

Rectifier Technologies Ltd

ABN 82 058 010 692

Appendix 4E Preliminary Final Report - 30 June 2023

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1. Company details

Name of entity:	Rectifier Technologies Ltd
ABN:	82 058 010 692
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	144.2% to	39,808,597
Profit before income tax	up	606.1% to	8,698,539
Profit from ordinary activities after tax attributable to the owners of Rectifier Technologies Ltd	up	1212.5% to	6,457,153
Profit for the year attributable to the owners of Rectifier Technologies Ltd	up	1212.5% to	6,457,153

Dividends

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

Comments

The Company has experienced remarkable growth from 2022 to 2023, not only in terms of sales but also in profitability. The surge in revenue, coupled with efficient cost management, has resulted in a significantly improved net profit margin. The Company's post-tax profit reached \$6,457,153, marking a substantial increase from the \$491,955 recorded as of 30 June 2022.

Notably, total revenues have witnessed an extraordinary increase, soaring by approximately 144.2% to reach \$39,808,597. This starkly contrasts with the total of \$16,303,329 reported in the preceding period. Additionally, the Company has reported a significantly higher profit before tax of \$8,698,539 compared to the \$1,231,874 reported in the previous reporting period.

As highlighted in the ASX announcement dated 16 November 2022, the Company has successfully secured purchase orders valued at USD 22 million from a critical customer. With the procurement team efficiently sourcing the required manufacturing materials, we maintain a solid commitment to ensuring prompt product delivery to all our customers. The acquisition of orders worth USD 22 million from a critical customer is a testament to our robust business relationships and the exceptional quality of our offerings. This achievement also underscores our capability to meet substantial demand requirements efficiently.

Furthermore, we are excited to introduce our Employee Stock Option Plan (ESOP) dated 15 August 2023. At the Board's discretion, eligible employees are offered the opportunity to participate in ESOP. This innovative initiative aims to instil a sense of ownership and collective accomplishment within our workforce. The program has been thoughtfully designed to align the interests of our employees with the growth and prosperity of our Company. By extending this opportunity, we intend to recognize and reward their unwavering dedication and significant contributions. The 2023 ESOP offer comprises 37,000,000 options, each with an exercise price of \$0.06, with an expiration date of 15 August 2025.

The ESOP underscores our deeply rooted belief that our employees are pivotal in our past successes and in shaping our future trajectory. As we embark on a journey of expansion and evolution, we are enthusiastic about providing this avenue for employees to engage in our Company's growth narrative actively.

Further demonstrating our commitment to progress, the Company continues to make significant headway in the Digital Enterprise Transformation initiative. Completing the initial phase has led to consolidating the Australia and Singapore subsidiaries onto a unified platform. The second phase of Malaysia factory implementation is underway and remains well within the project schedule, with an anticipated go-live date at the end of October 2023. By then, the Company will have significantly enhanced operational efficiency and access to comprehensive business intelligence through a unified platform.

In our unwavering pursuit of growth, the Company remains resolute in its focus on the E-Mobility industry. Our strategic product development priorities remain adaptable to the dynamically evolving demands of the market.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.16</u>	<u>0.70</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

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

The financial statements are in the process of being audited and an unmodified opinion is expected to be issued.

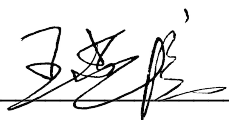
11. Attachments

Details of attachments (if any):

The Appendix 4E Preliminary Final Report of Rectifier Technologies Ltd for the year ended 30 June 2023 is attached.

12. Signed

Signed _____



Yanbin Wang
Chief Executive Officer
Melbourne

Date: 30 August 2023

Rectifier Technologies Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



	Note	Consolidated 2023 \$	2022 \$
Revenue			
	1	39,428,363	14,761,523
Other income	2	279,677	1,535,954
Interest revenue		100,557	5,852
Expenses			
Changes in inventories of finished goods and work in progress		8,412,399	2,097,687
Raw materials and consumables used		(24,036,255)	(7,656,716)
Professional and compliance expense		(1,000,624)	(776,884)
Employee benefits expense		(8,784,246)	(6,310,321)
Depreciation expense	3	(747,061)	(607,239)
Subcontractor expense		(1,676,953)	(429,160)
Other expenses	3	(3,061,341)	(1,235,697)
Finance costs	3	(215,977)	(153,125)
Profit before income tax expense		8,698,539	1,231,874
Income tax expense		(2,241,386)	(739,919)
Profit after income tax expense for the year attributable to the owners of Rectifier Technologies Ltd		6,457,153	491,955
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		111,670	166,439
Other comprehensive income for the year, net of tax		111,670	166,439
Total comprehensive income for the year attributable to the owners of Rectifier Technologies Ltd		<u>6,568,823</u>	<u>658,394</u>
		Cents	Cents
Basic earnings per share	6	0.47	0.04
Diluted earnings per share	6	0.47	0.03

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 2023



	Note	Consolidated 2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	6,348,867	7,295,534
Trade and other receivables		4,254,430	2,910,217
Inventories		18,448,667	5,877,879
Current tax assets		630,655	734,150
Total current assets		29,682,619	16,817,780
Non-current assets			
Property, plant and equipment		5,292,905	4,605,248
Right-of-use assets		592,662	886,673
Intangibles		104,772	94,859
Deferred tax assets		799,699	524,993
Total non-current assets		6,790,038	6,111,773
Total assets		36,472,657	22,929,553
Liabilities			
Current liabilities			
Trade and other payables		7,277,466	5,549,921
Contract liabilities		667,678	-
Borrowings		952,229	1,122,142
Lease liabilities		228,492	212,781
Current tax liabilities		3,579,794	795,256
Employee benefits		1,101,778	933,573
Total current liabilities		13,807,437	8,613,673
Non-current liabilities			
Contract liabilities		442,353	-
Borrowings		5,523,972	4,151,846
Lease liabilities		423,835	457,534
Deferred tax liabilities		220,664	295,404
Employee benefits		50,866	56,389
Total non-current liabilities		6,661,690	4,961,173
Total liabilities		20,469,127	13,574,846
Net assets		16,003,530	9,354,707
Equity			
Issued capital	5	40,072,575	39,992,575
Reserves		114,934	513,264
Accumulated losses		(24,183,979)	(31,151,132)
Total equity		16,003,530	9,354,707

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 2023



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
<i>Transactions with owners in their capacity as owners:</i>				
Lapsed options transferred to accumulated losses	-	(120,000)	120,000	-
Balance at 30 June 2022	<u>39,992,575</u>	<u>513,264</u>	<u>(31,151,132)</u>	<u>9,354,707</u>

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	39,992,575	513,264	(31,151,132)	9,354,707
Profit after income tax expense for the year	-	-	6,457,153	6,457,153
Other comprehensive income for the year, net of tax	-	111,670	-	111,670
Total comprehensive income for the year	-	111,670	6,457,153	6,568,823
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 5)	80,000	-	-	80,000
Lapsed options transferred to accumulated losses	-	(510,000)	510,000	-
Balance at 30 June 2023	<u>40,072,575</u>	<u>114,934</u>	<u>(24,183,979)</u>	<u>16,003,530</u>

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 2023



	Note	Consolidated 2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		42,564,822	16,257,817
Payments to suppliers and employees		(42,356,489)	(17,230,486)
Interest received		100,557	6,091
Finance costs		(215,977)	(147,406)
Income taxes refunded/(paid)		(993,529)	387,984
Net cash used in operating activities	7	(900,616)	(726,000)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,053,428)	(629,211)
Payments for intangibles		(1,984)	-
Net cash used in investing activities		(1,055,412)	(629,211)
Cash flows from financing activities			
Proceeds from issue of shares	5	80,000	-
Proceeds from borrowings		9,230,085	3,000,000
Repayment of borrowings		(8,027,872)	(389,096)
Repayment of lease liabilities		(252,931)	(317,318)
Net cash from financing activities		1,029,282	2,293,586
Net increase/(decrease) in cash and cash equivalents		(926,746)	938,375
Cash and cash equivalents at the beginning of the financial year		7,295,534	6,241,106
Effects of exchange rate changes on cash and cash equivalents		(19,921)	116,053
Cash and cash equivalents at the end of the financial year	4	<u>6,348,867</u>	<u>7,295,534</u>

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

Note 1. Revenue

	Consolidated	
	2023	2022
	\$	\$
Sale of goods	39,428,363	14,761,523

Note 2. Other income

	Consolidated	
	2023	2022
	\$	\$
Research and development tax rebate	-	1,055,657
Government grants	222,726	38,851
Net foreign exchange gain	-	392,791
Other	56,951	48,655
Other income	279,677	1,535,954

Note 3. Expenses

	Consolidated	
	2023	2022
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	20,398,220	7,352,827
<i>Depreciation</i>		
Depreciation and amortisation	747,061	607,239
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	177,746	104,930
Interest and finance charges paid/payable on lease liabilities	38,231	48,195
Finance costs expensed	215,977	153,125
<i>Research costs</i>		
Research costs	3,245,409	2,380,792
Other expense		
Premise expense	567,537	346,926
Handling and forwarding expense	627,711	297,500
Research and development expense	382,318	375,873
Foreign exchange loss	745,490	-
Other	738,285	215,398
Total other expense	3,061,341	1,235,697

Note 4. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>6,348,867</u>	<u>7,295,534</u>

Note 5. Issued capital

	2023	Consolidated	2023	2022
	Shares	2022	\$	\$
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,379,700,602</u>	<u>1,375,700,602</u>	<u>40,072,575</u>	<u>39,992,575</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	<u>1,375,700,602</u>		<u>39,992,575</u>
Balance	30 June 2022	1,375,700,602		39,992,575
Issuance of shares	9 June 2023	<u>4,000,000</u>	\$0.020	<u>80,000</u>
Balance	30 June 2023	<u>1,379,700,602</u>		<u>40,072,575</u>

Note 6. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
Profit after income tax attributable to the owners of Rectifier Technologies Ltd	<u>6,457,153</u>	<u>491,955</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	1,379,700,602	1,375,700,602
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>8,840,000</u>	<u>46,840,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,388,540,602</u>	<u>1,422,540,602</u>
	Cents	Cents
Basic earnings per share	0.47	0.04
Diluted earnings per share	0.47	0.03

Note 7. Reconciliation of profit after income tax to net cash used in operating activities

	Consolidated	
	2023	2022
	\$	\$
Profit after income tax expense for the year	6,457,153	491,955
Adjustments for:		
Depreciation and amortisation	747,061	607,239
Provision for stock obsolescence	51,184	148,622
Unrealised currency (gain)/loss	517,435	(86,192)
Net loss/(gain) on sale/acquisition of assets	31,946	(34,956)
Capitalised interest	-	87,200
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,344,213)	(1,441,878)
Increase in inventories	(12,621,972)	(3,861,912)
Decrease in income tax refund due	103,495	-
Increase/(decrease) in net deferred tax assets	(349,446)	35,949
Increase in trade and other payables	1,727,545	2,746,773
Increase in contract liabilities	1,110,031	-
Increase in provision for income tax	2,506,483	404,843
Increase in employee benefits	162,682	176,357
Net cash used in operating activities	<u>(900,616)</u>	<u>(726,000)</u>