

Rectifier Technologies Ltd

ABN 82 058 010 692

Annual Report - 30 June 2026

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For personal use

Directors

Dr. Mu Deng
Mr. (Zorn Wong) Zong Xu Wang
Mr. Trevor Fox
Mr. Jeffrey Chu

Company secretary

Ms. Xuekun Li

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

RSM Australia
Level 27
120 Collins Street
MELBOURNE, VIC 3000

Bankers

ANZ Banking Group Limited
10 Main Street BOX HILL, VIC 3128

Westpac Banking Corporation
39-41 Hamilton 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 and Review Operations

Total revenue from continuing operations decreased 41% to \$10,171,436 for the year ended 30 June 2026, down from \$17,154,848 in the prior year, primarily reflecting lower shipment volumes of the consolidated entity's EV charging products.

The consolidated entity recorded a loss after income tax of \$6,392,295, compared with a loss of \$783,792 in the prior year. The FY2026 result included a provision of approximately \$5.6 million for slow-moving and obsolete inventory.

In response to reduced trading activity, the consolidated entity implemented cost management initiatives and continued to review operating expenditure, with management focused on working capital, inventory control and prudent spending to support liquidity and operational flexibility.

The inventory provision had a significant effect on the FY2026 result. The consolidated entity continues to sell the affected slow-moving inventory to existing and new customers, with some new customers gradually increasing their purchase volumes over the current financial year. In mid-September 2026, an existing customer entered into a binding agreement with a fixed delivery schedule, which is expected to reduce inventory holdings, including a portion of the inventory covered by the provision.

As at 30 June 2026, the consolidated entity has open customer orders around \$13 million, the majority of which are expected to be delivered in the next 12 months. The amount excludes orders received after the reporting date.

The consolidated entity continued to develop its next-generation EV charging modules, focusing on higher power density, efficiency, reliability and competitive cost. RT22 G3 (Third Generation) prototypes passed internal qualification and validation testing. The module is lighter than its predecessor while retaining the same overall dimensions, reducing system weight without requiring changes to existing charger mechanical integration. Small-volume pilot production has begun at the Malaysian factory, with modules expected to be available for customer validation after October 2026.

RT21 prototypes were delivered to customers in May 2025. Module and system-level testing continues, alongside minor improvements ahead of the planned release of the final version by the end of December 2026.

The consolidated entity also evaluated improvements to existing products and potential new products in response to changing customer requirements and opportunities in new market segments.

Outlook

Growing investment in AI data centers and electricity grids infrastructure is creating opportunities for Rectifier Technologies to apply its power conversion expertise. The consolidated entity is exploring a new RT-X generation of products for EV charging, AI data centres and its established markets. Building on existing power conversion platforms and engineering expertise, the proposed range would incorporate advances in wide-bandgap semiconductor technology, high-frequency soft-switching topologies, advanced digital control, and thermal management and packaging techniques, to meet evolving customer requirements and industry standards, with development targeting smaller, lighter, more efficient products — subject to technical feasibility, customer demand and commercial viability.

In FY2027, the consolidated entity intends to prioritise the development of new products and upgrades to existing ranges, pursue opportunities in new markets, including power solutions for AI data centres, and increase the promotion of its products. It will continue to engage with customers to understand their evolving requirements and guide product development priorities. Alongside these efforts, the consolidated entity will focus on improving manufacturing processes and supply chain efficiency, while managing inventory effectively to support reliable delivery and prudent use of working capital.

The consolidated entity will continue its Group-wide Business Process Reengineering program and related ERP system improvements to improve data accuracy, operational visibility and liquidity management. Better information and more consistent processes are expected to support planning and decision-making across the business. It is also rebuilding its sales and engineering teams through targeted recruitment and employee development to strengthen its commercial and product development capabilities and support business expansion. Management believes these initiatives will improve the consolidated entity's ability to respond to customer needs and position it for sustainable growth.

Regards
On behalf of the Board



Dr. Mu Deng
Chairman

30 September 2026

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 2026.

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:

Dr. Mu Deng
Mr. (Zorn Wong) Zong Xu Wang
Mr. Trevor Fox
Mr. Jeffrey Chu
Mr. Philippe Compagnon (resigned on 1 December 2025)

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

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$6,392,295 (30 June 2025: \$783,792).

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

Business risks

Macroeconomic risks

The consolidated entity's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates and inflation. The consolidated entity stays abreast of these conditions, focuses on its internal debtor controls and diversifies its customer base by industry and geography to help manage these risks.

Recruitment and crowd sourcing

It is evident that the labour landscape has displayed a trend of increasing availability within sectors such as technology, sales, operations, and professional services. However, labour market tightness persists as a noteworthy consideration. While inflationary pressures have also shown signs of stabilising, the consequences stemming from these pressures throughout the past year have led to a notable salary escalation of up to 10% beyond the initially budgeted projections for positions demanding professional expertise or high-level skills. In line with our ongoing business technology transformation, demand for crowd recruitment has also experienced a reduction. Tools such as LinkedIn Recruiter, LinkedIn advertising, and internal referrals continue to outperform traditional labour advertising avenues, mostly eliminating the need to engage recruitment agency services.

Disruption to, or failure of, technology systems and software, including cybersecurity breaches

The risk of system disruption, either malicious or accidental is something that can never be completely mitigated against as technology and methods of potential disruption are constantly changing. We manage this risk in diverse ways, including utilising third parties to proactively review our environments and make recommendations for improvement, focusing on monitoring environments so we can spot any changes as they happen (before causing noticeable disruption) and by making sure we have backups and methods in place to reproduce environments from scratch in case the worst case scenario does happen.

Data protection and privacy laws

Data protection and privacy laws are being implemented and updated across many jurisdictions globally. This could be a risk if we are not aware of the changes or not able to comply and therefore we need to make sure we are actively monitoring changes. We look to minimise this risk by basing our data protection and privacy standards on the most robust jurisdictions in order to aid in global compliance.

Customer risk

During the reporting period, the Company's sales were highly concentrated, with three customers accounting for approximately 83% of total sales. This reliance on a limited customer base presents a risk to revenue stability. A reduction in demand or changes in business relationships with any of these key customers could significantly impact the Company's financial performance. To mitigate this risk, management is actively pursuing diversification of the customer base and expanding into new markets

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 10 August 2026, the WBC bank loan facility of \$2,333,312 matured.

As at 28 September 2026, the Directors and Management of the Consolidated Entity provided funding to the Consolidated Entity through loans totalling \$799,785.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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, Singaporean and Malaysian Commonwealth or State law.

Nonetheless, the consolidated entity recognises the increasing importance of climate-related risks and stakeholder expectations around sustainability. The consolidated entity continues to monitor evolving regulatory developments, including climate disclosure requirements, and remains committed to operating in an environmentally responsible manner. Where possible, the consolidated entity supports initiatives that promote energy efficiency, responsible procurement, and sustainable business practices.

Sustainability reporting

AASB S2 'Climate-related Disclosures' sets out specific climate related disclosures. It applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and is effective for different entities based on certain criteria. This mandatory sustainability reporting may be applicable for the consolidated entity for the first time for the year ending 30 June 2028.

Information on current directors

Name:	Dr. Mu Deng
Title:	Chairman (appointed on 7 June 2024) and Director – Non-Executive (appointed on 6 December 2023)
Qualifications:	PhD in Engineering
Experience and expertise:	Dr. Deng is an experienced risk management professional and has previously worked at Singapore Risk Management Institute and OCBC Bank group. In 2020, Dr Deng co-founded D&I Technology Pte Ltd which specialises in SoC/MCU design, FPGA solution for computing acceleration and ALM modelling as well as financial derivatives pricing.
Other current directorships:	D&I Technology Pte Ltd (Singapore)
Former directorships (last 3 years):	Ecosysnet Technology co Ltd (China), Soft Trend Limited (Hong Kong)
Special responsibilities:	None
Interests in shares:	None

Name: Mr. (Zorn Wong) Zong Xu Wang
 Title: Director – Executive (appointed on 6 December 2023) and Chief Executive Officer (appointed on 15 March 2024)
 Qualifications: Bachelor of Finance in Financial Management
 Experience and expertise: With nearly 10 years of management experience and professional skills in the new energy field, Zorn has extensive industry resources having worked at Smart New Energy Technology Co. Ltd and Longyuan Green Energy Co. Ltd. Zorn was the General Manager of Zorn Asset Management where he was responsible for the financing planning and execution of several large-scale new energy projects.
 Other current directorships: Zorn Asset Management Co.Ltd (Include sub-companies)
 Former directorships (last 3 years): Zorn Asset Management Co.Ltd (Include sub-companies)
 Special responsibilities: None
 Interests in shares: 32,200,000 ordinary shares

Name: Mr. Trevor Fox
 Title: Director – Non-Executive (appointed on 6 December 2023)
 Qualifications: Bachelor in Commerce and Bachelor of Accountancy (Hons)
 Experience and expertise: Trevor is an experienced executive with experience in strategic planning, finance, technology and governance and compliance. Trevor has previously worked with Sappi Limited, Coca-Cola, GM Holden and USG Boral. Trevor is a member of Chartered Accountants Australia and New Zealand and of the Australian Institute of Directors.
 Other current directorships: Bering Property Holdings Pty Ltd
 Former directorships (last 3 years): Gypsum Resources Australia Pty Ltd and Rondo Building Services Pty Ltd
 Special responsibilities: None
 Interests in shares: None

Name: Mr. Jeffrey Chu
 Title: Director – Non-Executive
 Qualifications: Bachelor of Science in Precision Instrumentation and a Master of Science in Industrial Engineering
 Experience and expertise: Jeffrey is an expert in diverse areas including supply chain management, engineering, and manufacturing. With over 10 years of experience at Emerson and Entegris Inc., he founded AETAS Corporation in 2004. AETAS Corporation specializes in assisting entrepreneurs and SMEs in developing reliable supply chains in Asia.
 Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in shares: None

'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 Xuekun Li was appointed as Company Secretary on 1 May 2024. Ms Li is a chartered company secretary and a qualified accountant with more than 20 years of experience in financial accounting and corporate governance. She started her professional career in a Big Four international accounting firm where she was involved in audits and corporate finance. Ms Li has worked for several Australian-listed companies on accounting and corporate governance matters. She is currently the company secretary of several public companies.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director was:

	Full Board Attended	Held
Dr. Mu Deng	1	1
Mr. (Zorn Wong) Zong Xu Wang	1	1
Mr. Trevor Fox	1	1
Mr Jeffrey Chu	1	1
Mr. Philippe Compagnon (resigned on 1 December 2025)	-	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 13 November 2003, where the shareholders approved a maximum annual aggregate remuneration of \$100,000.

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;
- long-term incentives; 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).

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') includes 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 2026.

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 2026, the consolidated entity, did not engage any remuneration consultants.

Voting and comments made at the Company's 30 June 2025 Annual General Meeting ('AGM')

At the 18 November 2025 AGM, 99.14% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. 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:

- Dr. Mu Deng - Chairman – Non-Executive (appointed as director on 6 December 2023 and appointed as Chairman on 7 June 2024)
- Mr. (Zorn Wong) Zong Xu Wang - Director – Executive and Chief Executive Officer (appointed on 6 December 2023)
- Mr. Trevor Fox - Director – Non-Executive (appointed on 6 December 2023)
- Mr. Jeffrey Chu (appointed on 18 July 2024)
- Mr. Philippe Compagnon - Director – Non-Executive (appointed on 6 December 2023 and resigned on 1 December 2025)
- Mr. Ying Ming Wang - Chairman – Non-Executive (retired as Chairman on 7 June 2024 and resigned as director on 18 July 2024)

And the following persons:

- Mr. David Xu - Chief Financial Officer – Rectifier Technologies Ltd (appointed on 7 December 2022)
- Mr. Seong Bow Lee - General Manager – Rectifier Technologies (M) Sdn Bhd

	Short-term benefits			Long-term benefits	Post-employment benefits	Termination benefits	
	Cash salary and fees	Cash bonus ⁽ⁱⁱ⁾	Non-monetary ^(iv)	Long service leave	Super-annuation	Retirement	Total
2026	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Dr. Mu Deng	30,092	-	-	-	-	-	30,092
Mr. Trevor Fox	20,000	-	-	-	-	-	20,000
Mr. Jeffrey Chu	20,000	-	-	-	-	-	20,000
Mr. Philippe Compagnon ⁽ⁱ⁾	8,333	-	-	-	-	-	8,333
<i>Executive Directors:</i>							
Mr. (Zorn Wong) Zong Xu Wang	453,933	-	73,253	-	-	-	527,186
<i>Other Key Management Personnel:</i>							
Mr. David Xu	391,808	35,308	-	6,334	24,445	-	457,895
Mr. Seong Bow Lee	150,356	788	-	-	6,370	-	157,514
	1,074,522	36,096	73,253	6,334	30,815	-	1,221,020

(i) Represents remuneration from 1 July 2025 to date of resignation of 1 December 2025.

(ii) The cash bonuses were approved on 27 November 2024. The cash bonus is payable at the discretion of the board, equal to an amount of 5% to 20% of the total salary, subject to achievement of target metrics.

	Short-term benefits			Post-employment benefits	Long-term benefits	Termination benefits	
	Cash salary and fees	Cash bonus ⁽ⁱⁱⁱ⁾	Non-monetary ^(iv)	Super-annuation	Long service leave	Retirement	Total
	\$	\$	\$	\$	\$	\$	\$
2025							
<i>Non-Executive Directors:</i>							
Dr. Mu Deng	30,000	-	-	-	-	-	30,000
Mr. Trevor Fox	20,000	-	-	-	-	-	20,000
Mr. Philippe Compagnon	20,000	-	-	-	-	-	20,000
Mr. Ying Ming Wang ⁽ⁱⁱ⁾	798	-	-	-	-	-	798
Mr. Jeffrey Chu ⁽ⁱ⁾	19,091	-	-	-	-	-	19,091
<i>Executive Directors:</i>							
Mr. (Zorn Wong) Zong Xu Wang	456,799	113,930	12,695	-	-	-	583,424
<i>Other Key Management Personnel:</i>							
Mr. David Xu	415,828	70,300	-	22,339	24,825	-	533,292
Mr. Seong Bow Lee	143,145	6,337	-	6,280	-	-	155,762
	<u>1,105,661</u>	<u>190,567</u>	<u>12,695</u>	<u>28,619</u>	<u>24,825</u>	<u>-</u>	<u>1,362,367</u>

(i) Represents remuneration from date of appointment of 18 July 2024 to 30 June 2025.

(ii) Represents remuneration from 1 July 2024 to date of resignation of 18 July 2024.

(iii) The cash bonuses were approved on 27 November 2024. The cash bonus is payable at the discretion of the board, equal to an amount of 5% to 20% of the total salary, subject to achievement of target metrics.

(iv) The non-monetary benefits include accommodation, health insurances and allowances.

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

Name	Fixed remuneration		Performance-based remuneration - STI		Performance-based remuneration - LTI	
	2026	2025	2026	2025	2026	2025
<i>Non-Executive Directors:</i>						
Dr. Mu Deng	100.00%	100.00%	-	-	-	-
Mr. Trevor Fox	100.00%	100.00%	-	-	-	-
Mr. Jeffrey Chu	100.00%	100.00%	-	-	-	-
Mr. Philippe Compagnon	100.00%	100.00%	-	-	-	-
Mr. Ying Ming Wang	100.00%	100.00%	-	-	-	-
<i>Executive Directors:</i>						
Mr. Zorn Wong	100.00%	80.47%	-	19.53%	-	-
<i>Other Key Management Personnel:</i>						
Mr. David Xu	92.29%	86.82%	7.71%	13.18%	-	-
Mr. Seong Bow Lee	99.50%	95.93%	0.50%	4.07%	-	-

Service agreements

The employment conditions of the CEO and specified executives are formalised in contracts of employment and all contracts require up to 2 months' 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 2026.

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 2026.

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 2026.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

	2026 \$	2025 \$	2024 \$	2023 \$	2022 \$
Revenue (Including discontinued operation)	10,171,436	17,154,848	24,801,111	39,808,597	16,303,329
Net Profit/(Loss)	(6,392,295)	(783,792)	747,479	6,457,153	491,955

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

	2026	2025	2024	2023	2022
Share price at financial year end (cents)	0.50	0.50	0.70	5.40	4.00
Changes in share price at financial year end (cents)	-	(0.20)	(4.70)	1.40	1.20

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					
Dr. Mu Deng	-	-	-	-	-
Mr. (Zorn Wong) Zong Xu Wang	32,200,000	-	-	-	32,200,000
Mr. Trevor Fox	-	-	-	-	-
Mr Jeffrey Chu (appointed on 18 July 2024)	-	-	-	-	-
Mr. Philippe Compagnon (resigned on 1 December 2025)	-	-	-	-	-
Mr. David Xu	4,000,000	-	-	-	4,000,000
Mr. Seong Bow Lee	2,138,146	-	-	-	2,138,146
	<u>38,338,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,338,146</u>

* Disposals/other represents a member no longer being designated as a key management personnel and does not represent a disposal of holding.

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	\$0.0200	480,000
November 2003	No expiry date	\$0.0200	5,280,000
			<u>5,760,000</u>

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 2026 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 \$54,950 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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Officers of the Company who are former partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

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 (Zorn Wong) Zong Xu Wang
Director

30 September 2026
Melbourne

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RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Rectifier Technologies Ltd and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Date: 30 September 2026
Melbourne, Victoria

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Rectifier Technologies Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026



	Note	Consolidated 2026 \$	2025 \$
Revenue	5	7,843,715	14,645,322
Other income	6	2,316,043	2,400,342
Interest revenue		11,678	109,184
Expenses			
Changes in inventories of finished goods and work in progress		(5,668,896)	640,971
Raw materials and consumables used		(2,602,446)	(7,748,884)
Professional and compliance expense		(1,508,805)	(1,873,183)
Employee benefits expense		(4,497,049)	(6,529,820)
Depreciation expense	7	(1,023,987)	(1,080,121)
Other expenses	7	(781,782)	(1,045,668)
Finance costs	7	(226,216)	(209,839)
Loss before income tax expense		(6,137,745)	(691,696)
Income tax expense	8	(254,550)	(92,096)
Loss after income tax expense for the year attributable to the owners of Rectifier Technologies Ltd		(6,392,295)	(783,792)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(122,783)	731,870
Other comprehensive income for the year, net of tax		(122,783)	731,870
Total comprehensive income for the year attributable to the owners of Rectifier Technologies Ltd		<u>(6,515,078)</u>	<u>(51,922)</u>
		Cents	Cents
Basic earnings per share	31	(0.46)	(0.06)
Diluted earnings per share	31	(0.46)	(0.06)

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 2026



	Note	Consolidated 2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,984,851	2,651,127
Trade and other receivables	10	1,302,551	2,583,965
Inventories	11	7,530,466	13,740,812
Current tax assets	8	154,118	695,470
Total current assets		10,971,986	19,671,374
Non-current assets			
Property, plant and equipment	12	4,271,080	5,112,931
Right-of-use assets	13	1,018,665	589,531
Intangibles	14	100,841	104,936
Deferred tax assets	8	1,751,722	1,529,936
Total non-current assets		7,142,308	7,337,334
Total assets		18,114,294	27,008,708
Liabilities			
Current liabilities			
Trade and other payables	15	2,361,043	5,058,798
Contract liabilities	16	316,854	83,731
Borrowings	17	150,974	167,494
Lease liabilities	18	286,026	359,944
Current tax liabilities	8	340,922	507,477
Employee benefits	19	807,959	902,790
Provisions	20	88,919	154,738
Total current liabilities		4,352,697	7,234,972
Non-current liabilities			
Borrowings	17	1,990,305	2,149,221
Lease liabilities	18	739,945	263,844
Deferred tax liabilities	8	300,500	107,280
Employee benefits	19	40,997	48,463
Total non-current liabilities		3,071,747	2,568,808
Total liabilities		7,424,444	9,803,780
Net assets		10,689,850	17,204,928
Equity			
Issued capital	21	40,134,175	40,134,175
Reserves	22	735,362	1,062,895
Accumulated losses		(30,179,687)	(23,992,142)
Total equity		10,689,850	17,204,928

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 2026



Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	40,134,175	559,175	(23,436,500)	17,256,850
Loss after income tax expense for the year	-	-	(783,792)	(783,792)
Other comprehensive income for the year, net of tax	-	731,870	-	731,870
Total comprehensive income for the year	-	731,870	(783,792)	(51,922)
<i>Transactions with owners in their capacity as owners:</i>				
Lapsed options transferred to accumulated losses	-	(228,150)	228,150	-
Balance at 30 June 2025	<u>40,134,175</u>	<u>1,062,895</u>	<u>(23,992,142)</u>	<u>17,204,928</u>

Consolidated

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	40,134,175	1,062,895	(23,992,142)	17,204,928
Loss after income tax expense for the year	-	-	(6,392,295)	(6,392,295)
Other comprehensive income for the year, net of tax	-	(122,783)	-	(122,783)
Total comprehensive income for the year	-	(122,783)	(6,392,295)	(6,515,078)
<i>Transactions with owners in their capacity as owners:</i>				
Lapsed options transferred to accumulated losses	-	(204,750)	204,750	-
Balance at 30 June 2026	<u>40,134,175</u>	<u>735,362</u>	<u>(30,179,687)</u>	<u>10,689,850</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 2026



	Note	Consolidated 2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		8,759,157	15,855,761
Payments to suppliers and employees		(9,237,164)	(18,440,164)
Interest received		11,678	109,184
Finance costs		(226,216)	(209,839)
Income taxes refunded/(paid)		457,111	(1,696,489)
Net cash used in operating activities	32	(235,434)	(4,381,547)
Cash flows from investing activities			
Payments for property, plant and equipment		(21,887)	(20,414)
Net cash used in investing activities		(21,887)	(20,414)
Cash flows from financing activities			
Repayment of borrowings		(152,222)	(154,665)
Repayment of lease liabilities		(352,202)	(274,921)
Net cash used in financing activities		(504,424)	(429,586)
Net decrease in cash and cash equivalents		(761,745)	(4,831,547)
Cash and cash equivalents at the beginning of the financial year		2,651,127	7,343,079
Effects of exchange rate changes on cash and cash equivalents		95,469	139,595
Cash and cash equivalents at the end of the financial year	9	<u>1,984,851</u>	<u>2,651,127</u>

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 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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 consolidated entity 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.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$6,392,295 and had net cash outflows from operating activities of \$235,434 for the year ended 30 June 2026. These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- As at 30 June 2026 the consolidated entity had net current assets of \$6,619,289 including \$1,984,851 of cash and cash equivalents;
- As at 30 June 2026, the consolidated entity has open customer orders around \$13 million, the majority of which are expected to be delivered in the next 12 months. The amount excludes orders received after the reporting date.
- As at 30 June 2026, the consolidated entity has access to undrawn Westpac facilities totalling \$1,063,859. These facilities will expire on 1 September 2027;
- As disclosed in note 36 'Events after the reporting period', Directors and Management have provided the consolidated entity with loans totalling \$799,785. At this point in the time the terms of these loans have not been agreed and these should be treated as current liabilities; and
- The consolidated entity has prepared cash flow forecasts covering a period of at least 12 months from the date of this report, which support the Group's ability to pay its debt when they fall due.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Note 2. Material accounting policy information (continued)

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 Accounting 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 35.

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 2026 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'.

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

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.

Note 2. Material accounting policy information (continued)

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.

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 and after sales services

Revenue from the sale of power rectifiers is recognised at the point in time when the consolidated entity satisfies performance obligations by transferring the promised products, which is generally at the time of delivery and the revenue from related after-sales services is recognised over time as customer receives and consumes the benefits of the after-sales service provided. Where contract includes both the sale of the power rectifiers and after-sales service, the transaction price is allocated to the separate performance obligations based on stand alone selling price.

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.

Sale of extended warranties

Revenue from the sale of extended warranties is recognised over the coverage period, aligning with the timing of performance obligations.

Other income

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

The refundable research and development tax credit for eligible entities with turnover of less than \$20 million ATO threshold per annum is recognised as other income pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance'. The non-refundable research and development tax offset for eligible entities with turnover of more than \$20 million ATO threshold per annum is recognised as an income tax benefit/offset from income tax expense pursuant to AASB 112 'Income Taxes'.

Note 2. Material accounting policy information (continued)

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.

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.

Note 2. Material accounting policy information (continued)

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 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.

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. Costs of purchased inventory are determined after deducting 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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

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.

Note 2. Material accounting policy information (continued)

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.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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.

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.

Note 2. Material accounting policy information (continued)

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.

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.

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 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements'. The implementation of this standard will introduce new categories in the statement of profit or loss and will require additional disclosures about management-defined performance measures ('MPMs'). The full impact of this standard is still being considered and will first apply to the consolidated entity for the financial year ending 30 June 2028.

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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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. Management has modelled various scenarios regarding the timing of sales and assigned probabilities to estimate the likelihood of each scenario to help determine the required stock provision. Typically, management considers a best-case scenario where all stock is sold within the next 12 months, a reasonable case where stock is sold within 12 to 24 months, and a worst-case scenario where no stock is sold.

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 of eligible research and development expenditure incurred in relation to the identified research and development activities associated with the R&D application as at the reporting date.

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.

Recovery of deferred tax assets

The recoverability of deferred tax assets is assessed based on management's estimates of future taxable profits against which deductible temporary differences and unused tax losses can be utilised.

Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

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	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')	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')	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')	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.

Note 4. Operating segments (continued)

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). This measure excludes non-operating expenditures such as restructuring costs, impairments and share-based payments as well as interest revenue 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.

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 2026, revenue of \$4,419,766 was derived from two Australian customers which was allocated to the Industrial Power Supplies (E&D) segment (2025: \$1,487,831). Revenue of \$625,101 was derived from one customer from Portugal which was allocated to the Industrial Power Supplies (E&D) segment (2025: \$10,065,311 was derived from two customers from Portugal which was allocated to the Industrial Power Supplies (EV) and Industrial Power Supplies (E&D) segments). Revenue of \$336,663 was derived from one customer from Germany which was allocated to the Industrial Power Supplies (T&T) segment (2025: \$nil) and \$2,049,785 was derived from one Singapore customer which was allocated to the Industrial Power Supplies (E&D) segment (2025: \$2,107,137).

Operating segment information

	Electronic components \$	Industrial power supplies (E&D) \$	Industrial power supplies (T&T) \$	Industrial power supplies (EV) \$	Eliminations/ Corporate \$	Total \$
Consolidated - 2026						
Revenue						
Sales to external customers	346,361	9,431,993	667,997	(143,087)	-	10,303,264
Intersegment sales	1,412	8,636,606	330,211	(385,159)	(8,714,898)	(131,828)
Total revenue	<u>347,773</u>	<u>18,068,599</u>	<u>998,208</u>	<u>(528,246)</u>	<u>(8,714,898)</u>	<u>10,171,436</u>
EBITDA	(87,603)	(2,385,573)	(168,952)	36,190	(2,281,604)	(4,887,542)
Depreciation and amortisation	(287,669)	(437,833)	(132,188)	7,107	(173,404)	(1,023,987)
Finance costs	(62,142)	(47,823)	(25,897)	834	(91,188)	(226,216)
(Loss)/profit before income tax expense	<u>(437,414)</u>	<u>(2,871,229)</u>	<u>(327,037)</u>	<u>44,131</u>	<u>(2,546,196)</u>	<u>(6,137,745)</u>
Income tax expense						(254,550)
Loss after income tax expense						<u>(6,392,295)</u>
Assets						
Segment assets	1,567,098	42,674,761	3,022,334	(647,393)	(28,502,506)	18,114,294
Total assets						<u>18,114,294</u>
Liabilities						
Segment liabilities	1,162,673	31,661,584	2,242,353	(480,319)	(27,161,847)	7,424,444
Total liabilities						<u>7,424,444</u>

Note 4. Operating segments (continued)

	Electronic components \$	Industrial power supplies (E&D) \$	Industrial power supplies (T&T) \$	Industrial power supplies (EV) \$	Eliminations/ Corporate \$	Total \$
Consolidated - 2025						
Revenue						
Sales to external customers	1,630,664	5,056,988	31,617	9,463,220	-	16,182,489
Intersegment sales	23,656	3,214,787	15,634	9,123,481	(11,405,198)	972,360
Total revenue	<u>1,654,320</u>	<u>8,271,775</u>	<u>47,251</u>	<u>18,586,701</u>	<u>(11,405,198)</u>	<u>17,154,849</u>
EBITDA	134,438	416,917	2,607	780,184	(735,882)	598,264
Depreciation and amortisation	(635,472)	(338,208)	(853)	(99,675)	(5,913)	(1,080,121)
Finance costs	(97,370)	(29,040)	(63)	(10,828)	(72,538)	(209,839)
(Loss)/profit before income tax expense	<u>(598,404)</u>	<u>49,669</u>	<u>1,691</u>	<u>669,681</u>	<u>(814,333)</u>	<u>(691,696)</u>
Income tax expense						(92,096)
Loss after income tax expense						<u>(783,792)</u>
Assets						
Segment assets	5,213,189	16,167,055	101,080	30,253,658	(24,726,274)	27,008,708
Total assets						<u>27,008,708</u>
Liabilities						
Segment liabilities	3,461,523	10,734,816	67,117	20,088,226	(24,547,902)	9,803,780
Total liabilities						<u>9,803,780</u>

Geographical information

	Sales to external customers		Geographical non-current assets	
	2026	2025	2026	2025
	\$	\$	\$	\$
Australia	4,711,647	1,849,912	387,820	745,981
Asia	2,213,801	2,222,846	3,875,618	4,946,798
North America	149,024	301,732	-	-
South America	15,195	22,925	-	-
Europe	741,881	10,244,706	-	-
Oceania	12,167	3,201	-	-
	<u>7,843,715</u>	<u>14,645,322</u>	<u>4,263,438</u>	<u>5,692,779</u>

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	
	2026	2025
	\$	\$
Sale of goods	7,742,194	14,092,957
After sales services	18,318	3,424
Sale of extended warranties	83,203	548,941
	<u>7,843,715</u>	<u>14,645,322</u>
Revenue	<u>7,843,715</u>	<u>14,645,322</u>

Disaggregation of revenue

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

	Consolidated	
	2026	2025
	\$	\$
<i>Geographical regions</i>		
Australia	4,711,647	1,849,912
Asia	2,213,801	2,222,846
North America	149,024	301,732
South America	15,195	22,925
Europe	741,881	10,244,706
Oceania	12,167	3,201
	<u>7,843,715</u>	<u>14,645,322</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	7,742,194	14,092,957
Services transferred over time	101,521	552,365
	<u>7,843,715</u>	<u>14,645,322</u>

Note 6. Other income

	Consolidated	
	2026	2025
	\$	\$
Government grants	45,647	4,681
Net foreign exchange gain	39,150	1,536,603
Customer deposit written off	1,955,608	-
Other	275,638	859,058
	<u>2,316,043</u>	<u>2,400,342</u>
Other income	<u>2,316,043</u>	<u>2,400,342</u>

Note 7. Expenses

	Consolidated	
	2026	2025
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Building	9,743	9,446
Leasehold improvement	133,601	132,661
Plant and equipment	543,458	669,341
Building right-of-use assets	315,766	247,789
Motor vehicle right-of-use assets	17,325	16,790
Total depreciation	<u>1,019,893</u>	<u>1,076,027</u>
<i>Amortisation</i>		
Software	4,094	4,094
Total depreciation and amortisation	<u>1,023,987</u>	<u>1,080,121</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	201,360	176,840
Interest and finance charges paid/payable on lease liabilities	24,856	32,999
Finance costs expensed	<u>226,216</u>	<u>209,839</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	471,655	658,879
<i>Other expenses</i>		
Premise expense	384,621	550,483
Handling and forwarding expense	2,988	2,352
Research and development expense	70,633	134,324
Other	323,540	358,509
	<u>781,782</u>	<u>1,045,668</u>

Note 8. Income tax

	Consolidated	
	2026	2025
	\$	\$
<i>Income tax expense/(benefit)</i>		
Current tax	286,941	858,041
Deferred tax - origination and reversal of temporary differences	(32,391)	(765,945)
Aggregate income tax expense	<u>254,550</u>	<u>92,096</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(6,137,745)	(691,696)
Tax at the statutory tax rate of 25%	(1,534,436)	(172,924)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development expenditures	188,105	482,198
Other non-allowable items	2,262,434	1,130,696
Other assessable items	422	1,719
Other non-assessable items	(259,895)	(726,259)
Other allowable items	(108,922)	(128,489)
Research and development tax offset*	(67,453)	(209,757)
Difference in overseas tax rates	(225,705)	(285,088)
Income tax expense	<u>254,550</u>	<u>92,096</u>

* During the 30 June 2026 financial year, the consolidated entity has not exceeded the \$20 million ATO threshold to claim the refundable research and development tax credit, the refundable research and development tax credits is recognised as other income.

	Consolidated	
	2026	2025
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	18,452,075	18,409,592
Potential tax benefit at statutory tax rates	4,613,019	4,602,398

The above potential tax benefit for tax losses has not been recognised in the statement of financial position as tax losses are related to prior years' capital losses and can only be offset against future capital gains. 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	Consolidated
	2026	2025
	\$	\$
<i>Net deferred tax assets</i>		
Net deferred tax assets comprises temporary differences attributable to:		
Employee benefits	208,794	235,017
Accrued expenses	250	1,250
Inventories	1,590,081	198,124
Unrealised foreign exchange losses	121,309	7,229
Property, plant and equipment	(116,536)	(133,088)
Tax losses	651,529	607,868
Other	(1,004,205)	506,256
Deferred tax asset	<u>1,451,222</u>	<u>1,422,656</u>
Movements:		
Opening balance	1,422,656	656,711
Credited to profit or loss	32,391	765,945
Foreign currency translation differences	(3,825)	-
Closing balance	<u>1,451,222</u>	<u>1,422,656</u>
	Consolidated	Consolidated
	2026	2025
	\$	\$
<i>Current tax assets</i>		
Current tax assets	<u>154,118</u>	<u>695,470</u>
	Consolidated	Consolidated
	2026	2025
	\$	\$
<i>Current tax liabilities</i>		
Current tax liabilities	<u>340,922</u>	<u>507,477</u>

Note 9. Cash and cash equivalents

	Consolidated	Consolidated
	2026	2025
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>1,984,851</u>	<u>2,651,127</u>

Note 10. Trade and other receivables

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Trade receivables	582,082	1,307,357
Research and development tax incentives	327,302	839,024
Prepayments	393,167	437,584
	<u>720,469</u>	<u>1,276,608</u>
	<u>1,302,551</u>	<u>2,583,965</u>

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2025: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

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

	Carrying amount	
	2026	2025
	\$	\$
Consolidated		
Not overdue	407,495	423,023
0 to 3 months overdue	1,420	915,856
Over 3 months overdue	173,167	(31,522)
	<u>582,082</u>	<u>1,307,357</u>

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	
	2026	2025
	\$	\$
<i>Current assets</i>		
Raw materials	7,921,198	8,462,649
Work in progress	477,134	529,541
Finished goods	(867,866)	4,748,622
	<u>7,530,466</u>	<u>13,740,812</u>

Inventories are recognised net of a provision for obsolescence of \$6,392,925 (2025: \$838,544) as at 30 June 2026.

Note 12. Property, plant and equipment

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Land - at cost	2,396,573	2,427,396
Buildings - at cost	482,478	488,684
Less: Accumulated depreciation	(78,110)	(69,340)
	<u>404,368</u>	<u>419,344</u>
Leasehold improvements - at cost	1,311,138	1,367,893
Less: Accumulated depreciation	(900,107)	(780,387)
	<u>411,031</u>	<u>587,506</u>
Plant and equipment - at cost	4,307,683	4,423,590
Less: Accumulated depreciation	(3,248,575)	(2,744,905)
	<u>1,059,108</u>	<u>1,678,685</u>
Motor vehicles - at cost	82,106	83,162
Less: Accumulated depreciation	(82,106)	(83,162)
	<u>-</u>	<u>-</u>
	<u><u>4,271,080</u></u>	<u><u>5,112,931</u></u>

Reconciliations

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

	Land	Buildings	Leasehold	Plant and	Total
	\$	\$	improvements	equipment	\$
	\$	\$	\$	\$	\$
Consolidated					
Balance at 1 July 2024	2,142,523	378,757	638,809	1,848,415	5,008,504
Additions	-	-	5,401	15,013	20,414
Disposals	-	-	-	(4,891)	(4,891)
Exchange differences	284,873	50,033	75,957	181,532	592,395
Reclassifications	-	-	-	307,957	307,957
Depreciation expense	-	(9,446)	(132,661)	(669,341)	(811,448)
	<u>2,427,396</u>	<u>419,344</u>	<u>587,506</u>	<u>1,678,685</u>	<u>5,112,931</u>
Balance at 30 June 2025	2,427,396	419,344	587,506	1,678,685	5,112,931
Additions	-	-	-	21,887	21,887
Disposals	-	-	(39,136)	(168,269)	(207,405)
Exchange differences	(30,823)	(5,233)	(3,738)	(10,354)	(50,148)
Reclassifications	-	-	-	80,617	80,617
Depreciation expense	-	(9,743)	(133,601)	(543,458)	(686,802)
	<u>2,396,573</u>	<u>404,368</u>	<u>411,031</u>	<u>1,059,108</u>	<u>4,271,080</u>
Balance at 30 June 2026	<u><u>2,396,573</u></u>	<u><u>404,368</u></u>	<u><u>411,031</u></u>	<u><u>1,059,108</u></u>	<u><u>4,271,080</u></u>

Note 13. Right-of-use assets

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	979,973	532,961
Motor vehicles - right-of-use	38,692	56,570
	<u>1,018,665</u>	<u>589,531</u>

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	Motor vehicle	Total
	\$	\$	\$
Balance at 1 July 2024	352,633	65,272	417,905
Additions	408,779	-	408,779
Exchange differences	19,338	8,088	27,426
Depreciation expense	(247,789)	(16,790)	(264,579)
Balance at 30 June 2025	532,961	56,570	589,531
Additions	781,193	-	781,193
Exchange differences	(18,415)	(553)	(18,968)
Depreciation expense	(315,766)	(17,325)	(333,091)
Balance at 30 June 2026	<u>979,973</u>	<u>38,692</u>	<u>1,018,665</u>

For other lease disclosures refer to:

- note 7 for interest on lease liabilities
- note 18 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Development - at cost	94,859	94,859
Software - at cost	20,447	20,449
Less: Accumulated amortisation	(14,465)	(10,372)
	<u>5,982</u>	<u>10,077</u>
	<u>100,841</u>	<u>104,936</u>

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 \$	Software \$	Total \$
Balance at 1 July 2024	94,859	14,171	109,030
Amortisation expense	-	(4,094)	(4,094)
Balance at 30 June 2025	94,859	10,077	104,936
Exchange differences	-	(1)	(1)
Amortisation expense	-	(4,094)	(4,094)
Balance at 30 June 2026	<u>94,859</u>	<u>5,982</u>	<u>100,841</u>

Note 15. Trade and other payables

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Trade payables	133,567	298,012
Sundry creditors and accrued expenses	613,616	544,312
Customer deposits	1,613,860	4,216,474
	<u>2,361,043</u>	<u>5,058,798</u>

Refer to note 24 for further information on financial instruments.

Note 16. Contract liabilities

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Contract liabilities	<u>316,854</u>	<u>83,731</u>

Reconciliation

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

Opening balance	83,731	636,164
Payments received in advance	316,854	-
Transfer to revenue	(83,731)	(548,941)
Exchange differences	-	(3,492)
Closing balance	<u>316,854</u>	<u>83,731</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied in relation to undelivered products at the end of the reporting period was \$316,854 as at 30 June 2026 (\$83,731 as at 30 June 2025) and is expected to be recognised as revenue in future periods as follows:

Note 16. Contract liabilities (continued)

	Consolidated 2026 \$	2025 \$
Within 12 months	316,854	83,731

Note 17. Borrowings

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Bank loans	150,974	167,494
<i>Non-current liabilities</i>		
Bank loans	1,990,305	2,149,221
	<u>2,141,279</u>	<u>2,316,715</u>

Refer to note 24 for further information on financial instruments.

The bank loans consist of the following:

- (i) A loan of MYR 5,460,000 (AUD 1,629,851) from Public Bank Berhad. 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 3,650,644 (AUD 1,305,807) as at 30 June 2026 (2025: MYR 3,899,024 (AUD 1,412,588)).
- (ii) A loan of MYR 2,730,000 (AUD 929,393) from Public Bank Berhad. 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 2,091,307 (AUD 748,044) as at 30 June 2026 (2025: MYR 2,201,393 (AUD 797,548)).
- (iii) A loan of MYR 498,800 (AUD 159,780) from Public Bank Berhad. 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 244,422 (AUD 87,428) as at 30 June 2026 (2025: MYR 294,179 (AUD 106,579)).

Note 17. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2026	2025
	\$	\$
Total facilities		
Bank loans	3,397,171	5,269,802
Used at the reporting date		
Bank loans	-	-
Unused at the reporting date		
Bank loans	3,397,171	5,269,802

Note 18. Lease liabilities

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Lease liability	286,026	359,944
<i>Non-current liabilities</i>		
Lease liability	739,945	263,844
	<u>1,025,971</u>	<u>623,788</u>

Future minimum lease payments at 30 June were as follows:

	Less than 1 year \$	1 – 5 years \$	> 5 years \$	Total \$
2026				
Lease Payments	346,097	799,854	47,578	1,193,529
Finance Charges	(60,071)	(106,948)	(539)	(167,558)
	<u>286,026</u>	<u>692,906</u>	<u>47,039</u>	<u>1,025,971</u>
2025				
Lease Payments	388,873	275,843	-	664,716
Finance Charges	(28,929)	(11,999)	-	(40,928)
	<u>359,944</u>	<u>263,844</u>	<u>-</u>	<u>623,788</u>

Note 19. Employee benefits

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Annual leave	598,568	640,816
Long service leave	209,391	261,974
	<u>807,959</u>	<u>902,790</u>
<i>Non-current liabilities</i>		
Long service leave	40,997	48,463
	<u>848,956</u>	<u>951,253</u>

Note 20. Provisions

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Warranties	88,919	154,738

Warranties

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Warranties
	\$
Consolidated - 2026	
Carrying amount at the start of the year	154,738
Additional provisions recognised	26,691
Amounts used	(94,089)
Exchange differences	1,579
Carrying amount at the end of the year	<u>88,919</u>

Note 21. Issued capital

	2026	2025	Consolidated 2026	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,382,780,602</u>	<u>1,382,780,602</u>	<u>40,134,175</u>	<u>40,134,175</u>

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.

Note 21. Issued capital (continued)

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.

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

Note 22. Reserves

	Consolidated	
	2026	2025
	\$	\$
Foreign currency reserve	735,362	858,145
Share-based payments reserve	-	204,750
	<u>735,362</u>	<u>1,062,895</u>

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 2024	126,275	432,900	559,175
Foreign currency translation	731,870	-	731,870
Lapsed options transferred to accumulated losses	-	(228,150)	(228,150)
Balance at 30 June 2025	858,145	204,750	1,062,895
Foreign currency translation	(122,783)	-	(122,783)
Lapsed options transferred to accumulated losses	-	(204,750)	(204,750)
Balance at 30 June 2026	<u>735,362</u>	<u>-</u>	<u>735,362</u>

Note 23. Dividends

Dividends

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

Note 23. Dividends (continued)

Franking credits

	Consolidated	
	2026	2025
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 25% (2025: 25%)	<u>853,653</u>	<u>1,635,186</u>

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 24. 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.

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

	Assets		Liabilities	
	2026	2025	2026	2025
Consolidated	\$	\$	\$	\$
US dollars	<u>271,837</u>	<u>736,412</u>	<u>40,418</u>	<u>102,075</u>
	AUD strengthened		AUD weakened	
	Effect on		Effect on	
	profit before		profit before	
	% change		% change	
Consolidated - 2026				
Assets	10%	35,977	(10%)	(43,972)
Liabilities	10%	<u>5,349</u>	(10%)	<u>(6,538)</u>
		<u>41,326</u>		<u>(50,510)</u>

Note 24. Financial instruments (continued)

Consolidated - 2025	AUD strengthened		AUD weakened	
	% change	Effect on profit before tax	% change	Effect on profit before tax
Assets	10%	102,208	(10%)	(124,921)
Liabilities	10%	14,167	(10%)	(17,316)
		<u>116,375</u>		<u>(142,237)</u>

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 and borrowings, 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% (2025: 92%) of its sales are made to 5 (2025: 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.

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

	Consolidated	
	2026 \$	2025 \$
Australia	193,521	332,329
Asia	206,137	65,126
Europe	177,501	885,341
USA	4,923	24,605
	<u>582,082</u>	<u>1,307,401</u>

Note 24. Financial instruments (continued)

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

	Australia \$	Asia \$	Europe \$	USA \$	Total \$
2026					
Not past due	193,147	206,137	-	8,211	407,495
Past due 30 days	328	-	-	1,092	1,420
Past due 60 days	46	-	177,501	(4,380)	173,167
Total	193,521	206,137	177,501	4,923	582,082
2025					
Not past due	332,285	65,126	-	25,656	423,067
Past due 30 days	-	-	915,856	-	915,856
Past due 60 days	44	-	(30,515)	(1,051)	(31,522)
Total	332,329	65,126	885,341	24,605	1,307,401

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.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated 2026 \$	2025 \$
Bank loans	3,397,171	5,269,802

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

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. The weighted average interest rate for the bank loan are 4.27% (variable rate), 4.47% (fixed rate) and 4.95% for lease.

	6 months or less \$	Between 6 and 12 months \$	Between 1 and 3 years \$	Over 3 years \$	Remaining contractual maturities \$
Consolidated - 2026					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	133,567	-	-	-	133,567
Other payables	613,616	-	-	-	613,616
<i>Interest-bearing - variable</i>					
Bank loans	119,283	119,283	477,133	2,015,001	2,730,700
Lease liability	179,169	166,874	424,243	423,188	1,193,474
Total non-derivatives	1,045,635	286,157	901,376	2,438,189	4,671,357

Note 24. Financial instruments (continued)

	6 months or less \$	Between 6 and 12 months \$	Between 1 and 3 years \$	Over 3 years \$	Remaining contractual maturities \$
Consolidated - 2025					
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	298,012	-	-	-	298,012
Other payables	544,312	-	-	-	544,312
<i>Interest-bearing - variable</i>					
Bank loans	133,877	133,877	535,509	2,153,489	2,956,752
Lease liability	202,407	186,466	271,331	4,512	664,716
Total non-derivatives	1,178,608	320,343	806,840	2,158,001	4,463,792

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 are a reasonable approximation their fair value.

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company, its network firms and unrelated firms:

	Consolidated 2026 \$	2025 \$
Audit services - RSM Australia	55,000	50,000
Half-year review - RSM Australia (2025: Grant Thornton)	25,000	30,000
Audit services - RSM Australia network firms	41,967	39,882
Audit services - Grant Thornton network firms	15,250	17,397
Other services - RSM Australia network firms	7,627	22,589
Audit or review of financial statements	144,844	159,868

Note 26. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Note 27. Commitments

	Consolidated 2026 \$	2025 \$
<i>Purchase commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Inventories	2,138,020	2,854,867

Note 28. 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	
	2026	2025
	\$	\$
Short-term employee benefits	1,183,871	1,308,923
Post-employment benefits	30,815	28,619
Long-term benefits	6,334	24,825
	<u>1,221,020</u>	<u>1,362,367</u>

Note 29. Related party transactions

Parent entity

Rectifier Technologies Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 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 are no other related party transactions outside of the consolidated entity and KMP remuneration were made.

Note 30. 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	
		2026	2025
		%	%
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 31. Earnings per share

	Consolidated	
	2026	2025
	\$	\$
Loss after income tax attributable to the owners of Rectifier Technologies Ltd	<u>(6,392,295)</u>	<u>(783,792)</u>

Note 31. Earnings per share (continued)

	Number	Number
The weighted average number of ordinary shares used in calculating basic earnings per share	1,382,780,602	1,382,780,602
The weighted average number of ordinary shares used in calculating diluted earnings per share	1,382,780,602	1,382,780,602
	Cents	Cents
Basic earnings per share	(0.46)	(0.06)
Diluted earnings per share	(0.46)	(0.06)

Options of 5,760,000 as of 30 June 2026 (30 June 2025: 23,260,000) have been excluded in the weighted average number of shares used to calculate diluted earnings per share as they were anti-dilutive.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2026 \$	2025 \$
Loss after income tax expense for the year	(6,392,295)	(783,792)
Adjustments for:		
Depreciation and amortisation	1,023,987	1,080,121
Provision for stock obsolescence	5,564,863	226,622
Unrealised currency gain	14,487	(1,514,498)
Net loss/(gain) on sale/acquisition of assets	36,627	(6,637)
Gain on write-off of payables	(1,955,608)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,281,414	721,897
Decrease in inventories	645,483	1,963,417
Decrease in income tax refund due	541,352	10,810
Increase in net deferred tax assets	(28,566)	(765,945)
Decrease in trade and other payables	(1,231,060)	(3,946,662)
Increase/(decrease) in contract liabilities	233,123	(552,433)
Increase/(decrease) in provision for income tax	198,875	(844,215)
(Decrease)/increase in employee benefits	(102,297)	54,919
Decrease in other provisions	(65,819)	(25,151)
Net cash used in operating activities	(235,434)	(4,381,547)

Note 33. Changes in liabilities arising from financing activities

Consolidated	Bank loans \$	Lease liabilities \$	Total \$
Balance at 1 July 2024	2,181,792	462,597	2,644,389
Net cash from/(used in) financing activities	30,823	(280,587)	(249,764)
Finance costs	104,100	32,999	137,099
Acquisition of leases	-	408,779	408,779
Balance at 30 June 2025	2,316,715	623,788	2,940,503
Net cash used in financing activities	(270,618)	(23,457)	(294,075)
Finance costs	95,182	24,856	120,038
Acquisition of plant and equipment by means of leases	-	400,784	400,784
Balance at 30 June 2026	<u>2,141,279</u>	<u>1,025,971</u>	<u>3,167,250</u>

Note 34. 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 15 August 2023, the Company granted 37,000,000 share options of its common stock to employees under its Employee Share Option Plan (ESOP) at an exercise price of \$0.06. 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 15 August 2025. The weighted average fair value of options granted has been calculated as \$0.0117 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 \$nil (2024: \$432,900) for the year ended 30 June 2026.

2026			Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date							
01/06/2003	*	\$0.020	480,000	-	-	-	480,000
01/11/2003	*	\$0.020	5,280,000	-	-	-	5,280,000
15/08/2023	**	\$0.060	17,500,000	-	-	(17,500,000)	-

* there is no expiry date for the exercise of the options.

** expiry date is on 15 August 2025.

2025			Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date							
01/06/2003	*	\$0.020	480,000	-	-	-	480,000
01/11/2003	*	\$0.020	5,280,000	-	-	-	5,280,000
15/08/2023	**	\$0.060	37,000,000	-	-	(19,500,000)	17,500,000

* there is no expiry date for the exercise of the options.

** expiry date is on 15 August 2025.

The weighted average fair value of options during the financial year was \$0.020 (2025: \$0.050).

The weighted average remaining contractual life of options outstanding at the end of the financial year was nil years (2025: 0.13 years).

Note 35. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026	2025
	\$	\$
Loss after income tax	(1,172,893)	(855,480)
Total comprehensive income	(1,172,893)	(855,480)

Statement of financial position

	Parent	
	2026	2025
	\$	\$
Total current assets	1,691,155	1,737,916
Total assets	22,987,057	23,704,728
Total current liabilities	1,368,222	941,448
Total liabilities	22,981,070	22,525,848
Equity		
Issued capital	40,134,175	40,134,175
Foreign currency reserve	46,445	46,445
Share-based payments reserve	-	204,750
Accumulated losses	(40,174,633)	(39,206,490)
Total equity	5,987	1,178,880

a. Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

On 22 August 2022, the parent company provided a guarantee for WBC loan of \$2,000,000 to Rectifier Technologies Pacific Pty Ltd. The available balance is \$431,961 as at 30 June 2026.

The parent entity did not provide guarantees as at 30 June 2026 and 30 June 2025.

b. Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

c. Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

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 36. Events after the reporting period

On 10 August 2026, the WBC bank loan facility of \$2,333,312 matured.

As at 28 September 2026, the Directors and Management of the Consolidated Entity provided funding to the Consolidated Entity through loans totalling \$799,785.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Entity Name	Entity type	Trustee, partner, or participant in joint venture	% of share capital held	Country of incorporation	Australian resident or foreign resident (for tax purpose)	Foreign tax jurisdiction(s) of foreign residents
Rectifier Technologies Ltd	Body Corporate	n/a	n/a	Australia	Australian	n/a
Rectifier Technologies Pacific Pty Ltd	Body Corporate	n/a	100	Australia	Australian	n/a
Rectifier Technologies Singapore Pte Ltd	Body Corporate	n/a	100	Singapore	Foreign	Singapore
ICERT Inc	Body Corporate	n/a	100	United States of America	Foreign	United States of America
Rectifier Technologies (M) Sdn Bhd	Body Corporate	n/a	100	Malaysia	Foreign	Malaysia
ICERT (HK) Co. Ltd	Body Corporate	n/a	100	Hong Kong	Foreign	Hong Kong

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 Accounting 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 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

A stylized, handwritten signature in black ink, appearing to read "Zorn".

Mr (Zorn Wong) Zong Xu Wang
Director

30 September 2026
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 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (ii) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

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Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss after tax of \$6,392,295 and had net cash outflows from operating activities of \$235,434 for the year ended 30 June 2026. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 5 in the financial statements	
The Group's revenue in the financial statements for the year ended 30 June 2026 was \$7,843,715, which was mainly derived from sales of power rectifiers. Revenue is considered a Key Audit Matter due to the materiality and significance to the Group's reported financial performance and judgement applied to determine the appropriate recognition of revenue.	Our audit procedures in relation to the recognition of revenue included: - Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 <i>Revenue with Contracts with Customers</i>; - Evaluating the operating effectiveness, of management's controls related to revenue recognition; - Performing tests of detail on a sample basis to test the validity and accuracy of revenue transactions, including the inspection of customer contracts, delivery documentation and ensuring accounting in line with revenue recognition policy; - Performing cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recognised in the appropriate period; and - Assessing the appropriateness of the disclosures in the financial report.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Valuation of Inventory Refer to Note 11 in the financial statements	
As at 30 June 2026 inventory was \$7,530,466 and is presented, net of an inventory provision of \$6,392,925. The valuation of inventory is considered a Key Audit Matter, due to the materiality of the balance, and the significant judgements involved in: - Assessing the net realisable value of inventories; and - The determination of a provision for obsolescence.	Our audit procedures in relation to valuation of inventory included: - Testing inventory costing by verifying the key inputs in the costing calculations against supporting documentation and evaluating the reasonableness of management's estimates; - Testing on a sample basis that verifying inventories are being held at the lower of cost and net realisable value; and - Evaluating and challenging management assumptions and estimates applied to the provision for obsolescence through analysis of historical sales, movement and supporting evidence where appropriate.

Other Information

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 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

Responsibilities of the Directors for the Financial Report (continued)

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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/media/bwvjcgre/ar1_2024.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 the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Rectifier Technologies Ltd, for the year ended 30 June 2026, 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.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Dated: 30 September 2026
Melbourne, Victoria

The shareholder information set out below was applicable as at 28 August 2026.

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	51	-	16,333
1,001 to 5,000	25	0.01	73,506
5,001 to 10,000	169	0.11	1,485,288
10,001 to 100,000	1,378	3.73	51,581,663
100,001 and over	506	96.15	1,329,623,812
	2,129	100.00	1,382,780,602
Holding less than a marketable parcel*	1,383	2.33	32,234,783

* Minimum \$500 parcel

	Options Number of holders	Options % of total options	Options Number of options
1 to 1,000	-	-	-
1,001 to 5,000	-	-	-
5,001 to 10,000	-	-	-
10,001 to 100,000	-	-	-
100,001 over	6	100	5,760,000
	6	100	5,760,000

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares % of total shares issued
Number held	
PUDU INVESTMENT (AUSTRALIA) PTY LTD	224,643,616 16.25
YUNG SHING	150,000,000 10.85
BNP PARIBAS NOMINEES PTY LTD	108,395,649 7.84
MR MALCOLM ALISTAIR DUNCAN	70,507,950 5.10
MR YANBIN WANG	70,000,000 5.06

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	16.25
YUNG SHING	150,000,000	10.85
BNP PARIBAS NOMINEES PTY LTD	108,184,587	7.82
MR MALCOLM ALISTAIR DUNCAN	70,507,950	5.10
MR YANBIN WANG	70,000,000	5.06
MR LEI LI	68,460,000	4.95
MRS ZHENGHUA ZHU	50,000,000	3.62
MR MAKRAM HANNA + MRS RITA HANNA	42,735,542	3.09
MISS HAI YAN XU	37,997,642	2.75
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,241,568	1.90
ASIA PACIFIC LION PTY LTD	20,000,000	1.45
MR NIGEL MACHIN	20,000,000	1.45
KANGSAV PTY LIMITED	18,666,245	1.35
MR NICHOLAS SENG TET YEOH	18,500,000	1.34
AUSTRALIAN EXPORTS & INDUSTRIALISATION SUPER PTY LTD	15,000,000	1.08
V AND G SUPER PTY LTD	14,796,905	1.07
MR ANTHONY JAMES MOSCATO + MRS EVA MOSCATO	12,716,654	0.92
GENISTA COURT PTY LTD	11,848,272	0.86
MR MAKRAM HANNA	11,134,134	0.81
KERCHAS INVESTMENTS PTY LTD	10,000,000	0.72
	1,001,433,115	72.44

Unquoted equity securities

	Number on issue	Number of holders
Unlisted options exercise price \$0.02	5,760,000	6

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