

9 August 2019

Kate Kidson
ASX Compliance Pty Limited
Level 4, North Tower, Rialto
525 Collins Street
Melbourne VIC 3000

Dear Kate

RESPONSE TO ASX QUERY

Rectifier Technologies Ltd ('Company') refers to your letter dated 7 August 2019.

Using the numbering in your letter, we respond to your questions as follows:

1. Yes
2. Not applicable given response to question 1.
3. The Company considers it became aware of the Earnings Upgrade on Tuesday 6 August 2019.
4. The Company did not consider the Earnings Upgrade was sufficiently reliable or definite to announce to market until it conducted a further review of the financial information. This review was completed to the Company's satisfaction late in the morning of Wednesday August 7 and the Company considered it was obliged to disclose the information at this time and provided the details to the Company Secretary just prior to 12pm. An announcement was prepared and circulated, an amendment was requested and made before the announcement was approved and released before 1pm.

The Company notes its preliminary financial results are not due for lodgement with ASX until 30 August 2019 and its audited financial results are due for lodgement on 30 September 2019. The Company is endeavouring to keep the market adequately informed of its expected results well in advance of these lodgement dates, however, notes that preliminary numbers announced may be subject to change during the review and audit process.

5. The Company confirms it is in compliance with the Listing Rules and, in particular Listing Rule 3.1.
6. The Company confirms this response has been authorised accordingly.



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Yours sincerely

Yanbin Wang
CEO
On behalf of the Board of Directors
Rectifier Technologies Ltd





7 August 2019

Mr Justyn Stedwell
Company Secretary
Rectifier Technologies Limited

By email only

Dear Mr Stedwell

Rectifier Technologies Limited('RFT'): Aware Query

ASX refers to the following:

- A. RFT's announcement entitled "Updated FY2019 Result Guidance" lodged on the ASX Market Announcements Platform and released at 12.56 PM on 7 August 2019 (the 'Announcement'), disclosing "RFT currently expects to report a profit before income tax for the year ending 30 June 2019 within the range of approximately \$2.5 million to \$3.5 million. This guidance is based on preliminary figures subject to further review and audit" ('Earnings Upgrade').
- B. RFT's response to an ASX price query lodged on the ASX Market Announcements Platform and released at 9.18 AM on 19 July 2019, disclosing "RFT currently expects to report a net profit before income tax for the year ending 30 June 2019 of approximately \$1.9 million. This guidance is based on preliminary figures subject to further review and audit. RFT does not consider its earnings for the period would be a surprise to the market." ("Response to Price Query").
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."
- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks RFT to respond separately to each of the following questions and requests for information:

1. Does RFT consider the Earnings Upgrade to be information that a reasonable person would expect to have a material effect on the price or value of its securities? Please answer with reference to the following:
 - 1.1 The FY19 earnings guidance given in the Response to Price Query:
 - 1.2 RFT released the Earnings Upgrade on 7 August 2019, twelve business days after the 19 July 2019 Response to Price Query.
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did RFT first become aware of the Earnings Upgrade?
4. If the answer to question 1 is “yes” and RFT first became aware of the Earnings Upgrade before the relevant date, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe RFT was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps RFT took to ensure that the information was released promptly and without delay.
5. Please confirm that RFT is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that RFT’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of RFT with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than 9.30 AM **AEST Friday, 9 August 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, RFT’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require RFT to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

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- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceMelbourne@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to RFT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that RFT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in RFT's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Kate Kidson
Principal Adviser, Listings Compliance (Melbourne)