

Range International Limited
Appendix 4D
Half-year report

Company details

Name of entity: Range International Limited
ABN: 22 611 998 200
Reporting period: For the half-year ended 30 June 2022
Previous period: For the half-year ended 30 June 2021

Results for announcement to the market

	30-Jun-22	30-Jun-21	Movement	
	US\$'000	US\$'000	US\$'000	%
Revenues from ordinary activities	1,111	984	127	12.9%
Loss from ordinary activities after tax attributable to members	(1,699)	(1,381)	(318)	(23.0%)
Net loss for the period attributable to members	(1,699)	(1,381)	(318)	(23.0%)
Earnings per share (cents)	(0.19)	(0.31)	0.12	39.0%

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to US\$1,699,000 (30 June 2021: US\$1,381,000).

Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>0.45</u>	<u>1.09</u>

Details of subsidiaries

During the period from 1 January 2022 to 30 June 2022, Range International Limited has not gained or lost control over any entities.

Details of Associates and Joint Venture Entities

During the period from 1 January 2022 to 30 June 2022, Range International Limited has no interest in any associates or joint venture entities.

Details of Foreign Entities

During the period from 1 January 2022 to 30 June 2022, Range International Limited has not gained or lost control over any foreign entities.

Dividends

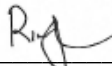
There were no dividends paid, recommended or declared during the current and previous financial period.

Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements presented include an auditor's review report with a qualification and a material uncertainty related to going concern.

Signed

Signed  _____

Date: 7 September 2022

Range International Limited

ABN 22 611 998 200

Interim Report - 30 June 2022

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Range International Limited

Directors' report

30 June 2022

Your Directors present their report on the consolidated entity consisting of Range International Limited (ASX: RAN) (referred to hereafter as Range or the Company), and the entities it controlled (the Group) at the end of, or during, the half-year ended 30 June 2022.

Directors

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

Richard Jenkins	Executive Chairman
Christopher Fong	Executive Director
Stephen Bowhill	Non-Executive Director

David Hwang resigned as Joint Company Secretary effective 9 August 2022. Maggie Niewidok was appointed as Joint Company Secretary on 9 August 2022. Robyn Slaughter continues as Joint Company Secretary.

Principal activities

The Group is a manufacturer of recycled plastic pallets. Firstly, our ThermoFusion™ technology allows us to make plastic pallets from 100% recycled mixed waste plastic. Secondly, we manufacture plastic fencing and retaining wall panels out of recycled plastic.

Review of operations

The loss for the Group after providing for income tax amounted to US\$1,699,000 (30 June 2021: US\$1,381,000).

COVID-19 impact

Supply chain and procurement issues in sourcing raw materials continued during the current period due to COVID-19 which affected revenue, however, market conditions in Indonesia are improving with confidence returning to the economy after the lockdowns were uplifted from Q3 in 2021. Current period has seen most businesses continuing to enforce work from home or hybrid working arrangements, with plans to return to the office in progress.

Australian Manufacturing Operation

The Australian manufacturing operations are located in Cairns and have been operational for less than 1 year.

Sales in H1 (US\$67,000) continue to be made to Botanica Property Group and to a small degree to the retail market following an experimental marketing campaign. The sales volumes are currently at levels that do not support profitable production. During H1, an equipment failure in the power generator at the factory also caused a significant disruption to production as replacement parts had to be shipped from Europe.

The price of recycled resin and diesel fuel has risen significantly in H1, and although we are trying to establish our product in the market, we will be looking at price rises in H2.

Perimeter fencing continues to be dominated by treated pine and Colorbond products. Although RePal Wall has significant advantages over both products in terms of durability, installation ease and environmental factors, we are yet to get a foothold in this significant market in FNQ.

Fixed costs for this business are very low, and our variable costs of resin, labour and fuel are completely driven by product demand. Once we see demand for our product grow, we will consider ways to source and treat our own recycled plastic as we do in Indonesia, which would significantly reduce input costs. We have considered local manufacturing of recycled plastic pallets, as we do in Indonesia, but we are not convinced of a similar business opportunity at this time.

Significant government support is still available to expand this operation, however until we see a sustainable increase in demand for our current products, we will not be pursuing these grant opportunities as they are mostly matched funding in nature. The Group is in the process of pursuing R&D tax rebates for both FY 21 and 22.

Range International Limited
Directors' report
30 June 2022

Indonesian Manufacturing Operation

The Indonesian business has achieved further improvements in its performance and cash burn during the half year to 30 June 2022 and for the first time, has been gross margin positive for successive quarters.

Revenue for the half-year to 30 June 2022 was US\$1,044,000 compared to US\$984,000 in the previous corresponding period in 2021. Interest in our heavier large capacity pallets remains strong and we believe the Indonesian business will deliver higher sales volumes at the higher new price levels over the remainder of 2022. 67,899 pallets were invoiced and shipped during the period compared to 64,915 in the half-year to 30 June 2021 and we have forward orders for the second half of 2022 of 98,997 pallets compared 48,000 at this time last year.

Efforts to source alternative raw material continue but have delivered lower 'all-up' feedstock costs over the half year and we anticipate further cost improvements in processing raw material into feedstock in the next 6 to 12 months. The efficiency improvements and sales results are solid however the turnaround is taking longer than expected. Nevertheless we expect the Indonesian business to continue its improving trajectory and to move to positive EBITDA during FY22.

Dividends

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

Events after reporting period

On 20 July 2022, 792,927 options lapsed.

No other matter or circumstance other than those already disclosed in the half year financial report has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the period other than those disclosed in the half year financial report.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Jenkins
Executive Chairman

7 September 2022

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF RANGE INTERNATIONAL LIMITED

As lead auditor of Range International Limited for the half-year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

LNP Audit and Assurance Pty Ltd



Archana Kumar
Director

Sydney, 7 September 2022

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Range International Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2022

	Note	30 June 2022 US\$'000	30 June 2021 US\$'000
Revenue			
Sales revenue		1,111	984
Cost of sales		(1,448)	(1,665)
Gross loss		(337)	(681)
Other income		1	28
Expenses			
Employee benefits expense		(360)	(316)
Administrative and other expense		(52)	-
Depreciation and amortisation expense	4	(81)	(64)
Loss on disposal of assets		(292)	-
Other expenses		(267)	(105)
Finance costs		(20)	-
Sales and marketing expense		(64)	(87)
Professional fees		(227)	(156)
Loss before income tax expense		(1,699)	(1,381)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of Range International Limited		(1,699)	(1,381)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entities		(392)	(299)
Other comprehensive loss for the period, net of tax		(392)	(299)
Total comprehensive loss for the period attributable to the owners of Range International Limited		<u>(2,091)</u>	<u>(1,680)</u>
		Cents	Cents
Basic loss per share	17	(0.19)	(0.31)
Diluted loss per share	17	(0.19)	(0.31)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Range International Limited
Condensed consolidated statement of financial position
As at 30 June 2022

	Note	30 June 2022 US\$'000	31 December 2021 US\$'000
Assets			
Current assets			
Cash and cash equivalents		509	1,245
Trade and other receivables	5	220	567
Inventories	7	149	134
Finance lease receivable	6	37	26
Other assets		48	36
Total current assets		<u>963</u>	<u>2,008</u>
Non-current assets			
Property, plant and equipment	9	5,836	6,742
Right-of-use assets	8	743	816
Finance lease receivable	6	81	94
Other assets		102	117
Total non-current assets		<u>6,762</u>	<u>7,769</u>
Total assets		<u>7,725</u>	<u>9,777</u>
Liabilities			
Current liabilities			
Trade and other payables		314	358
Borrowings		14	309
Lease liabilities		36	36
Provisions	10	2,276	2,273
Total current liabilities		<u>2,640</u>	<u>2,976</u>
Non-current liabilities			
Lease liabilities		195	224
Provisions	10	123	94
Total non-current liabilities		<u>318</u>	<u>318</u>
Total liabilities		<u>2,958</u>	<u>3,294</u>
Net assets		<u>4,767</u>	<u>6,483</u>
Equity			
Issued capital	11	115,132	114,969
Other reserves	12	(28,228)	(28,048)
Accumulated losses		(82,137)	(80,438)
Total equity		<u>4,767</u>	<u>6,483</u>

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

Range International Limited
Condensed consolidated statement of changes in equity
For the period ended 30 June 2022

	Issued Capital US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2021	111,239	(28,054)	(77,338)	5,847
Loss after income tax expense for the period	-	-	(1,381)	(1,381)
Other comprehensive loss for the period, net of tax	-	(299)	-	(299)
Total comprehensive loss for the period	-	(299)	(1,381)	(1,680)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	17	-	17
Issue of shares, net of transaction costs	1,306	-	-	1,306
Balance at 30 June 2021	<u>112,545</u>	<u>(28,336)</u>	<u>(78,719)</u>	<u>5,490</u>
	Issued Capital US\$'000	Reserves US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2022	114,969	(28,048)	(80,438)	6,483
Loss after income tax expense for the period	-	-	(1,699)	(1,699)
Other comprehensive loss for the period, net of tax	-	(392)	-	(392)
Total comprehensive loss for the period	-	(392)	(1,699)	(2,091)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	298	212	-	510
Capital raising costs	(135)	-	-	(135)
Balance at 30 June 2022	<u>115,132</u>	<u>(28,228)</u>	<u>(82,137)</u>	<u>4,767</u>

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

Range International Limited
Condensed consolidated statement of cash flows
For the period ended 30 June 2022

	Note	30 June 2022 US\$'000	30 June 2021 US\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,222	1,020
Payments to suppliers and employees (inclusive of GST)		(1,722)	(2,009)
Interest received		1	4
Interest and other finance costs paid, net		(7)	(2)
Taxes paid		(36)	(1)
		<u>(542)</u>	<u>(988)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment	9	<u>(142)</u>	<u>(65)</u>
Net cash used in investing activities		<u>(142)</u>	<u>(65)</u>
Cash flows from financing activities			
Proceeds from issue of shares	11	-	1,387
Share issue transaction costs		-	(81)
Repayment of lease liabilities		<u>(34)</u>	<u>-</u>
Net cash from/(used in) financing activities		<u>(34)</u>	<u>1,306</u>
Net increase/(decrease) in cash and cash equivalents		(718)	253
Cash and cash equivalents at the beginning of the financial period		1,245	490
Effects of exchange rate changes		<u>(18)</u>	<u>(67)</u>
Cash and cash equivalents at the end of the financial period		<u><u>509</u></u>	<u><u>676</u></u>

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

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 1. Corporate Information

Range International Limited (“Range”) is a manufacturer of recycled plastic products listed on the Australian Securities Exchange (ASX:RAN). Firstly, Range’s ThermoFusion™ technology allows it to make plastic pallets from 100% recycled mixed waste plastic. Secondly, Range manufactures plastic fencing and retaining wall panels out of recycled plastic.

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

The address of Range International Limited registered office and its principal place of business is Level 5, 126 Phillip Street, Sydney, NSW Australia 2000.

The financial statements of Range International Limited for the half-year ended 30 June 2022 were authorised for issue on 7 September 2022 in accordance with a resolution of the Directors.

Note 2. Significant accounting policies

These condensed financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for the half-year ended 30 June 2022.

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

A. New or amended Accounting Standards and Interpretations adopted

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.

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

B. Going concern

During the period, the Group incurred a loss after tax of \$1,699,000 (30 June 2021: \$1,381,000 loss), as at 30 June 2022 net current liabilities were \$1,677,000 (31 December 2021 net current liabilities: \$968,000) net operating cash outflows was \$542,000 (30 June 2021: \$988,000) and investing activities cash outflows was \$142,000 (30 June 2021: \$65,000) and financing inflows of \$34,000 (30 June 2021 \$1,306,000).

As at 30 June 2022, the Group has cash and cash equivalents of \$509k (31 December 2021: \$1,245k)

The Group’s ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on:

- the ability of the Group to deliver its sales targets and meet its cash flow forecasts;
- improve its gross margins on the sale of pallets;
- manage its broader cost base; and
- the ability of the Group to raise additional capital or obtain external financing if forecasts are not achieved, for which it has a successful history in doing so.

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 2. Significant accounting policies (continued)

B. Going concern (continued)

To preserve the cash on hand, the Board will continue to implement a number of cost savings measures to reduce its cost base. These actions optimising shifts, non-renewal of casual workers, outsourcing factory workers and laying off or rostering off permanent workers to match reduced forecasted demand in the short-term and fitting into new COVID-19 tariffs from our electricity supplier. The Directors believe the reductions in production and administrative costs combined with current and prospective sales in its pipeline will extend the Company's cash flow runway.

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

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. It continues to be the Board's ambition that Range International goes through and beyond breakeven in the 2022 financial year.

Note 3. Segment information

Identification of reportable operating segments

The Group has determined operating segments based on the information provided to the Board. Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Group operates predominately in two business segments, being the manufacture and sale of plastic pallets and the manufacture and sale of plastic fencing. The sales of plastic fencing in the Australian segment are US\$67k and account for less than 10% of sales.

Sales revenue by geographic location

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

Operating segment information

30 June 2022	Indonesia US\$'000	Australia US\$'000	Total US\$'000
Revenue			
Sales to external customers	1,044	67	1,111
Total revenue	<u>1,044</u>	<u>67</u>	<u>1,111</u>
Assets			
Segment assets	6,887	937	7,824
Total assets	<u>6,887</u>	<u>937</u>	<u>7,824</u>

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 3. Segment information (continued)

	Indonesia US\$'000	Australia US\$'000	Other segments US\$'000	Total US\$'000
30 June 2021				
Revenue				
Sales to external customers	984	-	-	984
Total revenue	<u>984</u>	<u>-</u>	<u>-</u>	<u>984</u>
31 December 2021				
Assets				
Segment assets	8,230	1,543	4	9,777
Total assets	<u>8,230</u>	<u>1,543</u>	<u>4</u>	<u>9,777</u>

Note 4. Expenses

	30 June 2022 US\$'000	30 June 2021 US\$'000
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Leasehold improvements right-of-use assets	23	-
Property plant and equipment	58	64
Property, plant and equipment - cost of sales	435	442
Total depreciation and amortisation	<u>516</u>	<u>506</u>

Impairment expense

Assets are assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist. Management has reviewed the carrying value and has not identified any changes to the impairment assumptions.

Note 5. Trade and other receivables

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Current assets</i>		
Trade receivables	152	313
Less: Provision for impairment	(52)	-
	<u>100</u>	<u>313</u>
Other receivables	120	254
	<u>220</u>	<u>567</u>

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 6. Finance lease receivable

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Current assets</i>		
Finance lease receivable	37	26
<i>Non-current assets</i>		
Finance lease receivable	81	94
	<u>118</u>	<u>120</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial period are set out below:		
Opening balance	120	-
Additions	-	136
Interest	2	4
Minimum lease payment	(4)	(20)
Closing balance	<u>118</u>	<u>120</u>

Note 7. Inventories

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Current assets</i>		
Raw materials - at cost	-	1
Work in progress - at net realisable value	13	12
Finished goods - at net realisable value	136	121
	<u>149</u>	<u>134</u>

Note 8. Right-of-use assets

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Non-current assets</i>		
Leasehold improvements - right-of-use	640	634
Translation differences	(29)	6
Less: Accumulated depreciation	(96)	(88)
	<u>515</u>	<u>552</u>
Office lease - right-of-use	275	275
Less: Accumulated depreciation	(34)	(11)
Less: Translation difference	(13)	-
	<u>228</u>	<u>264</u>
	<u>743</u>	<u>816</u>

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 8. Right-of-use assets (continued)

The Group leases land for its factory facilities in Indonesia under an agreement of a remaining three years with, an option to extend for 20 years. The option must be exercised one month before the end of the current lease in 2025. The expected cost to renew is not material and management have confirmed that they will renew.

The Group leases an office in Cairns, Queensland, with a lease term of three years and an option to extend the lease for a further three years. The lease commenced on 1 October 2021 and expires 30 September 2024. The option to extend the lease is likely and has been taken into account.

Note 9. Property, plant and equipment

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Non-current assets</i>		
Plant and equipment - at cost	6,337	6,951
Less: Accumulated depreciation and impairment	(3,194)	(3,167)
	<u>3,143</u>	<u>3,784</u>
Building - at cost	2,326	2,439
Less: Accumulated depreciation and impairment	(454)	(403)
	<u>1,872</u>	<u>2,036</u>
Capital work-in-progress - at cost	682	758
Leased pallets - at cost	170	178
Less: Accumulated depreciation	(31)	(14)
	<u>139</u>	<u>164</u>
	<u>5,836</u>	<u>6,742</u>

Reconciliations

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

	Plant and Equipment US\$'000	Building US\$'000	Capital work- in-progress US\$'000	Leased Pallets US\$'000	Total US\$'000
Balance at 1 January 2022	3,784	2,036	758	164	6,742
Additions	61	-	123	-	184
Disposals	(292)	-	-	-	(292)
Exchange differences	(158)	(113)	(35)	(7)	(313)
Transfers in/(out)	164	-	(164)	-	-
Depreciation expense	(416)	(51)	-	(18)	(485)
Balance at 30 June 2022	<u>3,143</u>	<u>1,872</u>	<u>682</u>	<u>139</u>	<u>5,836</u>

During the previous financial year, the Company entered into a lease-to-own agreement with one of its customers to lease its pallets for a period of 5 years. The contract satisfied the criteria of finance lease under AASB 16 Leases and hence the pallets were transferred from inventories and depreciated over the lease terms.

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 9. Property, plant and equipment (continued)

For the half year ended 30 June 2022, the Group wrote off \$292,000 of Plant and Equipment.

The Group undertook independent valuation of plant and equipment in February 2022 however the report could not be substantiated for key assumptions and methodology used in valuing these assets.

Management has not obtained another independent valuation report subsequently to support the carrying value of property, plant and equipment at 30 June 2022. Accordingly, any adjustments that may be necessary in respect of the Group's plant and equipment balance remains unknown till then. The Group expects to undertake another independent valuation during second half of 2022 financial year.

Note 10. Provisions

	30 June 2022 US\$'000	31 December 2021 US\$'000
<i>Current liabilities</i>		
Tax provision (a)	2,266	2,273
Other provisions	10	-
	<u>2,276</u>	<u>2,273</u>
<i>Non-current liabilities</i>		
Employee benefits	123	94
	<u>2,441</u>	<u>2,367</u>

Provisions

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

(a) tax provisions relate to commitments in international jurisdictions arising primarily from operations in previous periods.

Note 11. Issued capital

	30 June 2022 Shares '000	31 December 2021 Shares '000	30 June 2022 US\$'000	31 December 2021 US\$'000
Ordinary shares - fully paid	<u>939,290</u>	<u>902,743</u>	<u>115,132</u>	<u>114,969</u>

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 11. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares '000	Issue price	US\$'000
Balance	1 January 2022	902,743		114,969
Conversion of loan to equity (a)	24 June 2022	36,547	US\$0.008	298
Transaction costs		-	US\$0.00	(135)
Balance	30 June 2022	<u>939,290</u>		<u>115,132</u>

Ordinary shares

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

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

(a) During the period, convertible loan finance amounting to \$298,000 was converted to ordinary shares. This was in accordance with the terms of the convertible loan agreement.

Note 12. Other reserves

	30 June 2022 US\$'000	31 December 2021 US\$'000
Restructure reserve	(27,891)	(27,891)
Currency translation reserve	(1,069)	(677)
Share-based payments reserve	732	520
	<u>(28,228)</u>	<u>(28,048)</u>

Foreign currency reserve

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US dollars..

Range International Limited
Notes to the condensed consolidated financial statements
30 June 2022

Note 12. Other reserves (continued)

Share-based payments reserve

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

on 24 June 2022:

- (i) 17,000,000 options were issued to the directors of the company with expiry date of 31 May 2024;
- (ii) 36,109,716 underwriter options were issued with an expiry date of 24 December 2024; and
- (iii) 14,000,000 options were issued to employees of the company under employee incentive scheme.

Restructure reserve

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

Note 13. Dividends

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

Note 14. Contingent assets and liabilities

There are no contingent assets or liabilities outstanding or recorded at 30 June 2022.

Note 15. Capital Commitments

There are no capital commitments outstanding at 30 June 2022 (31 December 2021: nil).

Note 16. Events after the reporting period

On 20 July 2022, 792,927 options lapsed.

No other matter or circumstance other than those already disclosed in the half year financial report has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 17. Earnings per share

	30 June 2022	30 June 2021
	US\$'000	US\$'000
Loss after income tax attributable to the owners of Range International Limited	<u>(1,699)</u>	<u>(1,381)</u>
	Number	Number
	'000	'000
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>904,156</u>	<u>447,891</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>904,156</u>	<u>447,891</u>
	Cents	Cents
Basic loss per share	(0.19)	(0.31)
Diluted loss per share	(0.19)	(0.31)

Range International Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Richard Jenkins
Executive Chairman

7 September 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF RANGE INTERNATIONAL LIMITED

REPORT ON THE HALF-YEAR FINANCIAL REPORT

Qualified Conclusion

We have reviewed the half-year financial report of Range International Limited and controlled entities ('the Group'), which comprises the condensed consolidated statement of financial position as at 30 June 2022, condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, except for the effects of the matter described in the *Basis for Qualified Conclusion* section, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Range International Limited does not give a true and fair view of the financial position of the Group as at 30 June 2022, and of its financial performance and its cash flows for the half-year ended on that date; in accordance with Australian Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualified Conclusion

Property, plant and equipment are carried at \$5,836,000 (31 December 2021: \$6,742,000) on the consolidated statement of financial position as at 30 June 2022. This balance includes an amount of \$2,935,000 and \$682,000 relating to plant and equipment and capital work in progress respectively located in Indonesia. The independent valuation performed in February 2022 did not provide sufficient appropriate evidence about this amount as we were unable to corroborate the methodology and key assumptions employed by Management's expert in valuing these assets. Management has not obtained another independent valuation report subsequently to support the carrying value of property, plant and equipment at 30 June 2022. As a result, we were unable to determine whether the balance of plant and equipment was fairly stated and consequently, whether any impairment charges were necessary.

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the half year Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporation Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Material Uncertainty Relating to Going Concern

We draw attention to Note 2(B) in the half-year financial report which indicates that the Group incurred a loss after tax in the half year from continuing operations of \$1,699,000 (June 2021: \$1,381,000 loss), has net current liability of \$1,677,000 (December 2021: \$968,000 net current liability), negative cash flows from operating activities for the period of \$542,000 (June 2021: cash outflows \$988,000), and a cash and cash equivalents balance of \$509,000 as at 30 June 2022 (31 December 2021: \$1,245,000).

As started in Note 2(B) these events or conditions, along with other matters set out in Note 2(B), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Group not continue as a going concern.

Responsibility of the Directors for the half year Financial Report

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

Auditor's Responsibility for the Review of the half year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

LNP Audit and Assurance Pty Ltd



Archana Kumar
Director

Sydney, 7 September 2022