

Appendix 4E

Preliminary final report

Rule 4.3A
Introduced 1/1/2003

Name of entity: AFT Corporation Limited
ABN: 33 004 701 062

1. Reporting period ("current period"):
Year ended 31 December 2012
Previous corresponding period Year ended 31 December 2011

2. Results for announcement to the market

2.1 Revenue	down	65%	to	\$'000 6,105
2.2 Profit from ordinary activities after tax attributable to members	down	218%	to	(1,147)
2.3 Net profit for the period attributable to members	down	218%	to	(1,147)

		Amount per share cents		Franked amount per share cents
2.4 Dividends				
Final		Nil		N/A
Interim		Nil		N/A

2.5 Record date for determining entitlements to dividends: N/A

2.6 Brief explanation of figures 2.1 & 2.4 (if necessary):

Revenue in 2012 decreased due to the closure of the solar feed-in-tariff in NSW and other States and the price deflation between the time of supply to actual delivery resulting in a halving profit margin. However, the Group is expanding its product line to other energy saving products and changing its business model for solar PV products.

3. Consolidated statement of comprehensive income
For the year ended 31 December 2012

	2012	2011
	\$'000	\$'000
Revenue	6,105	17,211
Other Income	324	224
Raw Materials/Consumables Used	(5,166)	(14,165)
Occupancy & Administration Expense	(93)	(92)
Audit & Accounting Fees	(181)	(148)
Finance Costs	-	(1)
Salaries and Wages	(937)	(618)
Directors' Remuneration	(432)	(365)
Depreciation and Amortisation Expense	(21)	(20)
Impairment Expense	(48)	-
Other Expenses	(698)	(1,055)
	-----	-----
(Loss)/Profit Before Income Tax	(1,147)	971
Income Tax Expense	-	-
	-----	-----
(Loss)/Profit for the year	(1,147)	971
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	(1,147)	971
	-----	-----
Profit attributable to:		
Equity Holders of the parent company	(1,146)	971
Total comprehensive income attributable to:		
Equity Holders of the parent company	(1,146)	971
Earnings per share		
Basic and diluted earnings per share (cents)	(0.0187)	0.0158

4. Consolidated statement of financial position
As at 31 December 2012

	2012	2011
	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	2,247	3,121
Trade and other receivables	763	986
Inventories	1,104	879
	-----	-----
TOTAL CURRENT ASSETS	4,114	4,986
	-----	-----
NON-CURRENT ASSETS		
Property, plant & equipment	60	79
Other financial assets	44	-
	-----	-----
TOTAL NON CURRENT ASSETS	104	79
	-----	-----
TOTAL ASSETS	4,218	5,065
	-----	-----
CURRENT LIABILITIES		
Trade and other payables	748	863
Provisions	85	57
Borrowings	-	-
	-----	-----
TOTAL CURRENT LIABILITIES	833	920
	-----	-----
NON CURRENT LIABILITIES		
Borrowings	300	-
Provisions	32	15
	-----	-----
TOTAL NON CURRENT LIABILITIES	332	15
	-----	-----
TOTAL LIABILITIES	1,165	935
	-----	-----
NET ASSETS	3,053	4,130
	=====	=====
EQUITY		
Issued capital	103,127	103,126
Other reserves	268	199
Accumulated losses	(100,342)	(99,195)
	-----	-----
TOTAL EQUITY	3,053	4,130
	=====	=====

5. Consolidated statement of cash flows
For the year ended 31 December 2012

	2012	2011
	\$'000	\$'000
Net cash flows from operating activities		
Receipts from customers	7,244	19,490
Payments to suppliers & employees	(8,467)	(17,452)
Interest received	102	71
Interest paid	-	(1)
	-----	-----
Net cash (used in) / provided by operating activities	(1,121)	2,108
	-----	-----
Cash flows from investing activities		
Proceeds from sale of property, plant & equipment	-	-
Payments for property, plant & equipment	(41)	(10)
Payments for investment	(5)	-
	-----	-----
Net cash used in investing activities	(45)	(10)
	-----	-----
Cash flows from financing activities		
Proceeds from/(payment to) borrowings	292	(19)
	-----	-----
Net cash used in financing activities	292	(19)
	-----	-----
Net (decrease) / increase in cash & cash equivalents	(874)	2,079
	-----	-----
Cash & cash equivalents at the beginning of the financial period	3,121	1,042
	-----	-----
Cash and cash equivalents at the end of the financial period	2,247	3,121
	=====	=====

Notes to the condensed and consolidated statement of cash flows

Reconciliation of cash & cash equivalents

Cash on hand and at bank	2,247	3,121
	=====	=====

6. Dividends

Amount per security

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
		Cents	cents	cents
Final dividend	- current year	Nil	N/A	N/A
	- previous year	Nil	N/A	N/A
Interim dividend	- current year	Nil	N/A	N/A
	- previous year	Nil	N/A	N/A

7. Dividend reinvestment plans

The dividend reinvestment plans shown below are in operation:

None

Last date for receipt of election notices
for the dividend reinvestment plan: N/A

8. Retained earnings

	2012	2011
	\$'000	\$'000
Accumulated losses at beginning of financial period	(99,195)	(100,166)
Net profit attributable to members	(1,147)	971
	-----	-----
Accumulated losses at end of financial period	(100,342)	(99,195)
	=====	=====

9. Net Tangible assets

	2012	2011
	cents	cents
Net tangible asset backing per ordinary share	0.050	0.067
	=====	=====

10. Details of entities over which control has been gained or lost

Control gained over entities

Two new subsidiaries, Artemis Energy Solutions (Lismore) Pty Ltd, was incorporated on 7 June 2012 and Artemis Energy Solutions (South Coast) Pty Ltd was incorporated on 2 November 2012.

There were insignificant transactions in these subsidiaries.

11. Details of associates and joint venture entities

A joint venture called GA Renewable Energy Limited was incorporated on 23 July 2012. The joint venture has not yet commenced trading.

12. Other significant information

Details of any other significant information needed by an investor to make an informed assessment of the entity's financial performance and position:
N/A

13. Accounting standards

N/A

14. Results for the period

14.1 *Earnings per security*

	2012	2011
	cents	cents
Basic and diluted earnings per share	(0.0187)	0.0158
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	6,148,528,012 =====	6,148,528,012 =====

14.2 *Returns to shareholders*

N/A

14.3 *Significant features of operating performances*

In response to the downturn in demand for domestic solar PV systems, AFT has been focussing on the development of new commercial and utility scale solar PV projects working in partnership with local installation companies based in regional Australia. Through its subsidiary Artemis Energy Solution (AES) AFT is selectively supporting new developments with project finance under leasing and energy sale contracts.

AFT's solar PV distribution business, Artemis Building Systems (ABS), experienced difficult trading conditions during 2012. The sector has seen significant price reductions as a result of surplus manufacturer capacity. Whilst the price reductions have assisted with sustaining volumes despite the winding back of Government financial support, however the overall effect has been to depress revenues and margins across the sector. In 2012, ABS shipped similar volume of solar systems compared 2011, however price deflation between the time of supply to actual delivery resulted in a halving profit margin.

The combination of reduced revenues and profits from the distribution business combined with investment in the developing the new solar leasing business resulted for calendar 2012 in sales turnover declining to AUD\$6,105k with a net loss of AUD\$1,147k.

Outside of Australia, AFT is partnering with Guangri Group Limited (GRP www.guangrigroup.com) a major Chinese state owned entity based in Guangzhou. The AFT/GRP joint venture will leverage GRP's extensive local network to promote AFT solar leasing projects in the rapidly growing Chinese market. AFT is a 49% shareholder in the JV and the JV is anticipated to deliver revenues of AUD\$2.5m in 2013.

14.4 *Segment results*

Geographical segments

The consolidated entity's business segments are located in Australia, with an Australian subsidiary managing the license of Intellectual Property for worldwide use on behalf of the parent company.

Business segments

The Group is managed primarily on the basis of product category and service offerings since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The Solar Panel Photovoltaic and LED Business
- Licence Income
- Management services

The revenues and profit/loss generated by each of the segment are summarised as follows:

	Solar panel PV & LED business \$'000		Licence \$'000		Management Service \$'000		Total \$'000	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
REVENUE								
Revenue from external customers	6,002	17,211	-	-	-	-	6,003	17,211
Interest and Other income	424	193	3	31	-	-	427	224
Total Revenue	6,426	17,404	3	31	-	-	6,429	17,435
RESULT								
Segment operating profit/(loss)	(75)	2,138	(1,072)	(1,166)	-	(1)	(1,147)	(971)
Profit/(loss) before income tax	(75)	2,138	(1,072)	(1,166)	-	(1)	(1,147)	(971)
Income tax expenses	-	-	-	-	-	-	-	-
Profit/(loss) after income tax	(75)	2,138	(1,072)	(1,166)	-	(1)	(1,147)	(971)
ASSETS								
Segment Assets	3,864	4,141	354	924	-	-	4,218	5,065

Total Assets	3,864	4,141	354	924	-	-	4,218	5,065
LIABILITIES								
Segment Liabilities	1,040	702	125	233	-	-	1,165	935
Total Liabilities	1,040	702	125	233	-	-	1,165	935

14.5 *Trends in performance*

N/A

14.6 *Any other factors which have affected the results in the period which are likely to affect the result in the future, including those where the effect could not be quantified:*

N/A

15. This report is based on accounts to which one of the following applies:

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ■ The accounts have been audited. | <ul style="list-style-type: none"> ■ The accounts are in the process of being audited or subject to review. | <ul style="list-style-type: none"> ■ The accounts have been subject to review. ■ The accounts have not yet been audited or reviewed. |
|---|--|--|

16. Description of any likely audit dispute or qualification

N/A

Sign here:



Date:

Feb 28, 2013

Company Director

Print name: John Zhang