

AFT Investors' Presentation

May 2013

By Stone Wang, Chairman & CEO

AFT CORPORATION LTD. (ASX:AFT) A.C.N. 004 701 062

1.	Business Review
2.	Current Conditions
3.	The Growth Strategies
4.	Project Reference
5.	The China Growth Plans
6.	Summary

- The financial year 2012 was another challenging one for AFT with continued depression in our solar PV distribution business.
- Our new business initiatives are showing promise but are still in early development.
- AFT currently has three lines of business:
 1. Solar Distribution: the importation and wholesale supply of photovoltaic panels and associated product to the Australian market;
 2. Solar Leasing: the design, build and financing of commercial and small utility scale solar PV power facilities (called micro-grid solar power plants) in Australia and China;
 3. LED products: the importation, wholesale supply and project-based direct sales of commercial LED lighting solutions in Australia.

The financial results for FY12 are as follows:

Line of Business	2012 Revenues	2011 Revenues	Sales Pipeline for 2013*
Solar Distribution	\$6m	\$17.5m	\$5m
Solar Leasing	\$350k	0	\$5m
LED Lighting	\$300k	0	\$1m
Total Revenues	\$6.65m	\$17.5m	\$11m
EBITDA	(\$1.15m)	\$1.0m	(tba)

Notes: * Project available for implementation subjected to AFT's ability to finance

Because of the difficult market conditions for residential solar PV, AFT is realigning its operations on Commercial and Small Scale Utility projects:

- Significant reduction in Government support for residential solar PV systems with Feed In Tariffs (FITs) reduced from A\$0.6/kw in 2011 to A\$0.06/kw 2012;
- Continued price deflation with solar panel prices declining more than 30% within the past 12 months;
- Lower prices have helped stabilise overall volumes (actually increasing 10% over 2011) in the face of reduced Government subsidies but the effect on profit margin has been detrimental;
- Solar Leasing projects in the commercial and small utility sectors are starting to show positive results. AFT has negotiated Joint Venture arrangements with local implementation partners in three (3) regional centres – this provides AFT with local sales representation with the direct costs borne by its partners (share in the profit). In 2012, preparation was made to the projects commencing in 2013;
- As of May 2013, two (2) solar leasing projects have been built and one (1) is under construction;
- A\$5m in pipeline of solar leasing projects are ready for implementation subject to capital – AFT currently lacks the financial resources to develop all of these projects.

AFT has demonstrated its capabilities and business model in solar leasing and is currently seeking additional capital to enable the financing of additional projects in Australia and China:

- Within Australia, AFT collaborates with local implementation partners. AFT supports its partners with the project management, financing and technical to enable them to compete in the commercial and small-scale utility sectors;
- AFT's partners have identified more project opportunities that the Company is currently able to finance, consequently AFT is seeking to raise additional capital with discussions currently underway with Asia-based financial institutions regarding a A\$5m capital raising planned for Q2 2013;
- Subject to its ability to raise capital, AFT anticipates solar leasing projects being the major driver of its future growth, and is anticipating the potential to deliver A\$10m in sales revenues for 2013, forecast to grow to A\$50m by 2015.

Example: AFT solar leasing project in Australia:

- Project name: Southside Agency (Logistics), Lismore, NSW;
- Project size: 18kw roof top grid-connected solar energy system;
- Project leasing period: 10 years
- PV electricity production value over 25 years: A\$125,652;
- AFT total leasing income over 10 years: A\$83,788;
- AFT initial capital + financial cost over 10 years: A\$65,950+;
- Project IRR over 10 years period: 11.5% (net off all financing cost)



May 20, 2013

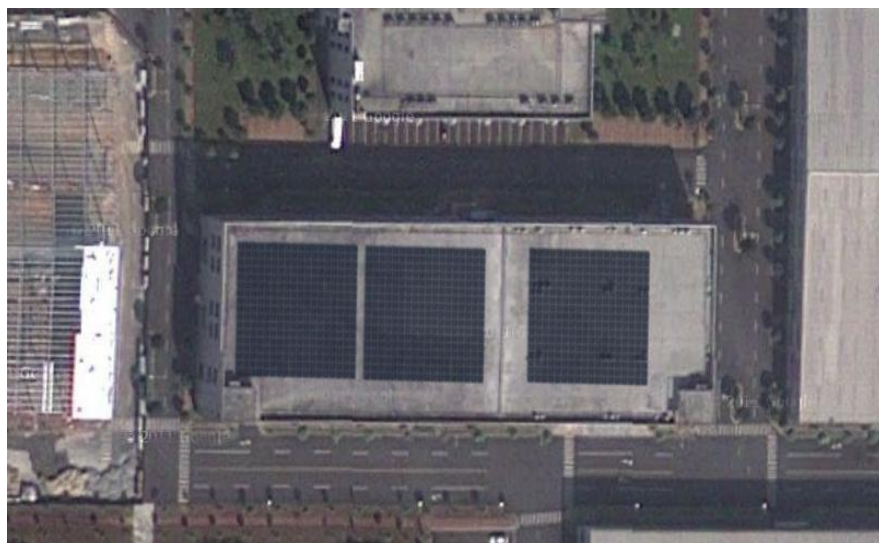
Building A Better Environment

Negotiated in 2012 and announced in 2013, AFT has formed a Joint Venture with the Guangri Group Company (GRI).

- GRI is a Shanghai Listed Major industrial group company with interest in renewable energy:
 1. the biggest incineration power plant in Guangzhou;
 2. the state-of-art LED lighting R&D and production facilities in Guangzhou;
 3. Four(4) Industrial Parks (factory buildings) with the potential of 20mw small utility project (called Micro-grid Solar Power Plants - MSPP - in China).
- GRI has partnered with AFT based on our:
 1. Technical capabilities: design, testing and system integration of MSPPs;
 2. Project development and project management skills and experience; and the
 3. Opportunity to develop MSPPs across Greater China and Southeast Asia.
- The JV is developing MSPPs in Guangzhou then expanding to across Greater China leveraging GRI's sales network in 50 cities. The JV is currently working on a pipeline of MSPP projects worth approx A\$10m to AFT.

Example: GA Demonstration Project in China

- Project name: Phase I, EFG Panyu Industrial Park Limited;
- Project size: 100kw roof top grid-connected solar energy system;
- Daily Electricity Production; 253kwh/day;
- Est. Greenhouse CO2 Saving: 243 ton/year;
- Project leasing period: 10 years
- Project funding: A\$ 350k fully funded by GRI;
- Project Leased at 16% P.A;
- Fixed Amortization a\$598/month.
- An opportunity to be expanded to a 2 MW MSPP on Phase II.



The roof plan of the Phase I



The overall view of the EFG Panyu Industrial Park

- **AFT has reoriented its operations to focus on commercial and small-scale utility solar PV projects in Australia and China;**
- **AFT has established its credentials in Solar Leasing through the construction of three (3) projects in NSW.**
- **AFT expanding its solar leasing operations across Australia and China in calibration with local partners;**
- **AFT is currently raising capital for its Solar Leasing Operations;**
- **Subject to the ability to raise capital, AFT anticipates that the Solar Leasing business will underpin its future growth.**
- **Thank you for your support !**