RECTIFIER TECHNOLOGIES LTD

ABN: 82 058 010 692

ANNUAL REPORT 2022

Directors	Mr. Ying Ming Wang Mr. Yanbin Wang Mr. Valentino Vescovi Mr. Nigel Machin
Company secretary	Ms Nova Taylor
Registered office	97 Highbury Road BURWOOD, VIC 3125 Telephone: + 61 3 9896 7550 Facsimile: + 61 3 9896 7566
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street ABBOTSFORD, VIC 3067 Telephone: 1300 137 328
Auditor	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, VIC 3128 Westpac Banking Corporation 39-41Hamilton Place, MOUNT WAVERLEY, VIC 3149
Stock exchange listing	Rectifier Technologies Ltd shares are listed on the Australian Securities Exchange (ASX code: RFT)
Website	https://www.rectifiertechnologies.com/
Corporate Governance Statement	

The directors and management are committed to conducting the business of Rectifier Technologies Ltd in an ethical manner and in accordance with the highest standards of corporate governance. Rectifier Technologies Ltd has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The consolidated entity's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Company's website at https://www.rectifiertechnologies.com/investors-relations/.

Financial Results

The Company reported an increase in revenue by approximately 22.8% to $16.30 million from $13.27 million in the previous reporting period.

The increase in revenue from 30 June 2021 resulted from the demand increase for the electric vehicle chargers market with the global economy's recovery from the COVID-19 pandemic.

Profit before tax increased to $1.23 million in the current reporting period compared to $1.03 million in the last reporting period. We have successfully managed the business growth despite the COVID interruption and global supply chain issues in FY 2022.

The following table below shows the results for the 12 months to June 2022 compared with those of the previous corresponding period.

	($'000')	
	2022	**2021**
Revenue from continuing operations (refer to note 5&6)	16,303	13,266
Gross Profit	7,409	6,042
Gross Margin %	50%	51%
Profit from continuing operations before tax	1,232	1,033
Income Tax Expense	(740)	(493)
Profit from continuing operations after tax	492	540
Net Profit	492	540

Funding

On 6 February 2017, Rectifier Technologies Malaysia obtained a loan amounting to MYR 5,460,000 (AUD 1,629,851) from Public Bank Berhad to acquire a new manufacturing facility. The carrying amount of the loan was MYR 4,648,453 (AUD 1,531,464) as of 30 June 2022.

On 7 October 2019, Rectifier Technologies Malaysia obtained a loan amounting to MYR 2,730,000 (AUD 929,393) from the same bank to acquire a new manufacturing facility. The carrying amount of the loan was MYR 2,552,538 (AUD 840,951) as of 30 June 2022.

On 2 October 2020, Rectifier Technologies Malaysia obtained a loan amounting to MYR 498,800 (AUD 159,780) from the same bank to acquire rooftop solar PV net energy metering. The carrying amount of the loan was MYR 428,740 (AUD141,252) as of 30 June 2022.

On 30 March 2022, Rectifier Technologies Australia obtained a loan of AUD 3,000,000 from ANZ for working capital. The carrying amount of the loan was AUD 2,760,321 as of 30 June 2022 after monthly payments for principal and interest. The loan was discharged and fully paid on 2 September 2022.

On 2 September 2022, Rectifier Technologies Australia obtained a loan amounting to AUD 5,000,000 from WBC for working capital. The loan term is five years, and the indicative loan interest is 4.13% p.a. (variable rate). The repayment arrangement is principal plus interest up to 28 July 2027.

Dividends Payments

No dividend was declared for the 2022 Financial year.

Review of Operations

The Company has successfully managed the COVID interruption to our business and global supply chain shortage and reported a profit in the current reporting period.

As the ASX announcement dated 9 February 2022, we received purchase orders totalling approximately USD 20 million from one of our major customers in the first half-year of 2022. Our international procurement team has secured the required manufacturing materials and is committed to delivering products to all customers with our best efforts.

The Company has continued work on the ERP system implementation as part of the Digital Enterprise Transformation. The first phase of ERP implementation has been completed, with Australia and Singapore subsidiaries consolidated into one platform. Phase 2 will bring the entire Company onto a unified platform that will significantly enhance efficiencies and business intelligence. The Company expects phase 2 of the ERP system implementation to begin in the first half-year of 2023 and take 12 months to implement.

Outlook

To increase the competitiveness of RT22, the Company decided to significantly raise the technical benchmark for the product, which pushed back the original deadlines but resulted in a superior product. The engineering of the 'RT22 50KW EV Charger Module' has continued throughout the period. It has included the safety certification by TUV SUD, which is to be completed by Q4 2022, to enable our customers to supply the product in Europe and the USA. In addition, engineering has continued to work on the volume release of the product by validating a range of alternative components to ensure the supply chain meets market demand for the product. We are expecting RT22 to contribute significantly to company revenue in 2023.

On 26 July 2022, the Company announced that the 'Highbury DC Bi-Directional Charger' project was put on hold, and the available engineering resources have been deployed to other developments, such as the 'RT22 50KW EV Charger Module' and 'high-voltage input rectifier', which are now scheduled H1 2023.

We will continue to strive to grow our business in 2023, particularly in the electric vehicle chargers market.

On behalf of the Board

Ying Ming Wang
Chairman

30 September 2022
Melbourne

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rectifier Technologies Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors
The following persons were directors of Rectifier Technologies Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Ying Ming Wang
Mr. Yanbin Wang
Mr. Valentino Vescovi
Mr. Nigel Machin

Principal activities
The principal activities of the consolidated entity during the financial year were designing and manufacturing high-efficiency power rectifiers and producing electronic and specialised magnetic components.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2022 $	2021 $
Final dividend paid during 30 June 2022 of nil cents (for the year ended 30 June 2021: 0.1 cents) per ordinary share	-	1,375,701

The dividends paid on 8 December 2020, totalling to $1,375,701, refers to the 30 June 2020 financial year. There are no dividends declared in relation to the 30 June 2022 and 30 June 2021 financial years.

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $491,955 (30 June 2021: $540,379).

Specific information on the review of operations, financial position and business strategies is stated in the Chairman’s report.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 2 September 2022, the loan from ANZ with the carrying amount of the loan AUD 2,760,321 as of 30 June 2022 was discharged and fully paid.

On 2 September 2022, a loan from WBC of $5,000,000 was drawn. The term of the loan is 5 years and the indicative loan interest is 4.13% p.a. (variable rate). The repayment arrangement is principal and interest up to 28 July 2027.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years is stated in the Chairman’s report.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Mr. Ying Ming Wang
Title:	Chairman – Non-Executive
Qualifications:	Master of Science
Experience and expertise:	As Managing Director of the Pudu Group, Ying Ming has built up a range of technology and property businesses, including Epern Telecom Co. Ltd., Beijing's largest privately owned ISP. He is also involved in the China Digital Kingdom, an internet datacentre development business in China. Board Member since June 2006
Other current directorships:	Pudu Group
Former directorships (last 3 years):	None
Special responsibilities:	Member of the audit committee
Interests in shares:	224,643,616 Ordinary Shares
Interests in options:	None

Name:	Mr. Yanbin Wang
Title:	Director – Executive and Chief Executive Officer
Qualifications:	Master of Law, Bachelor of Philosophy
Experience and expertise:	Before joining Rectifier Technologies as CEO in 2010, Yanbin was Chief Operations Officer at Tianjin IC Card Public Network Company of Tianjin, China and Vice-President of Transtech Sino America, based in Florida, USA. He was instrumental in restructuring the Rectifier Technologies group in 2012, leading it back to growth and profitability. Board Member since August 2010
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the audit committee
Interests in shares:	70,000,000 Ordinary Shares
Interests in options:	None

Name:	Mr. Valentino Vescovi
Title:	Director – Non-Executive
Qualifications:	Master of Science, Bachelor of Science
Experience and expertise:	As a founding director of Rectifier Technologies Pacific, Valentino was instrumental in its product development programs that led the world in telecom power using switch mode technology. He brings the board a significant amount of technical and business expertise. Board member 2003-2010 and from 30 October 2012
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the audit committee
Interests in shares:	37,040,000 Ordinary Shares
Interests in options:	None

Name:	Mr. Nigel Machin
Title:	Director – Executive and Head of Power Engineering
Qualifications:	Bachelor of Engineering
Experience and expertise:	Nigel was a founding director of Rectifier Technologies Pacific and has been involved in all its product development since. Before Rectifier Technologies, Nigel was involved in induction melting equipment at Inductotherm Melting, in sound reinforcement power amplifiers for professional audio at Clockwork Audio, and then in telecom power supplies at Ausmode/Exicom. He has published 8 papers and holds two current patents. Board member since 3 April 2017
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the audit committee
Interests in shares:	22,010,000 Ordinary Shares
Interests in options:	1,800,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and exclude directorships of all other types of entities unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and exclude directorships of all other types of entities unless otherwise stated.

Company secretary
Ms. Nova Taylor was appointed as Company Secretary on 3 February 2022. Ms Taylor has approximately 5 years' experience working with listed companies in Company Secretary and Assistant Company Secretary roles. She previously worked for Computershare Investor Services Pty Limited in various roles for over 10 years. Nova has completed a Bachelor of Laws at Deakin University.

Mr. Justyn Stedwell was appointed as Company Secretary on 31 July 2014 and resigned on 3 February 2022. He is a professional Company Secretary with over 10 years' experience as a Company Secretary of ASX listed companies. Mr Stedwell holds a Bachelor of Commerce from Monash University and a Graduate Diploma in Accounting from Deakin University.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director was:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Mr. Ying Ming Wang	4	4	1	1
Mr. Yanbin Wang	4	4	1	1
Mr. Valentino Vescovi	4	4	1	1
Mr. Nigel Machin	4	4	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high-performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the remuneration structure of non-executive director and executive director is separate.

Non-executive directors' remuneration
The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity.

ASX listing rules require the aggregate non-executive directors' remuneration to be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 25 January 2022, where the shareholders approved a maximum annual aggregate remuneration of $32,760.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits), which does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives in accordance with performance guidelines established by the Board. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Consolidated entity performance and link to remuneration
As part of each executive director and executive's remuneration package there may be a performance-based component, consisting of key performance indicators (KPI's). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. Where applicable, the KPI's are set annually, with a certain level of consultation with directors/executives to ensure buy-in. The measures are specifically tailored to the areas each director/executive is involved in and has a level of control over. The KPI's target areas the Board believes hold greater potential for the consolidated entity expansion and profit, covering financial and non-financial as well as short-term and long-term goals. The level set for each KPI is based on budgeted figures for the consolidated entity and respective industry standards.

Performance in relation to the KPI's is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPI's achieved. Following the assessment, the KPI's are reviewed by the Board in light of the desired and actual outcomes, and their efficiency is assessed in relation to the consolidated entity's goals and shareholder wealth before the KPI's are set for the following year.

In determining whether or not a KPI has been achieved, Rectifier Technologies Ltd bases the assessment on audited figures; however, where the KPI involves comparison of individual performance within the consolidated entity, management reports which form the foundation for the consolidated entity audited results are used.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
During the financial year ended 30 June 2022, the consolidated entity, did not engage any remuneration consultants.

Voting and comments made at the Company's 30 June 2021 Annual General Meeting ('AGM')
At the 25 January 2022 AGM, 99.77% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Rectifier Technologies Ltd:
- Mr. Ying Ming Wang - Chairman – Non-Executive
- Mr. Yanbin Wang - Director – Executive and Chief Executive Officer
- Mr. Valentino Vescovi - Director – Non-Executive
- Mr. Nigel Machin - Director – Executive and Head of Power Engineering

And the following persons:
- Mr. Paul Davis - Operations Manager – Rectifier Technologies Pacific Pty Ltd
- Mr. Seong Bow Lee - General Manager – Rectifier Technologies (M) Sdn Bhd
- Mr. Nicholas Yeoh - Director of Sales & Marketing – Rectifier Technologies Singapore Pte Ltd

2022	Short-term benefits			Post-employment benefits	Long-term benefits	
	Cash salary and fees $	Cash bonus* $	Non-monetary $	Super-annuation $	Long service leave $	Total $
Non-Executive Directors:						
Mr. Ying Ming Wang	16,500	-	-	-	-	16,500
Mr. Valentino Vescovi	11,000	-	-	-	-	11,000
Executive Directors:						
Mr. Yanbin Wang	320,500	20,950	20,233	45,648	-	407,331
Mr. Nigel Machin	205,449	8,352	-	30,980	6,374	251,155
Other Key Management Personnel:						
Mr. Paul Davis	179,920	7,322	-	26,374	5,577	219,193
Mr. Seong Bow Lee	96,390	8,093	1,246	12,827	-	118,556
Mr. Nicholas Yeoh	312,281	25,663	2,096	-	-	340,040
	1,142,040	70,380	23,575	115,829	11,951	1,363,775

* The cash bonus were approved upon payment on 25 February 2022.
** The cash bonus is payable at the discretion of the board, equal to an amount of 5-10% of the total salary, subject to achievement of target profit.

2021	Short-term benefits			Post-employment benefits	Long-term benefits	
	Cash salary and fees $	Cash bonus* $	Non-monetary $	Super-annuation $	Long service leave $	Total $
Non-Executive Directors:						
Mr. Ying Ming Wang	16,500	-	-	-	-	16,500
Mr. Valentino Vescovi	11,000	-	-	-	-	11,000
Executive Directors:						
Mr. Yanbin Wang	296,182	26,801	20,230	43,541	-	386,754
Mr. Nigel Machin	187,432	12,937	-	29,547	4,910	234,826
Other Key Management Personnel:						
Mr. Paul Davis	158,849	18,789	-	23,856	4,253	205,747
Mr. Seong Bow Lee	90,110	9,676	1,250	12,252	-	113,288
Mr. Nicholas Yeoh	288,083	23,248	1,841	-	-	313,172
	1,048,156	91,451	23,321	109,196	9,163	1,281,287

* The cash bonus were approved upon payment on 29 January 2021.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2022	Fixed remuneration 2021	Performance-based remuneration - STI 2022	Performance-based remuneration - STI 2021	Performance-based remuneration - LTI 2022	Performance-based remuneration - LTI 2021
Non-Executive Directors:						
Mr. Ying Ming Wang	100.00%	100.00%	-	-	-	-
Mr. Valentino Vescovi	100.00%	100.00%	-	-	-	-
Executive Directors:						
Mr. Yanbin Wang	94.86%	93.07%	5.14%	6.93%	-	-
Mr. Nigel Machin	96.67%	94.49%	3.33%	5.51%	-	-
Other Key Management Personnel:						
Mr. Paul Davis	96.66%	90.87%	3.34%	9.13%	-	-
Mr. Seong Bow Lee	93.17%	91.46%	6.83%	8.54%	-	-
Mr. Nicholas Yeoh	92.45%	92.58%	7.55%	7.42%	-	-

Service agreements
The employment conditions of the CEO and specified executives are formalised in contracts of employment and all contracts require 4 weeks' notice, with no termination payments specified other than employee entitlements.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Revenue (Including discontinued operation)	16,303,329	13,266,295	16,734,759	18,874,493	7,834,710
Net Profit/(Loss)	491,955	540,379	1,821,638	2,127,038	62,442

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end (cents per share)	4.00	2.80	3.80	4.60	2.60
Changes Share price at financial year end (cents per share)	1.20	(1.00)	(0.80)	2.00	0.90
Total dividends paid (cents per share)	-	0.10	-	-	-

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr. Ying Ming Wang	224,643,616	-	-	-	224,643,616
Mr. Yanbin Wang	70,000,000	-	-	-	70,000,000
Mr. Valentino Vescovi	37,640,000	-	-	(600,000)	37,040,000
Mr. Nigel Machin	22,010,000	-	-	-	22,010,000
Mr. Paul Davis	5,000,000	-	-	-	5,000,000
Mr. Seong Bow Lee	2,767,550	-	-	-	2,767,550
Mr. Nicholas Yeoh	20,500,000	-	-	-	20,500,000
	382,561,166	-	-	(600,000)	381,961,166

Option holding
The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr. Ying Ming Wang	-	-	-	-	-
Mr. Yanbin Wang	-	-	-	-	-
Mr. Valentino Vescovi	-	-	-	-	-
Mr. Nigel Machin	1,800,000	-	-	-	1,800,000
Mr. Paul Davis	3,000,000	-	-	-	3,000,000
Mr. Seong Bow Lee	3,000,000	-	-	-	3,000,000
Mr. Nicholas Yeoh	3,000,000	-	-	-	3,000,000
	10,800,000	-	-	-	10,800,000

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Rectifier Technologies Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
June 2003	No expiry date	$0.020	4,480,000
November 2003	No expiry date	$0.020	8,360,000
July 2019	13 September 2022	$0.070	34,000,000
			46,840,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Rectifier Technologies Ltd issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers or auditor
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company and of any related body corporate, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium was $35,960 for all directors and officers

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or an auditor.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Grant Thornton
There are no officers of the Company who are former partners of Grant Thornton.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Mr. Yanbin Wang
Director

30 September 2022
Melbourne

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Rectifier Technologies Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Rectifier Technologies Ltd for the year ended 30 June 2022, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 30 September 2022

Rectifier Technologies Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Revenue	5	14,761,523	11,841,712
Other income	6	1,535,954	1,415,332
Interest revenue		5,852	9,251
Expenses			
Changes in inventories of finished goods and work in progress		2,097,687	(424,565)
Raw materials and consumables used		(7,656,716)	(4,022,084)
Employee benefits expense		(6,310,321)	(5,071,148)
Depreciation expense	7	(607,239)	(554,839)
Other expenses		(2,441,741)	(2,010,880)
Finance costs	7	(153,125)	(149,094)
Profit before income tax expense		1,231,874	1,033,685
Income tax expense	8	(739,919)	(493,306)
Profit after income tax expense for the year attributable to the owners of Rectifier Technologies Ltd		491,955	540,379
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		166,439	(205,003)
Other comprehensive income for the year, net of tax		166,439	(205,003)
Total comprehensive income for the year attributable to the owners of Rectifier Technologies Ltd		658,394	335,376
		Cents	**Cents**
Basic earnings per share	29	0.04	0.04
Diluted earnings per share	29	0.03	0.04

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

Rectifier Technologies Ltd
Statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	9	7,295,534	6,241,106
Trade and other receivables	10	2,910,217	1,728,532
Inventories	11	5,877,879	1,906,090
Current tax assets	8	734,150	1,066,189
Total current assets		16,817,780	10,941,917
Non-current assets			
Property, plant and equipment	12	4,605,248	4,170,591
Right-of-use assets	13	886,673	1,154,814
Intangibles	14	94,859	106,048
Deferred tax assets	8	524,993	464,209
Total non-current assets		6,111,773	5,895,662
Total assets		22,929,553	16,837,579
Liabilities			
Current liabilities			
Trade and other payables	15	5,549,921	2,649,978
Borrowings	16	1,122,142	154,710
Lease liabilities	17	212,781	295,410
Current tax liabilities	8	795,256	934,751
Employee benefits	18	933,573	747,547
Total current liabilities		8,613,673	4,782,396
Non-current liabilities			
Borrowings	16	4,151,846	2,439,390
Lease liabilities	17	457,534	588,464
Deferred tax liabilities	8	295,404	271,675
Employee benefits	18	56,389	59,341
Total non-current liabilities		4,961,173	3,358,870
Total liabilities		13,574,846	8,141,266
Net assets		9,354,707	8,696,313
Equity			
Issued capital	19	39,992,575	39,992,575
Reserves	20	513,264	466,825
Accumulated losses		(31,151,132)	(31,763,087)
Total equity		9,354,707	8,696,313

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

Rectifier Technologies Ltd
Statement of changes in equity
For the year ended 30 June 2022

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	39,851,775	671,828	(30,927,765)	9,595,838
Profit after income tax expense for the year	-	-	540,379	540,379
Other comprehensive income for the year, net of tax	-	(205,003)	-	(205,003)
Total comprehensive income for the year	-	(205,003)	540,379	335,376
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	140,800	-	-	140,800
Dividends paid (note 21)	-	-	(1,375,701)	(1,375,701)
Balance at 30 June 2021	39,992,575	466,825	(31,763,087)	8,696,313

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021	39,992,575	466,825	(31,763,087)	8,696,313
Profit after income tax expense for the year	-	-	491,955	491,955
Other comprehensive income for the year, net of tax	-	166,439	-	166,439
Total comprehensive income for the year	-	166,439	491,955	658,394
Transactions with owners in their capacity as owners:				
Lapsed options transferred to accumulated losses	-	(120,000)	120,000	-
Balance at 30 June 2022	39,992,575	513,264	(31,151,132)	9,354,707

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

Rectifier Technologies Ltd
Statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		16,257,817	13,640,920
Payments to suppliers and employees		(17,230,486)	(11,515,086)
Government grants (COVID-19)		-	435,900
Interest received		6,091	16,984
Finance costs		(147,406)	(149,094)
Income taxes refunded/(paid)		387,984	(832,165)
Net cash from/(used in) operating activities	30	(726,000)	1,597,459
Cash flows from investing activities			
Payments for property, plant and equipment		(629,211)	(570,904)
Proceeds from disposal of property, plant and equipment		-	126
Net cash used in investing activities		(629,211)	(570,778)
Cash flows from financing activities			
Proceeds from issue of shares	19	-	140,800
Proceeds from borrowings		3,000,000	177,617
Dividends paid	21	-	(1,375,701)
Repayment of borrowings		(389,096)	(126,018)
Repayment of lease liabilities		(317,318)	(324,456)
Net cash from/(used in) financing activities		2,293,586	(1,507,758)
Net increase/(decrease) in cash and cash equivalents		938,375	(481,077)
Cash and cash equivalents at the beginning of the financial year		6,241,106	6,873,680
Effects of exchange rate changes on cash and cash equivalents		116,053	(151,497)
Cash and cash equivalents at the end of the financial year	9	7,295,534	6,241,106

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

Note 1. General information

The financial statements cover Rectifier Technologies Ltd as a consolidated entity consisting of Rectifier Technologies Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Rectifier Technologies Ltd's functional and presentation currency.

Rectifier Technologies Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

97 Highbury Road
Burwood, VIC 3125

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity 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.

Going concern
The financial report has been prepared on the basis of the Group continuing as a going concern, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rectifier Technologies Ltd ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year ended. Rectifier Technologies Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
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 Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Rectifier Technologies Ltd's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of power rectifiers and the related after-sales services is recognised at the point in time when the consolidated entity satisfies performance obligations by transferring the promised products and services, which is generally at the time of delivery.

The consolidated entity 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 consolidated entity satisfies a performance obligation before it receives the consideration, the consolidated entity 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.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Interest
Interest revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 2. Significant accounting policies (continued)

Rectifier Technologies Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 2. Significant accounting policies (continued)

Property, plant and equipment
Freehold land is stated at historical cost and is not depreciated but is subject to impairment testing if there is any indication of impairment.

Building and plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Building	50 years
Leasehold improvement	10 years
Plant and equipment	2.5-5 years
Motor vehicle	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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

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

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

Intangible assets
Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; the certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, the experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity at the vesting date which is at the grant date. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Rectifier Technologies Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred are not recoverable from the tax authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of inventories
The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

R & D tax rebate
The consolidated entity has recognised the R&D rebate on an accrual basis. As the return has not yet been submitted, the consolidated entity has made an estimate of the likely refund amount based on the preliminary number provided by external tax consultant.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into 4 operating segments as described below. These operating segments are based on the internal reports that are reviewed and used by the executive management committee (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The executive management committee considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. There is no aggregation of operating segments.

Segment	Description
Electronic Components	Under this segment, Rectifier Technologies Pacific Pty Ltd and Rectifier Technologies Malaysia Sdn Bhd which is based in Malaysia manufacture electronic components for a number of industries.
Industrial Power Supplies (Electricity generation/ distribution and Defence) ('E&D')	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) ('T&T')	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) ('EV')	Under this segment, Rectifier Technologies Pacific Pty Ltd, Rectifier Technologies Singapore Pte Ltd and Rectifier Technologies Malaysia Sdn Bhd manufacture and distribute electric vehicle charges, battery charges and power supplies for a number of industries. Rectifier Technologies Singapore Pte Ltd only focuses on distribution.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). This measure excludes non-recurring expenditures such as restructuring costs, impairments and share-based payments as well as interest revenue and interest expense and other items which are considered part of the corporate treasury function. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis. Refer to note 5 for geographic information.

Intersegment transactions

Intersegment transactions were made at market rates. Inter-segment revenue comprises sales between segments which are on arm's length terms. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

During the year ended 30 June 2022, the revenue of $10,562,830 (2021: $6,513,519) and $944,754 (2021: $1,164,100) were derived from two Australian customers, which are allocated to the Industrial Power Supplies (EV) and Industrial Power Supplies (E&D) segments respectively. Revenue of $1,482,138 (2021: $1,301,035) was derived from a single (2021: single) customer in Singapore under the Industrial Power Supplies (E&D) segment.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2022	Electronic components $	Industrial power supplies (E&D) $	Industrial power supplies (T&T) $	Industrial power supplies (EV) $	Eliminations/ Corporate $	Total $
Revenue						
Sales to external customers	209,004	3,305,291	622,739	10,810,151	-	14,947,185
Intersegment sales	28,241	1,629,441	398,885	8,608,629	(10,665,196)	-
Total revenue	237,245	4,934,732	1,021,624	19,418,780	(10,665,196)	14,947,185
EBITDA	10,681	168,920	31,826	552,465	1,228,346	1,992,238
Depreciation and amortisation	(305,349)	(54,555)	(8,285)	(239,050)	-	(607,239)
Finance costs	(172,100)	(5,963)	(765)	(30,397)	56,100	(153,125)
Profit/(loss) before income tax expense	(466,768)	108,402	22,776	283,018	1,284,446	1,231,874
Income tax expense						(739,919)
Profit after income tax expense						491,955
Assets						
Segment assets	351,462	5,558,200	1,047,201	18,178,424	(2,205,734)	22,929,553
Total assets						22,929,553
Liabilities						
Segment liabilities	222,148	3,513,169	661,904	11,490,028	(2,312,403)	13,574,846
Total liabilities						13,574,846

Consolidated - 2021	Electronic components $	Industrial power supplies (E&D) $	Industrial power supplies (T&T) $	Industrial power supplies (EV) $	Eliminations/ Corporate $	Total $
Revenue						
Sales to external customers	249,272	3,733,729	1,857,809	7,418,493	-	13,259,303
Intersegment sales	8,209	1,374,832	1,439,791	4,838,330	(7,661,162)	-
Total revenue	257,481	5,108,561	3,297,600	12,256,823	(7,661,162)	13,259,303
EBITDA	24,444	366,139	182,182	727,476	437,377	1,737,618
Depreciation and amortisation	(198,982)	(138,247)	(27,363)	(190,247)	-	(554,839)
Finance costs	(85,174)	(35,524)	(7,856)	(28,180)	7,640	(149,094)
Profit/(loss) before income tax expense	(259,712)	192,368	146,963	509,049	445,017	1,033,685
Income tax expense						(493,306)
Profit after income tax expense						540,379
Assets						
Segment assets	348,457	5,219,368	2,597,026	10,370,288	(1,697,560)	16,837,579
Total assets						16,837,579
Liabilities						
Segment liabilities	180,070	2,697,172	1,342,045	5,358,973	(1,436,994)	8,141,266
Total liabilities						8,141,266

Note 4. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2022 $	2021 $	2022 $	2021 $
Australia	12,218,517	5,655,250	986,901	1,136,777
Asia	1,643,041	1,540,462	4,505,020	4,188,626
North America	553,077	1,745,298	-	-
South America	17,353	68,713	-	-
Europe	303,920	2,810,016	-	-
Oceania	25,615	21,972	-	-
	14,761,523	11,841,711	5,491,921	5,325,403

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 5. Revenue

	Consolidated	
	2022 $	2021 $
Sale of goods	14,761,523	11,841,712

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2022 $	2021 $
Geographical regions		
Australia	12,218,517	5,655,250
Asia	1,643,041	1,540,462
North America	553,077	1,745,298
South America	17,353	68,713
Europe	303,920	2,810,016
Oceania	25,615	21,973
	14,761,523	11,841,712
Timing of revenue recognition		
Goods transferred at a point in time	14,761,523	11,841,712

Note 6. Other income

	Consolidated	
	2022	2021
	$	$
Research and development tax rebate	1,055,657	877,691
Government grants (COVID-19)	38,851	435,900
Foreign exchange gain	392,791	-
Other	48,655	101,741
Other income	1,535,954	1,415,332

Note 7. Expenses

	Consolidated	
	2022	2021
	$	$
Profit before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	7,352,827	5,799,730
Depreciation		
Building	8,801	8,821
Leasehold improvement	30,113	36,749
Plant and equipment	316,386	263,433
Motor vehicle	2,284	-
Building right-of-use assets	164,106	157,808
Plant and equipment right-of-use assets	72,855	73,017
Motor vehicle right-of-use assets	12,694	15,011
Total depreciation	607,239	554,839
Finance costs		
Interest and finance charges paid/payable on borrowings	104,930	86,269
Interest and finance charges paid/payable on lease liabilities	48,195	62,825
Finance costs expensed	153,125	149,094
Foreign exchange loss		
Foreign exchange loss	-	457,220
Superannuation expense		
Defined contribution superannuation expense	609,388	515,573
Research costs		
Research costs	2,380,792	1,983,728

Note 8. Income tax

	Consolidated	
	2022	2021
	$	$
Income tax expense		
Current tax	776,974	608,499
Deferred tax - origination and reversal of temporary differences	(37,055)	(115,193)
Aggregate income tax expense	739,919	493,306
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,231,874	1,033,685
Tax at the statutory tax rate of 25% (2021: 26%)	307,969	268,758
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development expenditures	6,826	515,769
Controlled foreign company attributed income	595,198	129,068
Other non-allowable items	195,127	41,697
Foreign tax offset	55,022	28,313
Other non-assessable items	(420,223)	(490,299)
Income tax expense	739,919	493,306

The corporate tax rate applicable to base rate entities reduces from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Company qualifies as a base rate entity as it has a turnover of less than $50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been included as a reconciling item in table above in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

	Consolidated	
	2022	2021
	$	$
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	18,409,592	18,409,592
Potential tax benefit at statutory tax rates	4,602,398	4,602,398

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax (continued)

	Consolidated 2022 $	Consolidated 2021 $
Net deferred tax assets		
Net deferred tax assets comprises temporary differences attributable to:		
Employee benefits	201,832	171,344
Accrued expenses	87,407	197,616
Inventories	146,133	92,734
Unrealised foreign exchange losses	(54,626)	48,938
Property, plant and equipment	(151,157)	(318,098)
Deferred tax asset	229,589	192,534
Movements:		
Opening balance	192,534	77,341
Credited to profit or loss	37,055	115,193
Closing balance	229,589	192,534

	Consolidated 2022 $	Consolidated 2021 $
Current tax assets		
Current tax assets	734,150	1,066,189

	Consolidated 2022 $	Consolidated 2021 $
Current tax liabilities		
Current tax liabilities	795,256	934,751

Note 9. Cash and cash equivalents

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Cash at bank	7,295,534	6,241,106

Note 10. Trade and other receivables

	Consolidated 2022 $	2021 $
Current assets		
Trade receivables	891,338	514,635
Other receivables	46,687	216,338
Research and development tax incentives	1,035,645	862,922
Prepayments	936,547	134,637
	1,972,192	997,559
	2,910,217	1,728,532

Allowance for expected credit losses
The consolidated entity has recognised a loss of $nil (2021: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Carrying amount 2022 $	2021 $
Not overdue	868,229	425,008
0 to 3 months overdue	9,900	71,113
Over 3 months overdue	13,209	18,514
	891,338	514,635

Payment terms on receivables past due but not considered impaired have not been re-negotiated. The consolidated entity has been in direct contact with the relevant customers and are reasonably satisfied that payment will be received in full. The consolidated entity estimate of impairment losses is based on the expected credit loss.

Note 11. Inventories

	Consolidated 2022 $	2021 $
Current assets		
Raw materials	3,574,937	1,700,837
Finished goods and work in progress	1,220,126	(78,347)
Stock in transit	1,082,816	283,600
	5,877,879	1,906,090

Inventories are recognised net of a provision for obsolescence of $702,984 (2021: $534,786) as at 30 June 2022.

Note 12. Property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Land - at cost	2,207,392	2,146,230
Building - at cost	1,493,058	1,369,567
Less: Accumulated depreciation	(1,085,057)	(964,230)
	408,001	405,337
Leasehold improvement - at cost	235,873	216,441
Less: Accumulated depreciation	(99,486)	(69,398)
	136,387	147,043
Plant and equipment - at cost	3,655,900	2,047,266
Less: Accumulated depreciation	(1,805,507)	(580,330)
	1,850,393	1,466,936
Motor vehicle - at cost	132,493	50,200
Less: Accumulated depreciation	(129,418)	(45,155)
	3,075	5,045
	4,605,248	4,170,591

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

Consolidated	Land $	Building $	Leasehold improvement $	Plant and equipment $	Motor vehicle $	Total $
Balance at 1 July 2020	2,280,963	614,492	183,792	1,159,365	-	4,238,612
Additions	-	-	-	466,451	-	466,451
Disposals	-	-	-	(106)	-	(106)
Exchange differences	(134,733)	(200,334)	-	104,659	-	(230,408)
Transfer from ROUA	-	-	-	-	5,045	5,045
Depreciation expense	-	(8,821)	(36,749)	(263,433)	-	(309,003)
Balance at 30 June 2021	2,146,230	405,337	147,043	1,466,936	5,045	4,170,591
Additions	-	11,465	19,540	574,423	-	605,428
Disposals	-	-	(83)	(48,060)	-	(48,143)
Exchange differences	61,162	-	-	44,772	122	106,056
Transfer from ROUA	-	-	-	128,708	192	128,900
Depreciation expense	-	(8,801)	(30,113)	(316,386)	(2,284)	(357,584)
Balance at 30 June 2022	2,207,392	408,001	136,387	1,850,393	3,075	4,605,248

Note 13. Right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Building - right-of-use	564,576	632,317
Plant and equipment - right-of-use	314,808	502,760
Motor vehicle - right-of-use	7,289	19,737
	886,673	1,154,814

The consolidated entity leases land and buildings for its offices and staff accommodations and plant and equipment under agreements of between 3 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

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

Consolidated	Building $	Plant and equipment $	Motor vehicle $	Total $
Balance at 1 July 2020	760,844	610,344	41,967	1,413,155
Additions	19,149	-	-	19,149
Exchange differences	10,132	(34,567)	(2,174)	(26,609)
Transfer to PPE	-	-	(5,045)	(5,045)
Depreciation expense	(157,808)	(73,017)	(15,011)	(245,836)
Balance at 30 June 2021	632,317	502,760	19,737	1,154,814
Additions	100,525	-	-	100,525
Exchange differences	(4,160)	13,611	438	9,889
Transfer to PPE	-	(128,708)	(192)	(128,900)
Depreciation expense	(164,106)	(72,855)	(12,694)	(249,655)
Balance at 30 June 2022	564,576	314,808	7,289	886,673

For other lease disclosures refer to:
- note 7 for interest on lease liabilities
- note 17 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Development - at cost	94,859	106,048

Note 14. Intangibles (continued)

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

Consolidated	Development cost $
Balance at 1 July 2020	-
Additions	106,048
Balance at 30 June 2021	106,048
Additions	61,844
Research and development rebate	(73,033)
Balance at 30 June 2022	94,859

Note 15. Trade and other payables

	Consolidated 2022 $	2021 $
Current liabilities		
Trade payables	4,463,965	2,134,083
Sundry creditors and accrued expenses	1,085,956	515,895
	5,549,921	2,649,978

Refer to note 22 for further information on financial instruments.

Note 16. Borrowings

	Consolidated 2022 $	2021 $
Current liabilities		
Bank loans	1,122,142	154,710
Non-current liabilities		
Bank loans	4,151,846	2,439,390
	5,273,988	2,594,100

Refer to note 22 for further information on financial instruments.

The bank loans consist of the following:

Note 16. Borrowings (continued)

(i) A loan of MYR 5,460,000 (AUD 1,629,851). The term of the loan is 20 years, and the loan interest is calculated using the Base Lending Rate (Variable Rate) less a discount of 2.20% at the bank's discretion from time to time. The monthly repayment includes the payment of loan principal and interest. The first monthly instalment commenced on 1 May 2017, subsequent instalments are to be paid on or before the 1st of each calendar month and total repayments are 240 instalments in 240 months. The carrying amount of the loan was MYR 4,648,453 (AUD 1,531,464) as at 30 June 2022 (2021: MYR 4,899,598 (AUD 1,569,479)).

(ii) A loan of MYR 2,730,000 (AUD929,393). The term of the loan is 20 years, and the loan interest is calculated using the Base Lending Rate (Variable Rate) less a discount of 2.20% at the bank's discretion from time to time. The monthly repayment includes the payment of loan principal and interest. The first monthly instalment commenced on 1 December 2019, subsequent instalments are to be paid on or before the 1st of each calendar month and total repayments are 240 instalments in 240 months. The carrying amount of the loan was MYR 2,552,538 (AUD 840,951) as at 30 June 2022 (2021: MYR 2,671,654 (AUD 855,806))

(iii) A loan of MYR 498,800 (AUD 159,780). The term of the loan is 10 years, and the loan interest is calculated using the Base Lending Rate (Variable Rate) less a discount of 2% at the bank's discretion from time to time. The monthly repayment includes the payment of loan principal and interest. The first monthly instalment commenced on 1 October 2020, subsequent instalments are to be paid on or before the 1st of each calendar month and total repayments are 120 instalments in 120 months. The carrying amount of the loan was MYR 428,740 (AUD141,252) as at 30 June 2022 (2021: MYR 472,008 (AUD151,197)).

(iv) A loan of AUD 3,000,000.The term of the loan is 3 years, and the loan interest is calculated using the Business Mortgage Index rate (Variable Rate) less a margin of 3.75% at the bank's discretion from time to time. The monthly repayment includes the payment of loan principal and interest. The first monthly instalment commenced on 30 April 2022, subsequent instalments are to be paid on or before the 1st of each calendar month and total repayments are 36 instalments in 36 months. The carrying amount of the loan was AUD 2,760,321 as at 30 June 2022.

(v) Prior year's trade facilities of MYR 55,000 (AUD17,618) were fully paid on 31 August 2021.

Note 17. Lease liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Lease liability	212,781	295,410
Non-current liabilities		
Lease liability	457,534	588,464
	670,315	883,874

Future minimum lease payments at 30 June were as follows:

	Less than 1 year $	1 – 5 years $	> 5 years $	Total $
2022				
Lease Payments	244,812	499,855	-	744,667
Finance Charges	(32,031)	(42,321)	-	(74,352)
	212,781	457,534	-	670,315
2021				
Lease Payments	339,532	634,238	23,673	997,443
Finance Charges	(44,122)	(69,274)	(173)	(113,569)
	295,410	564,964	23,500	883,874

Note 18. Employee benefits

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Annual leave	636,605	494,718
Long service leave	296,968	252,829
	933,573	747,547
Non-current liabilities		
Long service leave	56,389	59,341
	989,962	806,888

Note 19. Issued capital

	Consolidated 2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	1,375,700,602	1,375,700,602	39,992,575	39,992,575

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	1,368,660,602		39,851,775
Shares issued on the exercise of options	12 October 2020	7,040,000	$0.020	140,800
Balance	30 June 2021	1,375,700,602		39,992,575
Balance	30 June 2022	1,375,700,602		39,992,575

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. 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.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 19. Issued capital (continued)

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value-adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged during the current reporting period.

Note 20. Reserves

	Consolidated 2022 $	Consolidated 2021 $
Foreign currency reserve	3,264	(163,175)
Share-based payments reserve	510,000	630,000
	513,264	466,825

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of options granted under Employee Share Option Plan ('ESOP').

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Total $
Balance at 1 July 2020	41,828	630,000	671,828
Foreign currency translation	(205,003)	-	(205,003)
Balance at 30 June 2021	(163,175)	630,000	466,825
Foreign currency translation	166,439	-	166,439
Lapsed options transferred to accumulated losses	-	(120,000)	(120,000)
Balance at 30 June 2022	3,264	510,000	513,264

Note 21. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated 2022 $	2021 $
Final dividend paid during 30 June 2022 of nil cents (for the year ended 30 June 2021: 0.1 cents) per ordinary share	-	1,375,701

The dividends paid on 8 December 2020, totalling to $1,375,701, refers to the 30 June 2020 financial year. There are no dividends declared in relation to the 30 June 2022 and 30 June 2021 financial years.

Franking credits

	Consolidated 2022 $	2021 $
Franking credits available for subsequent financial years based on a tax rate of 25% (2021: 25%)	-	939,520

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 22. Financial instruments

Financial risk management objectives
The Board has overall responsibility for the determination of the consolidated entity and the parent entity's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the consolidated entity and the parent entity's finance function. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the consolidated entity's competitiveness and flexibility.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The only currency where receivables are not denominated in their functional currency is US dollars (USD). Cash balances in USD are kept at levels only sufficient to pay the amounts owing. Since the local sales in Malaysia are made by foreign operations in their individual functional currencies, there is no direct foreign currency risk exposure involved. The consolidated entity's exposure to foreign currency risk is primarily its exposure to trade receivables denominated in USD.

Note 22. Financial instruments (continued)

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 2022 $	Assets 2021 $	Liabilities 2022 $	Liabilities 2021 $
US dollars	532,730	328,330	651,586	177,173

Consolidated - 2022	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD weakened % change	AUD weakened Effect on profit before tax
Assets	10%	70,300	(10%)	(85,923)
Liabilities	10%	85,985	(10%)	(105,093)
		156,285		(191,016)

Consolidated - 2021	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD weakened % change	AUD weakened Effect on profit before tax
Assets	10%	39,702	(10%)	(48,525)
Liabilities	10%	21,424	(10%)	(26,185)
		61,126		(74,710)

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity's exposure to interest rate risk is limited to cash balances, as these are at a floating rate. Cash balances that are held at call for day to day activities are non-interest bearing.

An analysis of remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Credit risk
Credit risk arises principally from the consolidated entity's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument.

Prior to accepting new customers, a credit check is obtained from a reputable external source. Based on this information, credit limits and payment terms are established. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The nature of the consolidated entity's operations means that approximately 92% (2021: 92%) of its sales are made to 5 (2021: 5) key customers in Australia, Singapore and America. Whilst credit risk is mainly influenced by factors specific to these individual customers, the concentration of sales geographically is a contributory factor.

Note 22. Financial instruments (continued)

The maximum exposure to credit risk for trade receivables at the end of reporting period by geographic region is as follows:

	Consolidated 2022 $	Consolidated 2021 $
Australia	702,808	414,172
Asia	145,385	69,856
Europe	52,535	1,600
USA	(9,390)	29,007
	891,338	514,635

Past due analysis of trade receivables by geographic region is as follows:

	Australia $	Asia $	Europe $	USA $	Total $
2022					
Not past due	667,174	145,385	52,578	3,092	868,229
Past due 30 days	9,900	-	-	-	9,900
Past due 60 days	25,734	-	(43)	(12,482)	13,209
Total	702,808	145,385	52,535	(9,390)	891,338
2021					
Not past due	356,374	67,467	86	1,081	425,008
Past due 30 days	44,511	-	-	26,602	71,113
Past due 60 days	13,287	2,389	1,514	1,324	18,514
Total	414,172	69,856	1,600	29,007	514,635

Liquidity risk

Liquidity risk arises from the consolidated entity's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the consolidated entity will encounter difficulty in meeting its financial obligations as they fall due. The consolidated entity aims to have sufficient cash to allow it to meet its liabilities when they become due.

The Board receives cash flow projections monthly as well as information regarding cash balances.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022	6 months or less $	Between 6 and 12 months $	Between 1 and 3 years $	Over 3 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	4,463,965	-	-	-	4,463,965
Other payables	1,085,956	-	-	-	1,085,956
Interest-bearing - variable					
Bank loans	636,349	636,648	2,285,531	2,502,753	6,061,281
Lease liability	143,026	101,786	329,272	170,583	744,667
Total non-derivatives	6,329,296	738,434	2,614,803	2,673,336	12,355,869

Note 22. Financial instruments (continued)

Consolidated - 2021	6 months or less $	Between 6 and 12 months $	Between 1 and 3 years $	Over 3 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	2,134,083	-	-	-	2,134,083
Other payables	515,895	-	-	-	515,895
Interest-bearing - variable					
Bank loans	126,901	109,283	437,132	2,606,858	3,280,174
Lease liability	178,217	161,315	350,158	307,753	997,443
Total non-derivatives	2,955,096	270,598	787,290	2,914,611	6,927,595

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolidated	
	2022 $	**2021 $**
Audit services - Grant Thornton		
Audit and review of the financial statements	79,131	79,883

Note 24. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 25. Commitments

	Consolidated	
	2022 $	**2021 $**
Purchase commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Inventories	10,903,918	1,898,436
Property, plant and equipment	97,953	155,570
Research and development	-	158,835

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2022 $	Consolidated 2021 $
Short-term employee benefits	1,235,995	1,162,928
Post-employment benefits	115,829	109,196
Long-term benefits	11,951	9,163
	1,363,775	1,281,287

Note 27. Related party transactions

Parent entity
Rectifier Technologies Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties
Transactions between related parties are on normal commercial terms and conditions no more favourable to other parties unless otherwise stated. There is no requirement for transactions and balances between the entities within the consolidated Group to be disclosed.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Protran Technologies Pty Ltd	Australia	100%	100%
Rectifier Technologies Pacific Pty Ltd	Australia	100%	100%
Rectifier Technologies Singapore Pte Ltd	Singapore	100%	100%
ICERT Inc	USA	100%	100%
Rectifier Technologies (M) Sdn Bhd	Malaysia	100%	100%
ICERT (HK) Co. Ltd	Hong Kong	100%	100%

Note 29. Earnings per share

	Consolidated 2022 $	Consolidated 2021 $
Profit after income tax attributable to the owners of Rectifier Technologies Ltd	491,955	540,379

	Number	Number
The weighted average number of ordinary shares used in calculating basic earnings per share	1,375,700,602	1,375,700,602
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	46,840,000	54,840,000
The weighted average number of ordinary shares used in calculating diluted earnings per share	1,422,540,602	1,430,540,602

	Cents	Cents
Basic earnings per share	0.04	0.04
Diluted earnings per share	0.03	0.04

Note 30. Reconciliation of profit after income tax to net cash from/(used in) operating activities

	Consolidated 2022 $	Consolidated 2021 $
Profit after income tax expense for the year	491,955	540,379
Adjustments for:		
Depreciation and amortisation	607,239	554,839
Provision for stock obsolescence	148,622	(60,182)
Unrealised currency (gain)/loss	(86,192)	179,255
Net loss/(gain) on sale/acquisition of assets	(34,956)	(19)
Capitalised interest	87,200	14,772
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,441,878)	1,238,435
Decrease/(increase) in inventories	(3,861,912)	551,026
Increase/(decrease) in net deferred tax assets	35,949	40,902
Increase/(decrease) in trade and other payables	2,746,773	(1,207,650)
Increase/(decrease) in provision for income tax	404,843	(390,722)
Increase in employee benefits	176,357	136,424
Net cash from/(used in) operating activities	(726,000)	1,597,459

Note 31. Changes in liabilities arising from financing activities

Consolidated	Bank loans $	Lease liabilities $	Total $
Balance at 1 July 2020	2,700,859	1,190,842	3,891,701
Net cash used in financing activities	(34,670)	(387,290)	(421,960)
Finance costs	86,269	62,825	149,094
Other changes	(158,358)	17,497	(140,861)
Balance at 30 June 2021	2,594,100	883,874	3,477,974
Net cash from/(used in) financing activities	2,505,974	(365,513)	2,140,461
Finance costs	104,930	48,195	153,125
Other changes	68,984	103,759	172,743
Balance at 30 June 2022	5,273,988	670,315	5,944,303

Note 32. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

On 22 July 2019, the Company granted 42,000,000 share options of its common stock to employees under its Employee Share Option Plan (ESOP) at an exercise price of $0.07. Options under this plan vest immediately allowing the holder to purchase one ordinary share per option, exercisable in multiples of 100,000. The maximum term of the options granted under the ESOP ends on 13 September 2022. The weighted average fair value of options granted has been calculated as $0.015 per option. All granted employee options were immediately recognised as an expense in the statement of profit or loss with a corresponding credit to share option reserve for the value of $630,000.

Set out below are summaries of options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/07/2019	13/09/2022	$0.070	42,000,000	-	-	(8,000,000)	34,000,000
			42,000,000	-	-	(8,000,000)	34,000,000

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/07/2019	13/09/2022	$0.070	42,000,000	-	-	-	42,000,000
			42,000,000	-	-	-	42,000,000

The weighted average share price during the financial year was $0.015 (2021: $0.015).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.21 years (2021: 0.57 years).

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2022 $	Parent 2021 $
Profit after income tax	229,496	573,048
Total comprehensive income	229,496	573,048

Statement of financial position

	Parent 2022 $	Parent 2021 $
Total current assets	2,287,673	1,993,700
Total assets	3,661,150	2,090,405
Total current liabilities	2,292,003	318,016
Total liabilities	1,669,157	327,908
Equity		
Issued capital	39,992,575	39,992,575
Foreign currency reserve	50,647	50,647
Share-based payments reserve	510,000	630,000
Accumulated losses	(38,561,229)	(38,910,725)
Total equity	1,991,993	1,762,497

a. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

b. Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

c. Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

d. Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Events after the reporting period

On 2 September 2022, the loan from ANZ with the carrying amount of the loan AUD 2,760,321 as of 30 June 2022 was discharged and fully paid.

On 2 September 2022, a loan from WBC of $5,000,000 was drawn. The term of the loan is 5 years and the indicative loan interest is 4.13% p.a. (variable rate). The repayment arrangement is principal and interest up to 28 July 2027.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Mr. Yanbin Wang
Director

30 September 2022
Melbourne

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Independent Auditor's Report

To the Members of Rectifier Technologies Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Rectifier Technologies Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recognition of R&D tax incentive (Note 6 and Note 10)	
The Group receives a corporate tax rate plus 18.5% (43.5%) refundable tax offset of eligible expenditure under the research and development ("R&D") scheme if its turnover is less than $20 million per annum, provided it is not controlled by income tax-exempt entities. A registration of R&D activities is filed with AusIndustry in the following financial year, and based on this filing, the group receives the incentive in cash. The Group engaged an R&D expert to perform a detailed review of the Group's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation. As at 30 June 2022, a receivable totalling $1,035,645 has been recorded. This represents the estimated claim for the period 1 July 2021 to 30 June 2022. This is a key audit matter due to the size of the receivable and the degree of judgement and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure under the scheme.	Our procedures included, amongst others: • Obtaining and documenting through discussions with management an understanding of the process to estimate the claim; • Evaluating the competence, capabilities and objectivity of management's expert; • Reviewing and testing the R&D estimate by: – reviewing the methodology used by management's expert for consistency with the R&D tax offset rules; – performing testing on a sample of R&D expenses to supporting documents to assess eligibility and accuracy of the amounts recorded in the general ledger; – considering the nature of expenses against the eligibility criteria of the R&D tax incentive scheme to assess whether the expense included in the estimate are likely to meet the eligibility criteria. • Comparing the nature of the R&D expenditure included in the current year to the prior year's claim; • Comparing the eligible expenditure used in the receivable calculation to expenditure recorded in the general ledger; • Considering the entity's history of successful claims; • Inspecting copies of relevant correspondence with AusIndustry and the Australian Taxation Office related to the claims; and • Assessing the adequacy of the relevant disclosures in the financial statements.

Inventory valuation (Note 11)

As at 30 June 2022, the Group holds inventory with a carrying value of $5,877,879. The Group is required to carry their inventory at the lower of cost or net realisable value, in accordance with AASB 102 Inventories.

Determining the value of inventory requires significant judgement. Specifically, estimating inventory provisions involves significant management judgement, including predictions about market conditions, future sales, and obsolescence.

This is a key audit matter due to the materiality of the inventory balance and the level of management judgement required to determine the inventory value.

Our procedures included, amongst others:

- Understanding and documenting management's process of calculating the inventory provision and evaluating the Group's compliance with the requirements of AASB 102;
- Testing a sample of inventory items to assess the cost basis and net realisable value of inventories;
- Analysing slow-moving inventory and evaluating their saleability and obsolescence;
- Considering additional factors that may indicate inventory items require an adjustment to their carrying amount, including discontinued lines; and
- Assessing the adequacy of the related disclosures in the financial statements.

Revenue recognition (Note 5)

Revenue recorded from the sale of products and services to customers amounted to $14,761,523 for the year ended 30 June 2022.

The Group enters into transactions for the sale of power rectifiers. The total transaction price for a contract is based on their relative stand-alone selling price. Revenue is recognised at a point in time when the Group satisfies the performance obligations, which is generally at the point of delivery.

This is a key audit matter given the judgement applied to determine the appropriate recognition of revenue and the material nature of revenue to the Group's overall performance.

Our procedures included, amongst others:

- Reviewing revenue recognition policies for appropriateness in accordance with AASB 15 *Revenue from Contracts with Customers*;
- Testing a sample of revenue transactions during the year and assessing whether revenue has been recognised in accordance with AASB 15, including:
  - Reviewing the relevant contracts with customers;
  - Assessing management's determination of performance obligations within contracts and the allocation of the transaction price to those obligations;
  - Testing the timing of revenue recognition;
- Evaluating sales transactions around reporting date to assess whether revenue is recognised in the correct period;
- Performing non-substantive analytical procedures to assess revenue recognised against known business factors and investigating variances to our expectations; and
- Assessing the adequacy of related disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 7 to 12 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Rectifier Technologies Ltd, for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Simon Trivett

S C Trivett
Partner – Audit & Assurance

Melbourne, 30 September 2022

Rectifier Technologies Ltd
Shareholder information
30 June 2022

The shareholder information set out below was applicable as at 6 September 2022.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders	Ordinary shares % of total shares issued	Number of units
1 to 1,000	43	-	14,955
1,001 to 5,000	29	0.01	86,296
5,001 to 10,000	260	0.17	2,291,486
10,001 to 100,000	2,073	5.65	77,866,602
100,001 and over	681	94.17	1,295,441,263
	3,086	100.00	1,375,700,602
Holding less than a marketable parcel	414	0.20	3,292,552

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares Number held	% of total shares issued
PUDU INVESTMENT (AUSTRALIA) PTY LTD	224,643,616	16.33
YUNG SHING	150,000,000	10.90
YANBIN WANG	70,000,000	5.09
Mr MALCOLM ALISTAIR DUNCAN	69,187,950	5.03
Mr LEI LI	68,460,000	4.98

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
PUDU INVESTMENT (AUSTRALIA) PTY LTD	224,643,616	16.33
YUNG SHING	150,000,000	10.90
YANBIN WANG	70,000,000	5.09
Mr MALCOLM ALISTAIR DUNCAN	69,187,950	5.03
MR LEI LI	68,460,000	4.98
MR SONGWU LU	66,841,260	4.86
MS ZHU FURONG	50,000,000	3.63
MR WEIGUO XIE	40,747,642	2.96
MR MAKRAM HANNA + MRS RITA HANNA	38,637,542	2.81
V AND G SUPER PTY LTD	37,040,000	2.69
BOND STREET CUSTODIANS LIMITED	25,999,605	1.89
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	23,428,478	1.70
MR NICHOLAS SENG TET YEOH	20,500,000	1.49
MR NIGEL MACHIN	20,000,000	1.45
BNP PARIBAS NOMS PTY LTD	19,773,056	1.44
AUSTRALIAN EXPORTS & INDUSTRIALISATION SUPER PTY LTD	14,000,000	1.02
TOPAZ INVESTMENTS PTE LTD	13,837,650	1.01
GENISTA COURT PTY LTD	11,848,272	0.86
MR MAKRAM HANNA	11,134,134	0.81
MR RAYMOND ROCKMAN + MR ANTHONY ROCKMAN	9,677,106	0.70
	985,756,311	71.65

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	46,840,000	30

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.

On market buy-back

There is no current on market buy back