

Half Year Report of Rectifier Technologies Ltd for the Period Ended 31 December 2018

(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 2018

Previous Corresponding Period: Financial Period ended 31 December 2017

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 2018

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount
Revenue from ordinary activities	Up	140.86%	To 9,627,580
Profit(loss) from ordinary activities after tax attributable to members	Up	340.61%	To 1,128,281
Profit attributable to members	Up	340.61%	To 1,128,281

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)

<ul style="list-style-type: none"> Revenue from ordinary activities increased by 140.86% to \$9,627,580 and net profit after tax increased by \$872,211 to a profit of \$1,128,281. Refer to the Financial Statements for commentary. No dividend recommended for the period.

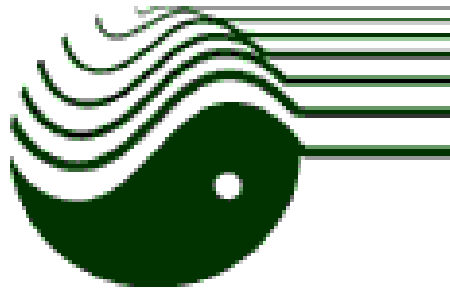
Rectifier Technologies Ltd
Results For Announcement To The Market
For the Half Year Ended 31 December 2018

5. Net Tangible Assets Per Security

	2018	2017
Net tangible assets per security	0.446¢	0.407¢

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 2018**

COMPANY PARTICULARS

BOARD OF DIRECTORS

Mr. Yingming Wang (Chairman)

Mr. Yanbin Wang

Mr. Tino Vescovi

Mr. Nigel Machin

SECRETARY

Mr. Justyn Stedwell

REGISTERED OFFICE

24 Harker Street

Burwood, Victoria 3125

Telephone: 03 9896 7550

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452 Johnston Street

ABBOTSFORD, VIC 3067

AUDITORS

Grant Thornton Audit Pty Ltd

Collins Square, Tower 5

727 Collins Street

MELBOURNE, VIC 3008

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

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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 2018.

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)

Mr. Nigel Machin (Director and Chief Power Engineer)

Review of Operations

Financial Results

The Company for the half year report to 31 December 2018 reported a net profit after tax of \$1,128,281 compared with a net profit after tax of \$256,070 in the previous corresponding period with an increase of \$872,211. Revenue from ordinary activities increased \$5,630,410 from \$3,997,170 in the previous corresponding period to \$9,627,580. At the EBITDA level, the result went to a profit of \$1,769,089 from a profit of \$458,890 in the previous corresponding period, although the gross margin has decreased to 35% at the current reporting period.

The Company was able to report an excellent performance result for the half year to 31 December 2018 was due to a significant growth in sale from electric vehicle charging market, which it represented approximately 70% of total sales. Meanwhile sales from other market segments of electronic components, power generation and distribution, defence remained at a similar level of sales compared with the previous corresponding period.

The results for the 6 months to December 2018 compared with those of the previous corresponding period are shown in the following table (\$'000).

	December 2018	December 2017
Revenue	9,628	3,997
Gross Profit	3,346	2,149
Gross Margin	35%	54%
EBITDA	1,769	459
Interest	(70)	(37)
Depreciation/Amortisation	(120)	(52)
Profit/(Loss) Before Tax	1,579	370
Income Tax Benefit/(Expense)	(451)	(114)
Net Profit/(Loss)	1,128	256

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

DIRECTORS' REPORT

Group Structure

Rectifier Technologies Singapore Pte Ltd (RTS) was incorporated on 2 October 2017 as a subsidiary of Rectifier Technologies Limited and will be responsible for the group's global sales & marketing activities. Rectifier Technologies Pacific Pty Ltd (RTP) continues to be the group's R&D entity and Rectifier Technologies (M) Sdn Bhd (RTM) continues to be the group's manufacturing entity. We believe the current group structure improves our ability to serve global markets, which include our global sales of legacy products and the development of new opportunities in new energy markets. New energy markets include Electric Vehicle (EV) charging, Wind & Solar Power and other Renewable Energy.

Outlook

We have continued to invest solidly in R&D projects in the first half of current financial year. We have refined the design of the 35kW high voltage and high-efficiency modular power supply for EV DC charger customers and productise the design EV DC 11kW Home Charger. As previously announced, we have begun development of a Bi-Directional EV DC Home Charger to target global trials of V2G technology in 2019/2020.

The R&D group continues to develop products to that build on our entry into the EV charger market. The EV charging market remains a key focus of the company's future strategy with continued sales growth expected.

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 2018.

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



Yanbin Wang

Director

Dated this 28th day of February 2019

Auditor's Independence Declaration

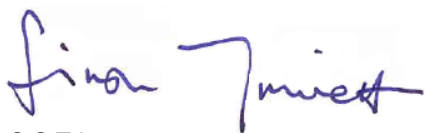
To the Directors of Rectifier Technologies Limited

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 2018. 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



S C Trivett
Partner – Audit & Assurance

Melbourne, 28 February 2019

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 2018**

	31 December 2018 \$	31 December 2017 \$
Revenue	9,627,580	3,997,170
Other income	686,920	221,945
Changes in inventories of finished goods and work in progress	(840,703)	(348,305)
Raw materials and consumables used	(2,999,291)	(855,543)
Employee benefits expense	(2,340,192)	(1,760,136)
Depreciation expense	(119,998)	(51,524)
Finance costs	(72,866)	(38,487)
Other expenses	(2,362,162)	(794,861)
Profit/(loss) before income tax expense	1,579,288	370,259
Income tax benefit/(expense)	(451,007)	(114,189)
Net profit/(loss) after income tax attributable to owners of Rectifier Technologies Limited	1,128,281	256,070
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences	36,969	48,603
Income tax on items of other comprehensive income	-	-
Total comprehensive income	1,165,250	304,673
Basic profit/(loss) per share (cents per share)	0.08	0.02
Diluted profit/(loss) per share (cents per share)	0.08	0.02

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 2018**

	31 December 2018 \$	30 June 2018 \$
CURRENT ASSETS		
Cash and cash equivalents	1,053,855	2,183,902
Trade and other receivables	4,574,386	1,450,155
Inventories	2,520,112	2,738,970
Current tax assets	363,706	327,464
TOTAL CURRENT ASSETS	8,512,059	6,700,491
NON-CURRENT ASSETS		
Plant and equipment	3,673,840	2,745,679
Deferred tax assets	140,713	140,713
TOTAL NON-CURRENT ASSETS	3,814,553	2,886,392
TOTAL ASSETS	12,326,612	9,586,883
CURRENT LIABILITIES		
Trade and other payables	2,023,364	1,843,158
Interest bearing liabilities	535,116	74,320
Provisions	358,651	354,822
Current tax liability	935,804	474,637
TOTAL CURRENT LIABILITIES	3,852,935	2,746,937
NON-CURRENT LIABILITIES		
Interest bearing liabilities	2,188,149	1,719,010
Provisions	54,894	55,552
TOTAL NON-CURRENT LIABILITIES	2,243,043	1,774,562
TOTAL LIABILITIES	6,095,978	4,521,499
NET ASSETS	6,230,634	5,065,384
EQUITY		
Issued capital	39,816,575	39,816,575
Reserves	162,219	125,250
Accumulated losses	(33,748,160)	(34,876,441)
TOTAL EQUITY	6,230,634	5,065,384

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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 2018**

	Share Capital Ordinary \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Total \$
Balance at 1.7.2018	39,816,575	(34,876,441)	125,250	5,065,384
Profit for the half-year	-	1,128,281	-	1,128,281
<i>Other comprehensive income</i>				
Foreign currency translation difference	-	-	36,969	36,969
Total comprehensive income for the half-year	-	1,128,281	36,969	1,165,250
Transactions with owners in their capacity as owners				
Shares Issued	-	-	-	-
Balance at 31.12.2018	39,816,575	(33,748,160)	162,219	6,230,634
Balance at 1.7.2017	39,816,575	(34,476,080)	39,227	5,379,722
Profit for the half-year	-	256,070	-	256,070
<i>Other comprehensive income</i>				
Foreign currency translation difference	-	-	48,603	48,603
Total comprehensive income for the half-year	-	256,070	48,603	304,673
Transactions with owners in their capacity as owners				
Shares Issued	-	-	-	-
Balance at 31.12.2017	39,816,575	(34,220,010)	87,830	5,684,395

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 2018**

	31 December 2018 \$	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,770,160	3,341,683
Payments to suppliers and employees	(7,743,449)	(3,471,438)
Interest received	3,064	1,378
Finance costs	(71,873)	-
Tax paid	(41,197)	(61,318)
Net cash used in operating activities	<u>(1,083,295)</u>	<u>(189,695)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(964,254)	(464,020)
Proceed from sale of plant and equipment	-	23,248
Net cash used in investing activities	<u>(964,254)</u>	<u>(440,772)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from debt	867,199	19,650
Repayment of borrowings	(1,560)	(27,435)
Net cash provided by/(used in) financing activities	<u>865,639</u>	<u>(7,785)</u>
Net increase/(decrease) in cash and cash equivalents	(1,181,910)	(638,252)
Cash and cash equivalents at 1 July	2,183,902	2,628,269
Effect of exchange rate fluctuations on cash held	51,863	174,291
Cash and cash equivalents at 31 December	<u>1,053,855</u>	<u>2,164,308</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 2018

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2018 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 2018 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.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. There has been no adjustment to the opening balance of retained earnings as at 1 July 2018 and comparatives are not restated. Accordingly, the Group applied AASB 15 and AASB 9 for the interim period ended 31 December 2018. Changes have had no significant impact of the Group's accounting policies or amount reporting during the current half-year period.

AASB 15 Revenue from Contracts with Customers

Revenue arises mainly from the sale of rectifiers, after-sales maintenance and extended warranty services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The Group often enters into transactions involving a range of the Group's products and services, for example for the delivery of rectifiers and related after-sales service. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

AASB 9 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: BASIS OF PREPARATION

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

Trade and other receivables are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Trade and other receivables are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(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 with the exception of AASB15 and AASB9 as described above.

(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 2018.

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 2018

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 Malaysia Sdn Bhd which is based in Malaysia (operations transferred from Protran Technologies Pty Ltd during the year of 2016/2017) manufactures and distributes 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. Rectifier Technologies Singapore Pte Ltd only focuses on distribution.

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. Rectifier Technologies Singapore Pte Ltd only focuses on distribution.

Industrial Power Supplies (Electric vehicles)

Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd manufacture and distribute electric vehicle chargers, battery chargers and power supplies for a number of industries. Rectifier Technologies Singapore Pte Ltd only focuses on distribution.

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 2018, 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 2018

NOTE 3: SEGMENT INFORMATION

Half-year ended	Electronic Components	Industrial Power Supplies (E/D)	Industrial Power Supplies (T&T)	Industrial Power Supplies (EV)	Total
31-Dec-18	\$	\$	\$	\$	\$
Total segment revenue	222,796	3,501,728	675,477	12,073,158	16,473,159
Inter-segment revenue	-	(1,232,229)	(88,139)	(4,949,897)	(6,270,265)
Revenue from external customers	222,796	2,269,499	587,338	7,123,261	10,202,894
Segment Result (EBITA)	81,148	826,612	213,924	2,594,483	3,716,167
Half-year ended	Electronic Components	Industrial Power Supplies (E&D)	Industrial Power Supplies (T&T)	Industrial Power Supplies (EV)	Total
31-Dec-17	\$	\$	\$	\$	\$
Total segment revenue	107,997	2,798,262	911,140	1,617,341	5,434,740
Inter-segment revenue	(361)	(789,263)	(1,492)	(646,454)	(1,437,570)
Revenue from external customers	107,636	2,008,999	909,648	970,887	3,997,170
Segment Result (EBITA)	15,093	281,697	127,549	136,135	560,474
Total segment assets					
31-Dec-18	445,513	4,538,183	1,174,465	14,243,964	20,402,125
31-Dec-17	312,431	5,831,437	2,640,398	2,818,155	11,602,421

Revenue from external customers includes revenues earned from contracts with customers of \$9,627,580 and other income of \$575,314.

Rectifier Technologies Ltd and Subsidiaries

ABN 82 058 010 692

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 3: SEGMENT INFORMATION

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

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Segment Result	3,716,167	560,474
Corporate Cost (excluding finance, depreciation and amortisation expense)	(1,947,078)	(101,583)
Interest / Finance costs	(69,802)	(37,108)
Depreciation	(119,998)	(51,524)
Profit/(Loss) before income tax from continuing operations	1,579,289	370,259

NOTE 4: CONTINGENT LIABILITIES

There are no contingent liabilities or contingent assets at 31 December 2018.

NOTE 5: CONTRIBUTED EQUITY

	31 December 2018	31 December 2017
	\$	\$
Opening balance 1 July	39,816,575	39,816,575
Shares issued	-	-
Closing balance 31 December	<u>39,816,575</u>	<u>39,816,575</u>

	Number	Number
Opening balance 1 July	1,366,900,602	1,366,900,602
Shares issued	-	-
Closing balance 31 December	<u>1,366,900,602</u>	<u>1,366,900,602</u>

There were no shares issued during current reporting period.

NOTE 6: EVENTS SUBSEQUENT TO BALANCE DATE

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

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 2018 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 2018 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, 2019

Independent Auditor's Review Report

To the Members of Rectifier Technologies Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Rectifier Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Rectifier Technologies Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with 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 Group's financial position as at 31 December 2018 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.

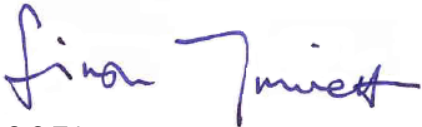
A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards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

Independence

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



S C Trivett
Partner – Audit & Assurance

Melbourne, 28 February 2019