

Appendix 4D

Half-year report

Rule 4.2A.3
Introduced 1/1/2003

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

1. Reporting period ("current period"): Half-Year ended 30 June 2018
Previous corresponding period Half-Year ended 30 June 2017

2. Results for announcement to the market

Revenue	UP	148%	to	\$A'000 164
(Loss)/Profit from ordinary activities after tax attributable to members	UP	3%	to	(184)
Net (Loss) profit for the period attributable to members	UP	3%	to	(184)

	Amount per share cents	Franked amount per share cents
<i>Dividends</i>		
Final	Nil	N/A
Interim	Nil	N/A

Record date for determining
entitlements to dividends: N/A

Brief explanation of figures 2:

The company's revenue increased to \$163,604 for the six months since 1 January 2018, which consisted of interest income from hire purchase assets and a commercial solar installation.

3. Dividends

Amount per security

		Amount per security	Franked amount per security at 30% tax cents	Amount per security of foreign source dividend 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

Total Dividends on all securities for the year

	Current period	Previous corresponding period
	\$'000	\$'000
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
	-----	-----
Total	-	-
	=====	=====

4. 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

5. Net Tangible assets

	Current period	Previous corresponding period
	cents	cents
Net tangible asset backing per ordinary share	0.000020	0.000021
	=====	=====

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

Control gained over entities N/A

Date control gained N/A

Control lost over entities N/A

7. Details of associates and joint venture entities

N/A

8. Any 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

9. Accounting standards

For foreign entities, set of accounting standards used in compiling report:

N/A

10. Auditors review report

None of the entities accounts are subject to audit dispute or qualification

11. 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.

Sign here:


Company Secretary

Date: 31 August 2018

Print name: Julian Rockett



**AFT CORPORATION LTD
AND CONTROLLED ENTITIES**

ABN 33 004 701 062

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2018**

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

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**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

CORPORATE INFORMATION

Directors:	William Bernard Wilkinson Alan Preston Beasley Lawrence Longjian Cao
Secretary:	Julian Rockett
Registered Office:	Suite 2, Level 4, 56 Clarence St, Sydney, NSW, 2000 Telephone: 02-9299 2570
Auditors:	Banks Group Assurance Pty Ltd 801 Glenferrie Road, Hawthorn, VIC, 3122
ASX Home Branch:	Australian Securities Exchange Exchange Centre 20 Bridge Street Sydney, NSW, 2000
Bankers:	ANZ Banking Group Limited Cnr King & George Streets, Sydney NSW 2000 National Australia Bank Level 15, Ernst & Young Building 680 George Street, Sydney NSW 2000
Share Registry:	Boardroom Limited Level 12, 225 George Street Sydney, NSW, 2000 Telephone: (02) 9290 9600, Facsimile: (02) 9290 9655
Solicitors:	Karma Lawyers 14/3 Gladstone Parade Lindfield, NSW, 2070

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

DIRECTORS' REPORT

The Board of Directors of AFT Corporation Ltd has pleasure in submitting its report together with the financial statements of the consolidated entity, being AFT Corporation Ltd and its controlled entities ("the Group") for the half-year ended 30 June 2018.

DIRECTORS

The names of the Directors in office during or since the end of the half-year are:

Name

William Bernard Wilkinson
Alan Preston Beasley
Lawrence Longjian Cao

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

During the period AFT's commercial solar PV business completed an installation project and is in the advanced stage of confirming a contractual arrangement with an independent installer to utilise AFT's profile and prospective client data base to target new projects. AFT's commercial solar PV business continued to earn modest income from its' installation project lease assets. The Company continues to meet its rental and warranty obligations across the state.

At a strategic level AFT has continued to explore complementary opportunities and intends to announce new developments in the near future. The Directors remain positive towards realising the previously announced Petbacker opportunity.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under s.307C of the Corporation Act 2001 is included on Page 3.

Signed in accordance with a resolution of the Directors.



**Alan Beasley
Director**

SYDNEY, NSW
31st August 2018

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001**

To the Directors of AFT Corporation Limited

As auditor for the review of AFT Corporation Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Andrew Fisher FCA
Partner (auditor registration number 306364) on behalf of
Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company registration number 29418 (ACN 115 749 598)

Melbourne, Australia
31st of August 2018

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2018**

		Half Year Ended	
	Note	30 June 2018	30 June 2017
		\$	\$
Revenue		82,530	10,378
Other income		61,803	29,481
Interest		19,271	25,981
Change in inventories		-	(511)
Raw materials/consumables used		(96,488)	(8,998)
Employee benefit expense		(66,820)	(128,141)
Depreciation		-	-
Other expenses		(184,348)	(106,002)
		<hr/>	<hr/>
Loss before income benefit		(184,053)	(177,812)
Income tax expense		-	-
		<hr/>	<hr/>
Loss for the period from continuing operations		(184,053)	(177,812)
Other Comprehensive Income		-	-
		<hr/>	<hr/>
Total comprehensive income for the period		(184,053)	(177,812)
Total comprehensive income for the period attributable to:			
Members of the parent entity		(184,053)	(177,812)
Non-controlling interest		-	-
		<hr/>	<hr/>
(Loss)/Earnings per share			
Basic Loss per share (cents)		(0.0020)	(0.0021)
Diluted Loss per share (cents)		(0.0020)	(0.0021)
		<hr/>	<hr/>

This financial report should be read in conjunction with the accompanying notes.

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Consolidated	
	30 June 2018 \$	31 December 2017 \$
Note		
CURRENT ASSETS		
Cash and cash equivalents	249,968	45,677
Trade and other receivables	61,803	-
Inventories	-	79,794
Financial Assets	82,430	99,081
Other Assets	5,504	
TOTAL CURRENT ASSETS	399,705	224,552
NON-CURRENT ASSETS		
Financial Assets	58,448	92,970
TOTAL NON-CURRENT ASSETS	58,448	92,970
TOTAL ASSETS	458,153	317,522
CURRENT LIABILITIES		
Trade and other payables	19,257	122,008
Borrowing	-	81,987
Provisions	2,428	14,136
TOTAL CURRENT LIABILITIES	21,685	218,131
NON-CURRENT LIABILITIES		
Provisions	-	15,150
Other payables	24,281	-
TOTAL NON-CURRENT LIABILITIES	24,281	15,150
TOTAL LIABILITIES	45,966	233,281
NET ASSETS	412,187	84,241
EQUITY		
Issued capital	106,067,497	105,555,497
Accumulated losses	(105,655,310)	(105,458,208)
Parent Interest	412,187	97,289
Non-Controlling Interest	-	(13,048)
TOTAL EQUITY	412,187	84,241

This financial report should be read in conjunction with the accompanying notes.

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

	Issued Capital	Accumulated losses	Non-controlling Interest	Total equity
	\$	\$	\$	\$
At 1 January 2018	105,555,497	(105,458,208)	(13,048)	84,241
(Loss)/Profit for the period		(184,053)		(184,053)
Capital Issued	512,000			512,000
Non-Controlling Interest transferred to parent company		(13,048)	13,048	-
At 30 June 2018	<u>106,067,497</u>	<u>(105,655,310)</u>	<u>-</u>	<u>412,187</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	Issued Capital	Accumulated losses	Total equity
	\$	\$	\$
At 1 January 2017	105,474,560	(105,103,615)	370,945
Total comprehensive income for the period	<u>-</u>	<u>(177,812)</u>	<u>(177,812)</u>
At 30 June 2017	<u>105,474,560</u>	<u>(105,281,427)</u>	<u>193,133</u>

This financial report should be read in conjunction with the accompanying notes.

**AFT CORPORATION LTD
AND CONTROLLED ENTITIES
ABN 33 004 701 062**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2018**

		Half year ended	
	Note	30 June 2018 \$	30 June 2017 \$
Cash flows from operating activities			
Receipts from customers		125,934	125,984
Payments to suppliers, employees and others		(336,433)	(349,114)
Interest received		610	25,981
Net cash (used in) operating activities		<u>(209,889)</u>	<u>(197,149)</u>
Cash flows from financing activities			
Proceeds from issues of shares		512,000	-
Repayments of borrowings		(97,820)	-
Net cash (used in) provided by financing activities		<u>414,180</u>	<u>-</u>
Net (decrease) in cash and cash equivalents		204,291	(197,149)
Cash and cash equivalents at beginning of period		45,677	307,686
Cash and cash equivalents at end of period		<u><u>249,968</u></u>	<u><u>110,537</u></u>

This financial report should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

1. Nature of operations

The principal activities of AFT Corporation Ltd and its controlled entities (the Group) include the distribution of solar panels, LED and associated products.

2. General Information and basis of preparation

The interim consolidated financial statements of the Group are for the six months ended 30 June 2018 and are presented in Australian dollar (\$), which is the functional currency of the parent company.

These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Stock Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the board of directors on 31st August 2018.

3. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 31 December 2017. The accounting policies have been applied consistently throughout the period for the purposes of these interim financial statements.

4. New and revised Australian Accounting Standards

The Group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and those that are relevant to the Group.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current half-year period.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2017.

6. Significant Items Affecting the Financial Performance

	30 Jun 2018	30 Jun 2017
	\$	\$
• Included in other income:		
- Disposal of inventory		24,952

7. Going Concern

The financial report has been prepared on a going concern basis, which contemplated continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group incurred a loss for the six month period to 30 June 2018 of \$184,053 and net cash outflows from operating activities of \$210,235.

The Group restructured its current operations to curtail expenditure and explore avenues to increase revenue opportunities. The Group is actively pursuing a number of new activities which are expected to be converted into sales. The Group is also considering raising additional equity and potential scrip based acquisition.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to successfully explore new avenues for revenues, raising capital and managing cashflow in line with available funds for the broadening of its business.

Directors are confident that existing and new investors are prepared to inject new capital into the company to provide the certainty of continuity for the right ventures and projects currently being explored.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

8. Operating Segments

The Group is managed primarily on the basis of combined product category and service offerings.

The Group has therefore determined it has one reportable segment, being sales and service primarily in Australia. Accordingly management reviews the internal reports that are consistent with the information provided in the statement of profit and loss and other comprehensive income, and the statement of financial position, assessing performance and determining the allocation of resources.

As a result, no reconciliation to operating segments is required because the information as presented is used by management to make strategic decisions.

9. Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Parent Company (AFT Corporation Ltd) as the numerator as follows:

	30 June 2018	30 June 2017
(Loss)/Profit for the period	(184,053)	(177,812)
(Loss)/Earnings used in calculation of basic and diluted EPS	(184,053)	(177,812)
Weighted average number of shares	8,919,806,698	8,508,528,009
EPS-balanced diluted	(0.0020 cents)	(0.0021 cents)

10. Contingent Liabilities

- There has been no change in contingent liabilities since the last annual reporting period.

**NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE HALF-YEAR ENDED 30 JUNE 2018**

11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

11.1 Fair Value Hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

11.2 Measurement of Fair Value of Financial Instruments

The Group's financial assets and financial liabilities have been measured and recognised at fair value using Level 2 in the above fair value hierarchy. The carrying values of financial assets and financial liabilities at 30 June 2018 and 31 December 2017 approximates the fair values.

12. EVENTS AFTER THE REPORTING DATE

Since balance date, the group has continued to pursue the various product opportunities and funding arrangements as outlined in the Directors' report.



DIRECTORS' DECLARATION

The directors of AFT Corporation Ltd declare that:

1. The consolidated financial statements and notes as set out on pages 5 to 12 are in accordance with the Corporation Act 2001 including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the Board of Directors.


Alan Beasley
Director
31st August 2018

Independent Auditor's Review Report to the members of AFT Corporation Ltd

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The directors' responsibility also includes such internal control that the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of AFT Corporation Ltd does not satisfy the requirements of *Corporations Act 2001* including:

a) giving a true and fair view of the company's financial position as at 30 June 2018 and of its financial performance and cash flows for the half-year ended on that date; and

(b) complying with *Accounting Standard AASB 134: Interim Financial Reporting* and *Corporations Act 2001*.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 7 in the financial statements which indicates that the Group incurred a net loss of \$184,053 during the six-month period to 30 June 2018. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Financial Report

We have reviewed the accompanying financial report of AFT Corporation Ltd, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the requirements of *Corporations Act 2001*: giving a true and fair view of the company's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with the *Accounting Standard AASB 134: Interim Financial Reporting*. As the auditor of AFT Corporation Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

AFT Corporation Ltd and Controlled Entities

ABN: 33 004 701 062

Independent Auditor's Review Report to the members of AFT Corporation Ltd

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of AFT Corporation Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.



Banks Group Assurance Pty Ltd, Chartered Accountants
Authorised audit company number 294178 (ACN 115 749 598)



Andrew Fisher FCA, Partner
Registration number 306364

Melbourne, Australia

31 August 2018