US$'000
Movement in ordinary shares on issue				
Opening balance	150,000	163,409	98,341	17,652
Issue of ordinary shares pre-restructure (a)	-	70,832	-	16,514
Issue of ordinary shares post-restructure (b)	51,055	50,000	12,000	37,500
Transaction costs capitalised (b)	-	-	(665)	(1,125)
Ordinary shares issued to existing shareholders (c)	-	100,000	-	61,965
Reverse existing capital resulting from restructure (c)	-	(234,241)	-	(34,165)
Closing balance	201,055	150,000	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.

There are no shares authorised for issue that have not been issued at reporting date.

Notes to the Consolidated Financial Statements – Capital Management (continued)

For the year ended 31 December 2017

2.2 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, net	(c)	-	120	-	120
At 31 December 2017		(27,891)	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.

2.3 Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated 2017 US$'000	2016 US$'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)

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:

3. Dividends

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

4. 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

Basic loss per share (LPS)

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

Diluted loss per share

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

5. Cash and cash equivalents

	Consolidated	
	2017 US$'000	2016 US$'000
Current assets		
Cash at bank and in hand	9,656	23,947
	9,656	23,947
Reconciliation of net loss before tax to net cash flows from operations		
Loss from ordinary activities before income tax	(34,770)	(9,943)
Adjustments:		
Depreciation	1,359	688
Amortisation of intangibles	998	-
Loss on disposal of assets	10	12
Foreign exchange loss, net	1,420	(1,374)
Non-cash employee benefits expense Share based payment movements	120	106
Provision for doubtful debts	348	39
IPO related costs	-	2,836
Addition in defined benefit plan	-	27
Write-off of inventory to net realisable value	82	-
Impairment of assets	17,139	-
Write off of obsolete assets	728	-
Working Capital Adjustments:		
(Decrease)/increase in trade and other receivables	(993)	48
(Increase) in inventories	(178)	(224)
Decrease/(increase) in other current assets	271	(318)
Decrease /(increase) in other non-current assets	61	(191)
(Decrease)/Increase in trade and other payables	(128)	851
Increase in provisions	387	371
Net cash used in operating activities	(13,146)	(7,072)

Recognition and measurement

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

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

Notes to the Consolidated Financial Statements – Capital Management (continued)

For the year ended 31 December 2017

6. Intangible assets

	Consolidated		
	Design & Development US$'000	Intellectual property US$'000	Total US$'000
Year ended 31 December 2016			
Opening balance at 1 Jan 2016	-	-	-
Additions	109	10,424	10,533
Amortisation charge	-	-	-
Closing net book amount	109	10,424	10,533
At 31 December 2016			
Cost	109	10,424	10,533
Accumulated amortisation and impairment	-	-	-
Closing balance at 31 Dec 2016	109	10,424	10,533
Year ended 31 December 2017			
Opening net book amount	109	10,424	10,533
Additions	168	-	168
Amortisation charge	(44)	(954)	(998)
Impairment charge (note 13)	(108)	(4,407)	(4,515)
Closing net book amount	125	5,063	5,188
At 31 December 2017			
Cost	277	10,424	10,701
Accumulated amortisation and impairment	(152)	(5,361)	(5,513)
Closing balance at 31 Dec 2017	125	5,063	5,188

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). The consideration under the agreement was a cash payment of $3.9 million (NZD5.7 million) and issue of shares in the Company valued at $6.5 million.

The Company has capitalised certain costs related to the design and development of new pallet moulds.

Recognition and measurement

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

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

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

Intellectual Property

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

Design and Development

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

7. Property, Plant and Equipment

Consolidated	Motor vehicles US$'000	Factory & office furniture & fixtures US$'000	Plant & equipment US$'000	Land & Building US$'000	Capital – work-in-progress US$'000	Total US$'000
2017						
Cost	14	683	19,083	6,606	3,694	30,080
Accumulated depreciation and impairment	(4)	(282)	(10,457)	(3,110)	(1,718)	(15,571)
Closing net book value	10	401	8,626	3,496	1,976	14,509
Opening net book value	50	267	3,991	-	11,653	15,961
Additions		275	4,541	4,342	4,204	13,362
Translation differences		7	(3)	1	(67)	(62)
Transfers classes		-	9,382	2,296	(11,678)	-
Impairment (note13), disposals and write-offs	(33)	(4)	(8,177)	(3,043)	(2,136)	(13,393)
Depreciation	(7)	(144)	(1,108)	(100)	-	(1,359)
Closing net book value	10	401	8,626	3,496	1,976	14,509
2016						
Cost	53	406	5,664	-	11,653	17,776
Accumulated depreciation	(3)	(139)	(1,673)	-	-	(1,815)
Closing net book value	50	267	3,991	-	11,653	15,961
Opening net book value	3	148	4,084	-	-	4,235
Additions	51	246	299	-	11,653	12,249
Translation differences	1	(21)	197	-	-	177
Disposals	(1)	(1)	(10)	-	-	(12)
Depreciation	(4)	(105)	(579)	-	-	(688)
Closing net book value	50	267	3,991	-	11,653	15,961

All assets as at 31 December 2017 and 2016 are owned by the Group.

Recognition and measurement

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

Components of costs

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

Depreciation and amortisation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful life of Motor vehicles is 5 years; Factory and office furniture and fixtures is 4 to 8 years; Plant and equipment is 4 to 10 years; Plant machinery is 4 to 10 years.

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.

7. Property, Plant and Equipment (continued)

Impairment of non-current 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.

Subsequent expenditure

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

Disposal

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

Significant Judgements & Estimates

Depreciation methods, estimation of useful lives and residual value require management judgement and are reviewed annually. If they need to be modified, the change is accounted for prospectively from the date of reassessment until the end of the revised useful life (for both the current and future years). Such revisions are generally required when there are changes in economic circumstances impacting specific assets or groups of assets. Refer to note 13 for impairment.

Group Structure

8. 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.

9. Segment information

Identification of reportable segments

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 Chief Operating Decision Maker and the financial information presented in this report.

Sales revenue by geographic location

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

	Consolidated	
	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

Non-current assets by geographical location

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

	Consolidated	
	2017 US$'000	2016 US$'000
Indonesia		
Property, plant and equipment	14,427	15,826
Other non-current assets	113	176
Singapore		
Property, plant and equipment	8	-
Intangible assets	5,188	10,533
Australia		
Property, plant and equipment	74	135
Other non-current assets	17	15
Total non-current assets	19,827	26,685

Performance

10. Sales revenue

	Consolidated	
	2017 US$'000	2016 US$'000
Pallet sales	1,383	462
	1,383	462

Revenue recognition

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

The Company 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 as follows:

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and trade discounts. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership has transferred and the amount of revenue can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

11. Other income

	Consolidated	
	2017 US$'000	2016 US$'000
Interest income	38	111
	38	111

Other income comprises of bank interest received.

12. Employee benefits expense

	Consolidated	
	2017 US$'000	2016 US$'000
Remuneration, bonuses and on-costs	4,989	3,035
Pension liability valuations/Superannuation expenses	(36)	42
Share-based payments expense	120	106
	5,073	3,183
Less amounts included in Cost of sales	(1,002)	(461)
Employee benefits expense	4,071	2,722

Recognition and measurement

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

Defined benefit plans

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

Short-term employee benefits

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

The Group's accounting policy for share-based payments is set out in note 22.

13. 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) As a result of the impairment 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.

Significant Judgements & Estimates

Significant estimate: key assumptions used for value-in-use calculations
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 as operating performance in the year ended 31 December 2017 was below expectations and there was a deterioration of the trading outlook. In accordance with applicable accounting standards, management performed an impairment review applying value-in-use principals.

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

- Revenue forecasts for a 8 year forecast period based on management's detailed FY18 budget and FY19-FY25 projections;
- A growth rate to extrapolate cashflows beyond the 8 year period of 4%; and
- A discount rate applied to forecast cash flows of 13.5%.

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

As a result of the review, the carrying amount of Group's intangible assets and property, plant and equipment was reduced to its recoverable amount through the recognition of a impairment charge of $4.5 million for intangible assets and $12.6 million for property, plant and equipment. Value-in-use calculations are highly sensitive to changes in certain key assumptions. For the Group's assets, the carrying amount is equal to the value in use and therefore an adverse change in any of the key assumptions could give rise to a further impairment charge.

14. Tax expense

	Consolidated	
	2017 US$'000	**2016 US$'000**
Tax reconciliation		
Loss before tax	34,770	9,943
Income tax at the statutory tax rate of 30%	10,431	2,983
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Impairment charges	(3,924)	-
- Amortisation of intangible assets	(300)	-
Difference in overseas tax rates	(766)	(670)
Adjustments related to prior years	48	-
Non-deductible expenses	-	385
Income subject to final tax	-	(1)
Tax losses for which no deferred tax asset has been recognised	(5,441)	(2,697)
Income tax on loss before tax	48	-

Recognition and measurement

Current taxes

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

Deferred taxes

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

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

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

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

Deferred income tax is measured:

〉 at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

〉 based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Position

15. Trade and other receivables

Current receivables	Consolidated 2017 US$'000	Consolidated 2016 US$'000
Trade receivables	693	103
Provision for impairment	(348)	(39)
	345	64
Other receivables	390	26
	735	90

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

Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

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

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

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

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

	Consolidated 2017 US$'000	Consolidated 2016 US$'000
Opening balance	39	-
Provision for impairment recognised during the year	309	39
Closing balance	348	39

16. Inventory

	Consolidated 2017 US$'000	Consolidated 2016 US$'000
Raw materials at cost	62	15
Finished goods at net realisable value (2016: Cost)	273	233
	335	248

Recognition and measurement

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

17. Trade and other payables

	Consolidated	
Current payables	**2017 US$'000**	**2016 US$'000**
Trade creditors	1,863	147
Sundry creditors and accruals	748	993
Trade and other payables	2,611	1,140

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

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

Recognition and measurement

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

18. Provisions

	Consolidated	
	2017 US$'000	**2016 US$'000**
Current		
Restructuring provision	371	-
Tax provisioning	2,656	2,640
	3,027	2,640
Non-current		
Employee benefits	137	221
	137	221

Recognition and measurement

Employee benefits – short term obligations

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

Post-employment obligations

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

Restructuring provision

A restructuring provision is recognised only when the general recognition criteria for provision are met. The obligation for a restructuring is often constructive. A constructive restructuring obligation arises only when there is:

(a) a detailed formal plan identifying the main features of the restructuring; and
(b) a valid expectation in those affected that the entity will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

Restructuring provision includes only the direct expenditures arising from the restructuring, which are necessarily entailed by the restructuring and not those associated with the entity's ongoing activities. Any expected gains on the sale of assets are not considered in measuring a restructuring provision.

Provisions

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

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

19. Capital Commitments and contingencies

	Consolidated	
	2017 US$'000	2016 US$'000
Contracted for	1,570	7,117
	1,570	7,117

Contingent assets and liabilities
There are no contingent assets or liabilities outstanding or recorded at 31 December 2017.

20. Financial risk management and objectives

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

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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

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

	Consolidated					
	Foreign currency amount		Amount in USD		Rate of Exchange as at year end	
	2017 '000	2016 '000	2017 US$'000	2016 US$'000	2017	2016
Financial Assets						
Trade, and other receivables						
- Indonesian Rupiah	8,784,802	789,296	647	59	IDR/US13,572	IDR/US13,492
- AU Dollar	92	44	72	32	AUD/US1.2797	AUD/US1.3867
Cash and cash equivalents						
- Indonesian Rupiah	7,292,020	9,131,879	537	677	IDR/US13,572	IDR/US13,492
- AU Dollar	7,411	225	5,791	162	AUD/US1.2797	AUD/US1.3867
Financial Liabilities						
Trade and other payables						
- Indonesian Rupiah	(27,711,270)	(10,099,312)	(2,042)	(749)	IDR/US13,572	IDR/US13,492
- AU Dollar	(508)	(441)	(397)	(318)	AUD/US1.2797	AUD/US1.3867

20. Financial risk management and objectives (continued)

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

	Pre-Tax Loss Higher/(lower)	
	2017 $'000	2016 $'000
US/IDR exchange rate – increase (10%)	(78)	(241)
US/IDR exchange rate – decrease (10%)	78	241
US/AUD$ exchange rate – increase (10%)	(497)	(11)
US/AUD$ exchange rate – decrease (10%)	497	11

Interest rate risk

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

Credit risk

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

Exposure to credit risk

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

Financial assets that are neither past due nor impaired

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

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

	Consolidated	
	2017 US$'000	2016 US$'000
Trade receivables past due but not impaired		
Not yet due	65	14
Under three months	177	40
Three to six months	103	10
Over six months	-	-
	345	64

Financial assets that are either past due or impaired

See note 15 for further details.

20. Financial risk management and objectives (continued)

Credit risk concentration profile

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

	Consolidated	
	2017 US$'000	2016 US$'000
By Country		
Australia	5,798	15,227
Singapore and others	3,342	8,075
Indonesia	861	735
	10,001	24,037

Liquidity risk

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

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

The table below summarizes the maturity profile of the Group's contractual cash flow financial liabilities at 31 December 2017 based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately.

	Consolidated	
	2017 US$'000	2016 US$'000
Trade and other payables		
Not yet due	1,275	1,140
Under three months	378	-
Three to six months	128	-
Over six months	830	-
	2,611	1,140

Other information

21. Key management personnel and related party transactions

(a) Interest in Subsidiaries

Interests in subsidiaries are set out in note 8.

(b) Transactions with other related parties

(i) Purchases of various goods and services from other related parties totalling $7,240.
(ii) Purchases of various goods and services from entities controlled by key management personnel $10,223.
(iii) No loans have been granted to Directors/and or Director related entities.

(c) Key management personnel compensation

	Consolidated	
	2017 US$	2016 US$
Short-term employee benefits	1,863,671	1,946,077
Post-employment benefits	16,409	169,950
Long-term benefits	82,270	45,687
Termination benefits	297,670	-
Shares issued in lieu of fees	99,947	38,243
Share-based payments	76,698	93,025
	2,436,665	2,292,982

Detailed remuneration disclosures are provided in the remuneration report.

22. Share based payments

(a) Employee Option Plan

The Company has established an Employee Share Option Plan (ESOP) to assist in the motivation, retention and reward of certain employees (including Executive Directors) and Non-executive Directors. The ESOP was designed to align the interests of participants with the interests of shareholders by providing an opportunity for participants to receive an equity interest in the Company through the granting of options. Under the ESOP, eligible participants may be offered options which may be subject to vesting conditions set by the Board. Details of the Plan rules are set out on page 22 of the remuneration report.

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

Fair values of awards					
Grant date	**Award type**	**Vesting date**	**Vesting conditions**	**Expiry date**	**Fair value**
20 July 2016	Employee performance options	20 July 2019	Share price hurdle (market based condition) and service condition (non-market condition)	20 July 2022	A$0.055
			Service condition (non-market condition)		A$0.315
	Non-executive Director performance options	20 July 2019	Service condition (non-market condition)	20 July 2021	A$0.295
29 Dec 2017	Employee performance options	29 Dec2019	Share price hurdle (market based condition) and service condition (non-market condition)	29 Dec 2023	A$0.02
			Service condition (non-market condition)		
29 Dec 2017	Employee performance options	29 Dec 2020	Service condition (non-market condition)	29 Dec 2023	$0.09

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

Valuation methodology for each award			
Grant date	**Award type**	**Vesting conditions**	**Valuation methodology**
20 July 2016	Performance options	Share price hurdle (market-based condition)	Monte-Carlo simulation
		Service condition (non-market condition)	Binomial tree
29 Dec 2017	Performance options	Share price hurdle (market-based condition)	Monte-Carlo simulation
		Service condition (non-market condition)	Binomial tree

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

Valuation assumptions

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

Key assumptions			
Grant date	29 Dec 2017	20 July 2016	20 July 2016
Award type	Employee performance options	Employee performance options	Non-executive Director performance options
Vesting date	29 Dec 2019 & 29 Dec 2020	20 July 2019	20 July 2019
Expiry date	29 Dec 2020	20 July 2022	20 July 2021
Share price at the grant date	A$0.06	A$1.00	A$1.00
Exercise price	A$0.30	A$1.00	A$1.00
Expected life	4.5 years	4.5 years	4.0 years
Volatility	35%	35%	35%
Risk free interest rate	1.57%	1.57%	1.53%
Dividend yield	0.0%	0.0%	0.0%

22. Share based payments (continued)

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

	Consolidated			
	2017		2016	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
As at 1 January	A$1.00	6,882,160	-	-
Granted during the year	A$0.30	6,000,000	A$1.00	6,882,160
Exercised during the year	-	-	-	-
Forfeited during the year	A$1.00	(2,712,237)	-	-
As at 31 December	A$0.65	10,169,923	A$1.00	6,882,160

No options expired during the periods covered by the above tables. No options vested or exercisable at 31 December 2017 (2016:nil).

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

			Consolidated	
Grant Date	Expiry date	Exercise price	Share options **2017**	Share options **2016**
29/12/2017	29/12/2023	A$0.30	6,000,000	-
20/7/2016	20/07/2022	A$1.00	-	6,632,160
20/7/2016	20/07/2021	A$1.00	-	250,000
Total			6,000,000	6,882,160

Weighted average remaining contractual life of options outstanding at end of period is 5.38 years (2016:5.52 years).

Notes to the Consolidated Financial Statements – Other information (continued)

For the year ended 31 December 2017

23. Auditor remuneration

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

	2017 US$	2016 US$
PricewaterhouseCoopers Australia		
(i) Audit and other assurance services		
Audit and review of financial statements	282,103	152,047
(ii) Other services		
Total remuneration for other services	56,764	629,777
PricewaterhouseCoopers Network		
(i) Audit and other assurance services		
Audit and review of financial statements	20,676	17,350
(ii) Other services		
Total remuneration for other services	31,061	54,122

24. Parent entity disclosures

Summary financial information

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

	2017 US$'000	2016 US$'000
Balance sheet		
Current assets	6,986	15,489
Total assets	25,995	95,702
Current liabilities	1,059	937
Total liabilities	1,059	937
Shareholders' equity		
Issued capital	109,676	98,341
Restructure reserve	(16)	(16)
Share-based payments	225	106
Currency translation reserve	1,261	(1,358)
Retained earnings	(86,211)	(2,308)
Total equity	24,935	94,765
Loss for the period	(83,903)	(2,308)
Exchange rate differences	2,618	(1,358)
Total comprehensive loss for the year	(81,285)	(3,666)

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24. Parent entity disclosures (continued)

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2017 or 31 December 2016.

Determining the parent entity financial information

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

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

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

25. Other accounting policies

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

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

〉 available-for-sale financial assets, financial assets and liabilities (including derivative instruments), 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.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 8. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profits and losses resulting from intra-Group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

Functional and presentational currencies

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

Transactions and balances

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

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

25. Other accounting policies (continued)

Recognition and measurement of financial assets

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.

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.

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.

Initial measurement of financial assets

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.

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.

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. Refer to note 13.

New or revised accounting standards and interpretations

- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107, and
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

The adoption of these amendments did not have any impact on the amounts recognised in prior periods and will also not affect the current or future periods and not require additional disclosures .

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not applicable for the Group for the financial year ended 31 December 2017. The Group has elected not to early adopt these new standards and interpretations. An assessment of the future impact of the new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments AASB 9*

Financial Instruments addresses the classification and measurement of financial assets and liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. The Group has not yet decided when to adopt AASB 9. The Group is yet to assess the new standard's full impact, however, initial indications are that it would not materially alter the carrying value of the Group's financial assets and liabilities.

(ii) *AASB 15 Revenue from Contracts with Customers*

AASB has issued a new standard for the recognition of revenue, applicable from 1 January 2018. This will replace AASB 118 Revenue. The new standard is based on the principle that revenue is recognised when control of a good or service transfer to a customer. The Group is yet to assess the full impact of the new standard but does not believe it would materially alter the revenue recognised by the Group.

25. Other accounting policies (continued)

New standards and interpretations not yet adopted (continued)

(iii) *AASB 16*

Leases AASB 16 Leases will primarily impact the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the distinction between operating and financing leases and requires recognition of a 'right to-use' asset and a financial liability to pay rentals for almost all lease contracts. The Group is yet to fully assess the impact but it is likely that the Group's assets and liabilities will not be significantly impacted. The standard is applicable from 1 January 2019.

26. 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 by Stephen Bowhill and Kenn MacMillan 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.

27. 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's registered office and its principal place of business is Level 5, 134 William Street, Woolloomooloo, NSW Australia 2010.

Directors' Declaration

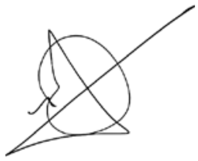
In the opinion of the Directors of Range International Limited:

the financial statements and notes set out on pages 32 to 63 are in accordance with the *Corporations Act 2001*, including:

- complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- giving a true and fair view of the consolidated financial position of Range International Limited as at 31 December 2017 and of its performance for the year ended on that date; and
- there are reasonable grounds to believe that Range International Limited will be able to pay its debts as and when they become due and payable.

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

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



Matthew Darby
Chairman

28 March 2018

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Independent auditor's report

To the members of Range International Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Range International Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the year then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 December 2017
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which states that the:

- Group incurred a loss after tax of $34.8m, net operating cash outflows of $13.2m and investing cash outflows of $11.9m during the year ended 31 December 2017
- Group has cash and cash equivalents of $9.7 million at year end and
- 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 and sales targets and may also require the Group to secure additional funding.

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T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
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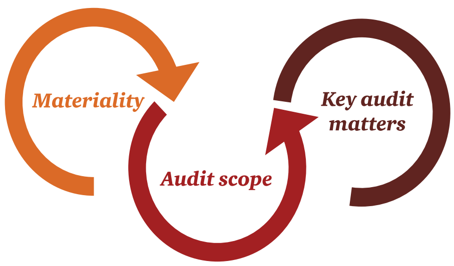
These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit and skills of our audit team to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

For the purpose of our audit we used an overall materiality of US$0.75 million, which approximates 5% of the Group's loss before tax and before impairment of assets. We selected this threshold, based on our professional judgement, noting that:

- loss before tax is a key benchmark against which the performance of the Group is commonly measured
- we adjusted for impairment as it is an infrequently occurring item impacting profit
- approximately 5% is within the range of commonly acceptable profit-based thresholds.

We applied this threshold, together with qualitative considerations, to

- determine the scope of our audit and the nature, timing and extent of our audit procedures
- evaluate the effect of identified misstatements on the financial report as a whole.

Audit scope

Our audit focused on:

- subjective judgements made by the Group and
- significant accounting estimates involving assumptions and inherently uncertain future events.

The Group comprises entities located in Australia and South East Asia with the most financially significant operations being those located in Indonesia, Australia and Singapore. Accordingly, we structured our audit as follows:

- The group audit was led by our team from PwC Australia ("group audit team").
- Under instruction from and on behalf of the group audit team, component auditors in Indonesia conducted an audit of the special purpose financial information of the Indonesian operation used to prepare the consolidated financial statements.
- The group audit team undertook the remaining audit procedures, including specified procedures over specific financial statement items of the Singaporean operation and the Australian entity and procedures over significant financial statement items controlled at the Group level, the Group consolidation and the audit of the financial report and remuneration report.

The group audit team decided on their level of involvement needed in the work performed by the component auditor, to be satisfied that sufficient appropriate evidence had been obtained for the purpose of our opinion.

Review of the work undertaken by the component team, and regular dialogue between the teams up to the reporting date, supplemented the specific direct written instruction provided by PwC Australia and augmented the reporting provided by the component auditors. The combination of all these procedures provided us with sufficient and appropriate audit evidence to express an opinion on the Group's financial report as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. Amongst other relevant topics, we communicated the key matters to the Audit Committee. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

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

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets and property, plant and equipment *Refer to note 6 Intangible assets, note 7 Property, plant and equipment and note 13 Significant items* Having concluded that there were indicators of impairment, in accordance with AASB 136 *Impairment of Assets*, the Group performed an assessment of the carrying value of the Group's assets and liabilities. This assessment is inherently complex and judgemental. It requires judgement by the Group in forecasting the operational cash flows of the Group, and determining discount rates and terminal value growth rates used in the discounted cash flow model (the models) used to assess impairment. As a result of the assessment, the carrying amount of Group's non-current assets was reduced in 2017 through the recognition of impairment charge of \$17.1m. Following the recognition of an impairment charge of \$17.1m, Intangible assets of \$5.2m and Property, plant and equipment of \$14.5m are recognised on the balance sheet. The impairment of intangible assets and property, plant & equipment was considered a key audit matter given: • the financial significance of the impairment charge and of the intangible and property, plant and equipment assets • the judgement applied by the Group in completing the impairment assessments.	We focused our efforts on developing an understanding of and testing the overall calculation and methodology of the Group's impairment assessment. In obtaining audit evidence, our procedures included, amongst others: - assessing the cash flow forecasts included in the models with reference to actual historical earnings - testing the mathematical calculations within the models - assessing the terminal value growth rates and discount rates applied in the models - performing sensitivity analyses over the key assumptions used in the models - evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2017, including the Corporate Directory, Executive Chairman's Letter, Corporate Governance Statement, Operating and Financial Review, Directors' Report and Shareholder Information but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 20 to 31 of the directors' report for the year ended 31 December 2017. In our opinion, the remuneration report of Range International Limited for the year ended 31 December 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
28 March 2018

Shareholder information as at 22 February 2018

Number of securityholders

There were 2092 holders of ordinary shares (quoted and unquoted) in the Company and 10 holders of options over ordinary shares (unquoted). These were the only classes of equity securities.

Shareholding Distribution

Size of shareholding	Number of holders	Number of shares	% of issued capital
1-1,000	82	45,354	0.02
1,001-5,000	474	1,649,021	0.82
5,001 – 10,000	444	3,759,866	1.87
10,001 – 100,000	872	30,167,134	15
100,001 and over	220	165,433,611	82.28
Total	2092	150,000,000	100.00

Twenty largest holders of ordinary shares

Name	Shares held	% of issued capital
Matthew Joseph Darby	19,098,899	9.5
BNP Paribas Noms Pty Ltd	11,749,451	5.84
Sri Widati Ernawan Putri	11,526,575	5.73
Citicorp Nominees Pty Limited	8,261,150	4.11
J P Morgan Nominees Australia Limited	7,966,666	3.96
DJM Capital Limited	7,897,838	3.93
Range Industries Limited	6,505,190	3.24
Enviropallets Europe S.A.R.L	5,264,701	2.62
Washington H Soul Pattison and Company Limited	5,083,334	2.53
HSBC Custody Nominees (Australia) Limited	4,640,679	2.31
GE Equity Investments Pty Limited	3,151,322	1.57
Nicholas Robert Robinson	2,277,822	1.13
Asia Plastic Holding Ltd	2,189,337	1.09
John Roger Harkin	2,079,133	1.03
BNP Paribas Noms (NZ) Ltd	2,066,731	1.03
Mr Guy Clements	1,853,705	0.92
Highland Capital Limited	1,820,373	0.91
BNP Paribas Nominees Pty Ltd	1,816,357	0.90
Michael Charles Garwood	1,814,368	0.9
Mr Lindsay Bartley Rundle	1,600,000	0.80
Total	108,663,631	54.05

Substantial holders

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

Name of substantial holder	Number of shares over which relevant interest is held	% of issued capital
Matthew Joseph Darby	19,098,899	9.5
SRI Widati Ernawan Putri	11,526,575	7.68
Acorn Capital Limited	11,720,789	5.83

Shares subject to voluntary escrow

There were 760,639 quoted ordinary shares subject to a voluntary escrow period (excluding shares subject to ASX restrictions) as follows:

Voluntary escrow period	Number of shares	Date escrow period ends
24 months from date of admission to official list	760,639	21 July 2018

Restricted securities

There were 48,124,809 unquoted ordinary shares on issue subject to mandatory ASX imposed escrow restrictions as follows:

ASX restriction period	Number of shares	Number of holders	Date escrow period ends
24 months from date of official quotation	48,124,809	41	22 July 2018

Unquoted securities

There were 10,044,923 unquoted options over ordinary shares on issue as follows:

Unquoted options	Number of options	Number of holders
Restricted options subject to ASX imposed 24 month escrow restriction ending 22 July 2018	2,951,896	3
Options expiring 20 July 2022	1,093,027	4
Options expiring 29 December 2023	6,000,000	5
Total	10,044,923	12

All options on issue were issued under the Company's employee share option plan.

Voting Rights

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

Unmarketable parcels

There were 0 holders of less than a marketable parcel of shares based on the closing market price of $0.064 at the specified date.

Other ASX required information

The Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission to the ASX, in a way consistent with its business objectives. This statement is made pursuant to ASX Listing Rule 4.10.19.

Corporate Directory

Directors
Matthew Darby, Executive Chairman
Stephen John Bowhill, Non-Executive Director
Kenneth MacMillan, Non-Executive Director

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Company Secretary
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Watermans Quay, Barangaroo
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Share Registry
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Sydney NSW 2000

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RANGE INTERNATIONAL

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