

Half Year Report of Rectifier Technologies Ltd for the Period Ended 31 December 2016

(ACN 058 010 692)

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.

Current Reporting Period: Financial Period ended 31 December 2016

Previous Corresponding Period: Financial Period ended 31 December 2015

The Information contained in this Half Year Report should be read in conjunction with the most recent financial report.

Rectifier Technologies Ltd
Results For Announcement To The Market
For the Half Year Ended 31 December 2016

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount
Revenue from ordinary activities	Down	18.88%	To 3,079,280
Profit(loss) from ordinary activities after tax attributable to members	Down	107.76%	To (44,370)
Profit attributable to members	Down	107.76%	To (44,370)

Dividends (Distributions)

	Amount per security	Franked amount per security
Final dividend	nil ¢	nil ¢
Interim dividend	nil ¢	nil ¢
Record date for determining entitlements to the dividend:		
• final dividend		n/a
• interim dividend		n/a

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

- Revenue from ordinary activities decreased by 18.88% to \$3,079,280 and net profit after tax decreased by \$616,305 to a loss of \$44,370. Refer to the Financial Statements for commentary.
- No dividend recommended for the period.

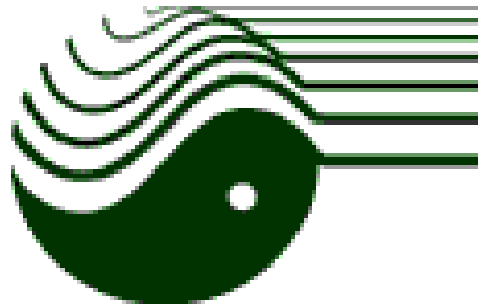
Rectifier Technologies Ltd
Results For Announcement To The Market
For the Half Year Ended 31 December 2016

5. Net Tangible Assets Per Security

	2016	2015
Net tangible assets per security	0.307¢	0.187¢

6. Dividends

No dividend was paid during the interim period and no interim dividend is recommended.



RECTIFIER TECHNOLOGIES LTD

ABN: 82 058 010 692

**HALF-YEAR CONSOLIDATED
FINANCIAL STATEMENTS
31 DECEMBER 2016**

COMPANY PARTICULARS

BOARD OF DIRECTORS

Mr. Yingming Wang (Chairman)

Mr. Yanbin Wang

Mr. Tino Vescovi

SECRETARY

Mr. Justyn Stedwell

REGISTERED OFFICE

24 Harker Street

Burwood, Victoria 3125

Telephone: 03 9896 7550

Facsimile: 03 9896 7566

SHARE REGISTRY

Computershare Investor Services Pty Ltd

452 Johnston Street

ABBOTSFORD, VIC 3067

AUDITORS

Grant Thornton Audit Pty Ltd

525 Collins Street

MELBOURNE, VIC 3000

BANKERS

ANZ Banking Group Limited

10 Main Street, Box Hill

MELBOURNE, VIC 3128

FINANCIERS

Scottish Pacific Benchmark Group

Level 2, 441 St Kilda Road

MELBOURNE, VIC 3004

INDEX

	PAGE
DIRECTORS' REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8
DIRECTORS' DECLARATION	13
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	14

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

DIRECTORS' REPORT

Your directors submit the financial report of Rectifier Technologies Ltd and its controlled entities (the Company) for the half year ended 31 December 2016.

Directors

The names of directors who held office during and since the end of the half-year (unless otherwise stated):

Mr. Yingming Wang (Non-Executive)

Mr. Tino Vescovi (Non-Executive)

Mr. Yanbin Wang (Executive)

Review of Operations

Financial Results

For the half year to 31 December 2016, the Group recorded a loss of \$44,370 compared with a profit of \$571,935 in the previous corresponding period with a decrease of \$616,305. Primarily due to once off shares issue discount expense of \$720,000 recognised on 28 of November 2016.

Revenue from ordinary activities decreased from \$3,796,164 in the previous corresponding period to \$3,079,280 by a decrease of \$716,884. The decline in revenue in the half year to December 2016 was due to some customers delayed the orders delivery to the 2nd of half year to 30 June 2017. Notwithstanding this, the gross profit as shown in the table below at a similar level compared with the previous corresponding period due to improvement in the gross margin as result of production efficiency.

The results for the 6 months to December 2016 compared with those of the previous corresponding period are shown in the following table (\$'000).

	December 2016	December 2015
Revenue	3,079	3,796
Gross Profit	1,713	2,053
Gross Margin	55.63%	54.08%
EBITDA	(124)	671
Interest	(1)	(1)
Depreciation/Amortisation	(29)	(22)
Profit/(Loss) Before Tax	(154)	648
Income Tax Benefit/(Expense)	109	(76)
Net Profit/(Loss)	(44)	572

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

DIRECTORS' REPORT

Outlook

Despite the decline in sales which impacted the first half of 2016/2017, the Company's strategic plan has remained unchanged. The company continues to improve its presence in the current market segments and emerging market segments such as electrical vehicle charging. The electrical vehicle charging market is a developing market and did not contribute any revenue for the period, however, this market remains a key focus of the Company's future strategy with significant future sales growth expected.

We have invested heavily in our R&D projects and will continue to strengthen our engineering team. We are expecting to release some new products in both our legacy and emerging markets in the near future. We believe that these new products will bring more opportunities to the company and increase our sales and market shares in the coming months.

A good progress has been made towards achieving to improve our manufacture capacity expansion in Malaysia; we have secured a new manufacturing facility and expect to complete the factory migration by June of 2017.

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 on page 3 and forms part of the directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors.



Yanbin Wang
Director

Dated this 28th day of February 2017

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To The Directors of Rectifier Technologies Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Rectifier Technologies Limited for the half-year ended 31 December 2016, 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 28 February 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	31 December 2015 \$
Revenue	3,079,280	3,796,164
Other income	496,487	274,499
Changes in inventories of finished goods and work in progress	(45,296)	132,123
Raw materials and consumables used	(1,050,857)	(1,326,437)
Employee benefits expense	(1,535,707)	(1,599,385)
Depreciation expense	(29,494)	(22,124)
Finance costs	(605)	(1,018)
Share based payments	(720,000)	(63,655)
Other expenses	(347,375)	(541,690)
Profit/(loss) before income tax expense	(153,567)	648,477
Income tax benefit/(expense)	109,197	(76,542)
Net profit/(loss) after income tax attributable to owners of Rectifier Technologies Limited	(44,370)	571,935
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences	(152,443)	(136,098)
Income tax on items of other comprehensive income	-	-
Total comprehensive income	(196,813)	435,837
Basic profit/(loss) per share (cents per share)	(0.00)	0.05
Diluted profit/(loss) per share (cents per share)	(0.00)	0.05

The accompanying notes form part of these financial statements.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS		
Cash and cash equivalents	2,019,834	1,635,415
Trade and other receivables	1,702,982	1,795,588
Inventories	1,834,080	1,980,049
TOTAL CURRENT ASSETS	5,556,896	5,411,052
NON-CURRENT ASSETS		
Plant and equipment	199,729	209,945
Deferred tax assets	595,442	456,892
TOTAL NON-CURRENT ASSETS	795,171	666,837
TOTAL ASSETS	6,352,067	6,077,889
CURRENT LIABILITIES		
Trade and other payables	1,077,905	1,471,369
Interest bearing liabilities	9,532	10,482
Provisions	326,647	322,743
Current tax liability	92,919	102,179
TOTAL CURRENT LIABILITIES	1,507,003	1,906,773
NON-CURRENT LIABILITIES		
Interest bearing liabilities	11,900	18,326
Provisions	47,094	45,107
TOTAL NON-CURRENT LIABILITIES	58,994	63,433
TOTAL LIABILITIES	1,565,997	1,970,206
NET ASSETS	4,786,070	4,107,683
EQUITY		
Issued capital	39,816,575	38,941,375
Reserves	(82,152)	70,291
Accumulated losses	(34,948,353)	(34,903,983)
TOTAL EQUITY	4,786,070	4,107,683

The accompanying notes form part of these financial statements.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Share Capital Ordinary \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1.7.2016	38,941,375	(34,903,983)	70,291	4,107,683
Loss for the half-year	-	(44,370)	-	(44,370)
Other comprehensive income				
Foreign currency translation difference	-	-	(152,443)	(152,443)
Total comprehensive income for the half-year	-	(44,370)	(152,443)	(196,813)
Transactions with owners in their capacity as owners				
Shares Issued	875,200	-	-	875,200
	875,200	-	-	875,200
Balance at 31.12.2016	39,816,575	(34,948,353)	(82,152)	4,786,070
Balance at 1.7.2015	38,088,583	(36,588,548)	174,634	1,674,669
Profit for the half-year	-	571,935	-	571,935
Other comprehensive income				
Foreign currency translation difference	-	-	(136,097)	(136,097)
Total comprehensive income for the half-year	-	571,935	(136,097)	435,838
Transactions with owners in their capacity as owners				
Shares Issued	222,792	-	-	222,792
	222,792	-	-	222,792
Balance at 31.12.2015	38,311,375	(36,016,613)	38,537	2,333,299

The accompanying notes form part of these financial statements.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	31 December 2016 \$	31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	3,025,982	3,412,160
Payments to suppliers and employees	(2,592,894)	(3,256,926)
Interest received	73	441
Finance costs	(600)	(1,017)
Net cash provided by operating activities	<u>432,561</u>	<u>154,658</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(31,301)	(20,821)
Net cash used in investing activities	<u>(31,301)</u>	<u>(20,821)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	155,200	-
Repayment of borrowings	(23,798)	(25,976)
Net cash provided by/(used in) financing activities	<u>131,402</u>	<u>(25,976)</u>
Net increase/(decrease) in cash and cash equivalents	532,662	107,861
Cash and cash equivalents at 1 July	1,635,415	958,252
Effect of exchange rate fluctuations on cash held	(148,243)	115,309
Cash and cash equivalents at 31 December	<u>2,019,834</u>	<u>1,181,422</u>

The accompanying notes form part of these financial statements.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2016 and any public announcements made by Rectifier Technologies Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

(a) Significant Accounting Policies

The same accounting policies and methods of computation have been followed in these half-year financial statements as compared with the most recent annual financial statements.

(b) Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurements of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2016.

NOTE 2: DIVIDENDS

No dividend was paid or recommended during the interim period.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 3: SEGMENT INFORMATION

Segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (executive management committee that makes strategic decisions). This has resulted in the manufacturing segment being disaggregated into 4 reportable segments being electronic components manufacturing, industrial power supplies (electricity generation/distribution and defence), industrial power supplies (transport and telecommunication) and industrial power supplies (electric vehicles).

Description of segments

Management has determined the operating segments based on reports reviewed by the executive management committee for making strategic decision. The executive management committee comprises the chief executive officer and divisional managers. The committee monitors the business based on product and geographic factors and have identified 4 reportable segments.

Electronic Components

Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd which is based in Malaysia (operations transferred from Protran Technologies Pty Ltd during the year of 2015/2016) manufacture electronic components for a number of industries.

Industrial Power Supplies (Electricity generation/distribution and Defence)

Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd manufacture and distribute rectifiers, controllers, accessories and complete systems for the power generation, distribution industries and defence.

Industrial Power Supplies (Transport and Telecommunication)

Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd manufacture and distribute power supplies for the transport industries and telecommunications.

Industrial Power Supplies (Electric vehicles)

Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd manufacture and distribute electric vehicle charges, battery charges and power supplies for a number of industries.

Segment information

Segment result shown in the segment information is measured as EBITDA prior to impairment expense. Segment information provided to the executive management committee for the half-year ended 31 December 2016, is as follows:

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 3: SEGMENT INFORMATION

Half-year ended	Electronic Components	Industrial Power Supplies (E/D)	Industrial Power Supplies (T)	Industrial Power Supplies (EV)	Total
31-Dec-16	\$	\$	\$	\$	\$
Total segment revenue	138,147	2,391,578	1,183,589	-	3,713,314
Inter-segment revenue	<u>(19,518)</u>	<u>(573,272)</u>	<u>(41,244)</u>	-	<u>(634,034)</u>
Revenue from external customers	<u>118,629</u>	<u>1,818,306</u>	<u>1,142,345</u>	-	<u>3,079,280</u>
Segment Result (EBITA)	24,891	381,517	239,687	-	646,095
Half-year ended	Electronic Components	Industrial Power Supplies (E&D)	Industrial Power Supplies (T)	Industrial Power Supplies (EV)	Total
31-Dec-15	\$	\$	\$	\$	\$
Total segment revenue	236,816	4,467,604	594,567	163,587	5,462,574
Inter-segment revenue	<u>(33,497)</u>	<u>(1,269,498)</u>	<u>(363,415)</u>	-	<u>(1,666,410)</u>
Revenue from external customers	<u>203,319</u>	<u>3,198,106</u>	<u>231,152</u>	<u>163,587</u>	<u>3,796,164</u>
Segment Result (EBITA)	42,609	670,210	48,441	34,282	795,542
Total segment assets					
31-Dec-16	341,730	5,237,906	3,290,695	-	8,870,331
31-Dec-15	474,082	7,457,058	538,980	381,437	8,851,557

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 3: SEGMENT INFORMATION

Reconciliation of segment result to profit/(loss) before income tax is as follows:

	Consolidated	
	31 December	31 December
	2016	2015
	\$	\$
Segment Result	646,095	795,542
Corporate Cost (excluding finance, depreciation and amortisation expense)	(769,633)	(124,350)
Interest / Finance costs		
Depreciation	(29,494)	(22,124)
Profit/(Loss) before income tax from continuing operations	(153,567)	648,477

NOTE 4: CONTINGENT LIABILITIES

There are no contingent liabilities or contingent assets at 31 December 2016.

NOTE 5: CONTRIBUTED EQUITY

	31 December	31 December
	2016	2015
	\$	\$
Opening balance 1 July	38,941,375	38,088,583
Shares issued	875,200	222,792
Closing balance 31 December	<u>39,816,575</u>	<u>38,311,375</u>
	Number	Number
Opening balance 1 July	1,335,140,602	1,213,313,254
Shares issued	31,760,000	31,827,348
Closing balance 31 December	<u>1,366,900,602</u>	<u>1,245,140,602</u>

There were a total of 31,760,000 shares issued during August and November 2016, of which 30,000,000 shares were issued to a current director Mr Yanbin Wang approved at 2016 AGM & 1,760,00 shares were issued to option holders on exercise of options.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 6: EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to the end of the reporting period that require additional disclosure.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT COMMITMENTS

The Group entered into a Sale and Purchase Agreement on 23 November 2016 to acquire a new manufacturing facility in Malaysia with the expected migration to be completed by June 2017. The agreement is subject to finance (\$843,843) with the value of the manufacturing facility being \$1,125,124.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

DIRECTORS' DECLARATION

The directors of the company declare that:

(a) in the directors' opinion, the financial statements and notes for the half-year ended 31 December 2016 are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and its performance for the six-month period ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Yanbin Wang

Director

Melbourne

Dated this 28th day of February, 2017

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Rectifier Technologies Limited

We have reviewed the accompanying half-year financial report of Rectifier Technologies Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The Directors of Rectifier Technologies Limited 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 controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Rectifier Technologies Limited consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Rectifier Technologies Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

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

Independence

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

Conclusion

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Adrian Nathanielsz
Partner - Audit & Assurance

Melbourne, 28 February 2017