RANGE INTERNATIONAL

Appendix 4 E – Unaudited Preliminary Final Report

For the year ended 31 December 2019

ABN 22 611 998 200

Current reporting period: **year ended 31 December 2019**

Previous corresponding period: **year ended 31 December 2018**

Results for announcement to the market

		Percentage change %	2019 Amount US$'000	Restated 2018 Amount US$'000
Revenue from ordinary activities	no change	0%	**1,655**	1,655
Loss before interest, tax, depreciation, amortisation (EBITDA) and significant items*	decrease	43% to	**(2,479)**	(4,317)
Loss before interest and tax (EBIT)	increase	20% to	**(9,226)**	(7,699)
Net loss after income tax from ordinary activities attributable to members	increase	19% to	**(9,207)**	(7,746)
No dividend has been determined for the year ended 31 December 2019				

*as outlined in note 3

Net tangible assets

	Current year cents per security	Previous corresponding year cents per security
Net tangible assets per security (US cents)	**3.6 cents**	5.9 cents

Associates and joint venture entities

Range held no interests in associates or joint ventures during the year ended 31 December 2019 (2018: nil).

Control gained or lost over entities

There was no control gained or lost over entities during the 2019 year.

Compliance statement

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

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

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

Audit of the Financial Statement

This report is based on accounts which are in the process of being audited. The 31 December 2019 financial report, when audited, is likely to contain an independent auditor's report containing an emphasis of matter paragraph outlining the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional disclosure has been included in note 1 to the unaudited preliminary financial statements.

The entity has a formally constituted audit committee.

The results for announcement to the market should be read in conjunction with the attached unaudited preliminary financial report for the year ended 31 December 2019.

Sign here:

Kim Bradley - Ware
Company Secretary

Date: 28 February 2020

Commentary on Results for the year ended 31 December 2019

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

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

This financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001. This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Operating and Financial Review

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

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

Review of results

The table below details key financial information for the year ended 31 December 2019, in comparison to the 2018 results which is the basis for the discussion in this Operating and Financial Review.

	2019 US$'000	2018 US$'000	YOY%
Sales revenue	1,655	1,655	0%
Cost of goods sold	(3,056)	(3,791)	(19%)
Gross loss	(1,401)	(2,136)	(34%)
Significant items	(5,409)	(1,974)	174%
Other expenses	(2,397)	(3,636)	(39%)
Income tax	-	-	0%
Statutory net loss after tax	(9,207)	(7,746)	19%

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

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

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

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

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

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

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

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

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019 – RANGE INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

Consolidated Income Statement
For the year ended 31 December 2019

	NOTE	Consolidated 31 Dec 2019 US$'000	Consolidated Restated 31 Dec 2018 US$'000
Sales revenue		1,655	1,655
Cost of sales		(3,056)	(3,791)
Gross loss		(1,401)	(2,136)
Other income		60	76
Employee benefits		(914)	(1,106)
Professional fees		(600)	(775)
Significant items	3	(5,409)	(1,974)
Other expenses		(960)	(1,851)
Foreign exchange gain		17	20
Loss before tax		(9,207)	(7,746)
Tax expense		-	-
Loss for the period after tax		(9,207)	(7,746)
Attributable to:			
Non-controlling interest		-	-
Members of the parent		(9,207)	(7,746)
		(9,207)	(7,746)
Loss per share (cents per share)			
- basic loss per share	5	(4.58)	(3.85)
- diluted loss per share	5	(4.58)	(3.85)

The above consolidated income statement should be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2019

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

The above consolidated statement of comprehensive income should be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Financial Position
As at 31 December 2019

		Consolidated	
	NOTE	31 Dec 2019 US$'000	Restated 31 Dec 2018 US$'000
ASSETS			
Current assets			
Cash and cash equivalents		569	3,275
Trade and other receivables		454	487
Inventories		262	57
Other current assets		61	57
Total current assets		**1,346**	**3,876**
Non-current assets			
Intangible assets	6	-	4,582
Property, plant and equipment	7	8,729	11,047
Right-to-use asset	8	612	-
Other non-current assets		106	103
Total non-current assets		**9,447**	**15,732**
Total assets		**10,793**	**19,608**
LIABILITIES			
Current liabilities			
Trade and other payables		768	913
Provisions		2,650	2,637
Total current liabilities		**3,418**	3,550
Non-current liabilities			
Provisions		158	89
Total non-current liabilities		**158**	89
Total liabilities		**3,576**	3,638
Net assets		**7,217**	**15,969**
EQUITY			
Contributed equity	9	109,676	109,676
Other reserves	9	(28,108)	(28,563)
Accumulated losses	9	(74,351)	(65,144)
Total equity		**7,217**	**15,969**

The above consolidated statement of financial position should be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Cash Flows
For the year ended 31 December 2019

		Consolidated	
	NOTE	31 Dec 2019 US$'000	31 Dec 2018 US$'000
Cash flows from operating activities			
Receipts from customers		1,694	1,590
Payments to suppliers and employees		(4,379)	(5,821)
Net Interest / received		19	76
Net cash used in operating activities		**(2,666)**	**(4,155)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		8	-
Payments for property, plant and equipment		(79)	(1,596)
Net cash used in investing activities		**(71)**	**(1,596)**
Cash flows from financing activities		-	-
Net cash inflow from financing activities		-	-
Net increase in cash and cash equivalents		(2,737)	(5,751)
Cash and deposits, net of overdrafts, at beginning of the period		3,275	9,656
Effect of exchange rate changes		31	(630)
Cash at end of the period		**569**	**3,275**

The above consolidated statement of cash flows should be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

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

The above consolidated statement of changes in equity should be read in conjunction with the Interim Financial Report for the period ended 30 June 2019 and any public announcements made by Range International Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019

1. Corporate Information

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

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

a) Capital Structure

Capital management objectives

Range's objectives when managing capital are to

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

b) Basis of preparation

These financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for year ended 31 December 2019.

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

c) New accounting standards adopted during the year

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

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

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

IFRIC 23 Uncertainty over Income Tax Treatments

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

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

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

e) Going Concern

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

As at 31 December 2019 the Group has cash and cash equivalents of $0.569 million (Dec 2018: $3.3 million).

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to deliver its sales targets, improve its margins, manage its cost base and/or access additional sources of capital. The Directors believe the reductions in production and administrative costs combined with current and prospective sales in its pipeline will further extend the Company's cash flow runway. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Board and management believe that the consolidated entity will be successful in the above matters and, accordingly, have prepared the financial statements on a going concern basis.

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2019. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern. Please refer to note 10 regarding a subsequent capital raise.

f) Dividends

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

Subsequent events

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

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

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

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

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

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

Notes to the Consolidated Financial Statements
For the year ended 31 December 2019

2. Segment information

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

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

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

3. 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.

3 (a) Asset write off/Disposal

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

(a) Asset write-off of nil (2018:$1.1 million) relate mainly to a write-off of equipment which was transferred from the original Bali facility being assessed as not suitable for the current factory configuration.
(b) Asset disposal of nil (2018:$0.86 million) relate mainly to obsolete assets. (Includes $539,000 as disposed prior period adjustment. Please refer to note 7).

3. Significant items (continued)

3 (b) Impairment expense

	Note	Consolidated	
		2019 US$'000	2018 US$'000
Intellectual Property		4,282	-
Property Plant and Equipment		1,158	
		5,409	-

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

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

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

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

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

4. Loss per share

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

Calculation of Loss per share

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

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

5. Intangible assets

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

An impairment loss of $4.3 million was recorded during the first half of the 2019 year please refer to note 4.

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.

<u>Intellectual Property</u>

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.

<u>Design and Development</u>

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.

<u>Impairment</u>

Impairment is assessed annually. Refer to Note 4.

6. 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
2018						
Cost	14	686	19,115	6,606	2,200	28,621
Disposal - prior period error	-	-	(539)	-	-	(539)
Accumulated depreciation and impairment	(7)	(468)	(13,134)	(3,426)	-	(17,035)
Closing net book value	7	218	5,442	3,180	2,200	11,047
Opening net book value	10	401	8,626	3,496	1,976	14,509
Additions	-	3	32	-	544	579
Translation differences	-	(16)	(490)	(145)	(124)	(775)
Disposal - prior period error	-	-	(539)	-	-	(539)
Impairment	-	-	(888)	(31)	(196)	(1,115)
Disposals and write-offs	-	(49)	(271)	-	-	(320)
Depreciation	(3)	(121)	(1,028)	(140)	-	(1,292)
Closing net book value	7	218	5,442	3,180	2,200	11,047
2019						
Cost	14	686	19,173	6,606	1,573	28,052
Reclassification to right to use asset (note 8)	-	-	-	(634)	-	(634)
Accumulated depreciation and impairment	(14)	(686)	(14,301)	(3,688)	-	(18,689)
Closing net book value	-	-	4,872	2,284	1,573	8,729
Opening net book value	7	218	5,442	3,180	2,200	11,047
Additions	-	-	13	-	67	80
Translation differences	-	7	194	88	74	363
Transfers	-	-	45	(634)	(45)	(634)
Impairment	-	(183)	-	(221)	(723)	(1,127)
Disposals and write-offs	(6)	(1)	-	-	-	(7)
Depreciation	(1)	(41)	(822)	(129)	-	(993)
Closing net book value	-	-	4,872	2,284	1,573	8,729

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

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

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

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

	31 December 2018 USD '000
Property Plant and Equipment	(539)
Total Assets	(539)
Net impact on equity	(539)

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

	31 December 2018 USD '000
Impairment	(539)
Net impact on profit for the year	(539)
Attributable to:	
Equity holders of the parent	(539)
Non-controlling interests	-

7. Property, Plant and Equipment (continued)

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

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

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

Recognition and measurement

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

Components of costs

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

Depreciation and amortisation

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

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.

Impairment of non-current assets

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

Subsequent expenditure

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

Disposal

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

Significant Judgements & Estimates

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

8. Right-of-use asset

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

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

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

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

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

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

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less on these assets and are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

9. Equity and Reserves

9.1 Share Capital

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

9.2 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 2018		**(27,891)**	**226**	**322**	**(27,343)**
Exchange differences on translating foreign controlled entities	(a)	-	-	(1,164)	(1,164)
Other comprehensive income		-	-	(1,164)	(1,164)
Transactions with owners in their capacity as owners:					
Share based payment transactions	(b)	-	(56)	-	(56)
At 31 December 2018		**(27,891)**	**170**	**(842)**	**(28,563)**
At 1 January 2019		**(27,891)**	**170**	**(842)**	**(28,563)**
Exchange differences on translating foreign controlled entities	(a)	-	-	376	376
Other comprehensive income		-	-	376	376
Transactions with owners in their capacity as owners:					
Share based payment transactions, net	(b)	-	79	-	79
At 31 December 2019		**(27,891)**	**249**	**(466)**	**(28,108)**

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

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

c) The restructure reserve is the difference between the amount of RIHL's share capital (Singapore entity) and the fair value of shares exchanged as part of the corporate restructure took place in 2017. This has been recognised in an equity account called restructure reserve.

Notes to the Consolidated Financial Statements
For the year ended 31 December 2018

9.3 Accumulated losses

Movements in accumulated losses were as follows:

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

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

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

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