



AFT Corporation Ltd

ABN 33 004 701 062

Level 4, 56 Clarence Street
Sydney, NSW, 2000, Australia
Tel: +61 1300 794 906; Fax: +61 2 9437 9104
Website: www.aftcorp.net

ASX RELEASE

22 February 2018

AFT Executes Term Sheet with Petbacker Pte. Ltd.

AFT Corporation Limited (ASX: **AFT** or **the Company**) is pleased to announce signing a binding conditional term sheet with pet care platform innovator PetBacker Pte. Ltd. The Singapore company has agreed to an in-principle 50/50 joint venture with AFT for the exclusive rights to the Australian and New Zealand Petbacker website portal, app and social media site. The executed term sheet is subject to the following key terms and conditions:

1. The Company will raise at least \$AUD2,000,000.
2. The Company will subscribe for 50% of the capital in Petbacker Pty Ltd (**Petbacker**) for \$AUD1,800,000.
3. Petbacker will spend \$AUD1,800,000 in the Australian and New Zealand markets to:
 - a. provide a dedicated Australian base to grow the user base and Petbacker community;
 - b. aggressively market products (including solar and/or pet care products) through the e-commerce platform;
 - c. enhance service delivery through the on demand app; and
 - d. drive organic growth and community engagement.
4. This transaction is conditional on AFT:
 - a. being satisfied with it's due diligence investigations;
 - b. signing a formal shareholders agreement;
 - c. not needing to re-comply with Chapters 1 or 2 of the Listing Rules in respect of this transaction; and
 - d. shareholders' approval for the transaction and capital raising (if required) as PetBacker Pte. Ltd. is controlled by a substantial shareholder of AFT.

Strategic direction

The revitalised board of AFT conducted a strategic review. The key finding is that both horizontal and vertical customer acquisition will be beneficial to drive its solar and other interests over the next 5 years.

At the horizontal level, the Company has identified new markets such as the burgeoning pet care market. At the vertical level, a key finding that acquiring customers in this era, is most cost-effectively accomplished through on-demand iOS and Android apps.



AFT Corporation Ltd

ABN 33 004 701 062

Level 4, 56 Clarence Street
Sydney, NSW, 2000, Australia
Tel: +61 1300 794 906; Fax: +61 2 9437 9104
Website: www.aftcorp.net

The signing of the term sheet with Petbacker Pte. Ltd, for a 50/50 joint venture relationship across the Australian and New Zealand markets is the culmination of the Company's strategic adjustment to drive revenue growth.

The Company believes that the technology being licensed has strong potential to bring solar and other renewable energy technology products to new customers. This transaction allows the Company to move towards taking a position in the rapid growth Internet of Things (IoT) industry, if fused with the capabilities and organic growth of the already refined Petbacker app (Android and iOS).

Chairman Alan Beasley made the following statement upon execution of the Term Sheet.

"We are pleased with our revitalised board's speed to market strategy. Investors have shown great faith in our new direction through the recent capital raising of over \$500,000. Today's announcement demonstrates that we are focused on delivering new growth opportunities for our shareholders.

AFT's tenacity and willingness to question assumptions and disrupt the markets by partnering with Petbacker Pte. Ltd. will present growth and revenue opportunities for the Company. Over the next few weeks, the Company will evaluate and clarify its capital raising strategy. We look forward again to strong support.

We believe that on-demand apps are the future, and the Company looks forward to building an ecosystem that enables selling numerous products, from solar systems, to petcare products including solar powered GPS collars, solar powered dog kennels, and enables referral services such as veterinary care, pet insurance, and other products and services that are able to coordinate around the Petbacker app's pet boarding/dog walking database and social network."

For further information please contact:

Julian Rockett, Company Secretary

p: +61 402 598 750

e: julian.rockett@aftcorp.net