

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 2013
Previous corresponding period Year ended 31 December 2012

2. Results for announcement to the market

2.1	Revenue	down	42%	to	\$'000 3,536
2.2	Loss from ordinary activities after tax attributable to members	up	23%	to	(1,391)
2.3	Net loss for the period attributable to members	up	23%	to	(1,391)
2.4	Dividends		Amount per share cents		Franked amount per share cents
	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 2013 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 2013

	2013	2012
	\$'000	\$'000
Revenue	3,604	6,105
Other Income	288	324
Raw Materials/Consumables Used	(2,905)	(5,149)
Occupancy & Administration Expense	(238)	(93)
Audit & Accounting Fees	(126)	(181)
Finance Costs	(9)	-
Salaries and Wages	(782)	(937)
Directors' Remuneration	(530)	(432)
Depreciation and Amortisation Expense	(18)	(21)
Impairment Expense	-	(18)
Other Expenses	(675)	(727)
	-----	-----
(Loss)/Profit Before Income Tax	(1,391)	(1,129)
Income Tax Expense	-	-
	-----	-----
(Loss)/Profit for the year	(1,391)	(1,129)
Other comprehensive income	-	-
	-----	-----
Total comprehensive income for the year	(1,391)	(1,129)
	-----	-----
Profit attributable to:		
Equity Holders of the parent company	(1,414)	(1,128)
Total comprehensive income attributable to:		
Equity Holders of the parent company	(1,414)	(1,128)
Earnings per share		
Basic and diluted earnings per share (cents)	(0.217)	(0.0173)

4. Consolidated statement of financial position
As at 31 December 2013

	2013	2012
	\$'000	\$'000
CURRENT ASSETS		
Cash and cash equivalents	2,097	2,247
Trade and other receivables	904	758
Inventories	667	1,104
	-----	-----
TOTAL CURRENT ASSETS	3,668	4,109
	-----	-----
NON-CURRENT ASSETS		
Property, plant & equipment	42	60
Other financial assets	335	49
	-----	-----
TOTAL NON CURRENT ASSETS	377	109
	-----	-----
TOTAL ASSETS	4,045	4,218
	-----	-----
CURRENT LIABILITIES		
Trade and other payables	787	730
Provisions	127	85
Borrowings	-	-
	-----	-----
TOTAL CURRENT LIABILITIES	914	815
	-----	-----
NON CURRENT LIABILITIES		
Borrowings	1,300	300
Unearned interest Revenue	54	-
Provisions	44	32
	-----	-----
TOTAL NON CURRENT LIABILITIES	1,398	332
	-----	-----
TOTAL LIABILITIES	2,312	1,147
	-----	-----
NET ASSETS	1,733	3,071
	=====	=====
EQUITY		
Issued capital	103,127	103,127
Other reserves	320	267
Accumulated losses	(101,714)	(100,323)
	-----	-----
TOTAL EQUITY	1,733	3,071
	=====	=====

5. Consolidated statement of cash flows

For the year ended 31 December 2013

	2013	2012
	\$'000	\$'000
Net cash flows from operating activities		
Receipts from customers	4,205	7,244
Payments to suppliers & employees	(5,204)	(8,467)
Interest received	68	102
Interest paid	(9)	-
	-----	-----
Net cash (used in) / provided by operating activities	(940)	(1,121)
	-----	-----
Cash flows from investing activities		
Loans advanced	22	-
Investment Income received	55	
Payments for property, plant & equipment	(1)	(41)
Payments for investment	(282)	(5)
	-----	-----
Net cash used in investing activities	(206)	(45)
	-----	-----
Cash flows from financing activities		
Proceeds from/(payment to) borrowings	996	292
	-----	-----
Net cash used in financing activities	996	292
	-----	-----
Net (decrease) / increase in cash & cash equivalents	(150)	(874)
Cash & cash equivalents at the beginning of the financial period	2,247	3,121
	-----	-----
Cash and cash equivalents at the end of the financial period	2,097	2,247
	=====	=====

Notes to the condensed and consolidated statement of cash flows***Reconciliation of cash & cash equivalents***

Cash on hand and at bank	2,097	2,247
	=====	=====

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

	2013	2012
	\$'000	\$'000
Accumulated losses at beginning of financial period	(100,342)	(99,195)
Net profit attributable to members	(1,147)	(1,128)
	-----	-----
Accumulated losses at end of financial period	(100,342)	(100,323)
	=====	=====

9. Net Tangible assets

	2013	2012
	cents	cents
Net tangible asset backing per ordinary share	0.027	0.047
	=====	=====

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

N/A

11. Details of associates and joint venture entities

N/A

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**

	2013	2012
	cents	cents
Basic and diluted earnings per share	(0.0176)	(0.0173)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	6,508,528,012 =====	6,508,528,012 =====

14.2 Returns to shareholders

N/A

14.3 Significant features of operating performances

There have been two major factors in the current business environment that have caused the reduction in AFT revenue:

- 1) The fall in the total size of the solar distribution business in Australia due to the reduction of the feed-in-tariffs for the residential market in all states over the past two years. This market was the key focus of the ABS business during that time.
- 2) The strong competition from the major electrical distributors in rural areas particularly in relation to pricing and logistics.

These are the two major factors that have caused the reduction in the sales volume of the ABS solar business. The LED business has been slowly increasing but the volume and sales revenue from LED has not yet been able to fill this fall in revenue from solar.

After a careful review of the market and the options, two years ago the management team began a change in the business model: from a pure distribution company into a combination of distribution, design and installation. With this approach, AFT is changing from a distribution company into a renewable energy company with fixed-income asset portfolio with ongoing future income.

The first step in this change was the establishment of AES Lismore, NSW (AESL). This division has been profitable since Q3 2013 and it is expected that sales in 2014 will continue to grow with a further injection of resources.

Having seen the success of the Lismore division the objective is to establish two additional divisions in other cities in 2014.

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		License \$'000		Management Service \$'000		Total \$'000	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
REVENUE								
Revenue from external customers	3,536	6,002	-	-	-	-	3,536	6,003
Interest and Other income	351	424	5	3	-	-	356	427
Total Revenue	3,887	6,426	5	3	-	-	3,892	6,429
RESULT								
Segment operating profit/(loss)	(426)	(75)	(965)	(1,054)	-	-	(1,391)	(1,129)
Profit/(loss) before income tax	(426)	(75)	(965)	(1,054)	-	-	(1,391)	(1,129)
Income tax expenses	-	-	-	-	-	-	-	-
Profit/(loss) after income tax	(426)	(75)	(965)	(1,054)	-	-	(1,391)	(1,129)
ASSETS								
Segment Assets	3,681	3,864	364	354	-	-	4,045	4,218
Total Assets	3,681	3,864	364	354	-	-	4,045	4,218
LIABILITIES								

Segment Liabilities	2,103	1,022	209	125	-	-	2,312	1,147
Total Liabilities	2,103	1,022	209	125	-	-	2,312	1,147

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:

- | | | | |
|---|--|---|---|
| € | The accounts have been audited. | € | The accounts have been subject to review. |
| ■ | The accounts are in the process of being audited or 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:  7A07B34FFD53411...

Date: 28-02-2014

Company Director

Print name: Neil Bourne