AFT CORPORATION LIMITED

And Controlled Entities

ABN 33 004 701 062

Annual Report

For the Financial Year

Ended 31 December 2014

AFT CORPORATION LIMITED - ABN 33 004 701 062

and Controlled Entities

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CORPORATE INFORMATION

Directors:	Stone Wang – Executive Director John Zhang – Executive Director Neil Bourne – Non Executive Director
Secretary:	Maurice Watson
Registered Office:	Unit 7, 6-8 Herbert St, St Leonards, New South Wales 2065
Auditors:	Hayes Knight (NSW) Pty Ltd Level 2, 115 Pitt St Sydney, NSW, 2000
ASX Home Branch:	Australian Securities Exchange 2, The Esplanade Perth, WA, 6000
Bankers:	ANZ Banking Group Limited Cnr King & George Streets Sydney, NSW, 2000
	HSBC Bank Australia 28 Bridge Street Sydney, NSW, 2000
	National Australia Bank Level 15, Ernst & Young Building 680 George Street, Sydney NSW 2000
Share Registry:	Registries Limited Level 7, 207 Kent Street Sydney, NSW, 2000 Telephone: (02) 9290 9600, Facsimile: (02) 9279 0664
Solicitors:	Juris Bridge Suite 1104, Level 11 265 Castlereagh Street Sydney, NSW, 2000

EXECUTIVE DIRECTOR'S REVIEW

The Year in Perspective

Dear Shareholders,

During the 2014 financial year AFT Corporation has continued to fine tune its' business model in a challenging and disruptive market place.

As I outlined in the report for the previous year our objective has been to move the group's position into a broader energy solutions business. This strategy has seen AFT develop the capacity for the design and sale of complete solar power solutions.

Our design team has produced high quality designs to suit varied applications to fit the different needs of each customer in a competitive market place. The projects completed in 2014 places AFT Corporation and its subsidiaries as one of the leading solution providers for distributed solar power plants in the 20kw to 100kw market place on the east coast.

Many examples of these installations can be seen on our website www.aes-au.com. I invite shareholders to go to the website and look at the case studies tab to look at the many examples of the projects completed by the group.

During the 2014 year, AFT has invested over $1 million in the development of its business in design, marketing, legal and project finance and through its subsidiaries has installed a total of 38 distributed solar power plants. Most of these have by way of a direct sale to the customer but some have been financed through our subsidiary Artemis Energy Systems Pty Ltd.

Recently a project was completed at a prominent school in Dural, NSW. The feed-back from the customer has been very positive;

"....It is that integrity that I think you will also notice about the AES team.... I have been extremely happy with my experience with AES and I would recommend their commercial solar services."

AES also completed a solar power plant in Bathurst which is the largest system to be installed in central NSW.

During 2014 the board successfully sourced additional capital to fund the expansion plans and was able to raise $1 million in equity and $1 million by way of a loan. This funding enabled the company to maintain a solid cash position and resource the financing the development of AFT's business.

The future

In the 2015 the board is continuing to fine tune the operation of its solar power plant business in order to maximize its' profitability and secondly continues to seek additional capital to fund the business expansion.

The board is now seeking to expand the business nationally. To enable this expansion the board is working hard to find investors who can contribute equity but also operational partners. The additional capital will be used to set up more regional operations and increase the capacity of AFT to provide financial aid to customers to enable them to invest in a renewable energy commercial or utility power plant. Solar power plants provide our customers long term savings in their energy costs. For AFT the finance division helps to build the assets base of AFT and creates long term fixed income for the company.

The board is continuing to actively seek this additional capital in the first half of 2015.

The board has enormous confidence in renewable energy sector, in particular the commercial solar power sector as these systems provide substantial cost savings over a 10 year time frame for our customers in both the for-profit and not-for-profit sectors. With the impact of pollution in Australia, China and other Asian markets the board believes that there will be an increasing demand for clean energy power solutions.

EXECUTIVE DIRECTOR'S REVIEW

The board's vision for AFT Corporation is to create a renewal and clean energy company at both the national and international levels. The last twelve months has been a period of intense work for the board and the teams within AFT. Both in building the business and raising of additional capital in a difficult market. The board is confident that the next 12-18 months will produce a significant turnaround in the financial performance of the group.

I would like to ask all shareholders for their support and assistance in rebuilding the fortunes of AFT Corporation Ltd during 2015.

Yours sincerely,

Stone Wang
CEO and Managing Director

CORPORATE GOVERNANCE STATEMENT

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, AFT Corporation Ltd and its Controlled Entities ('the Group') have adopted a corporate governance framework and practices to ensure they meet the interests of shareholders.

The Group complies with the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments ('the ASX Principles'). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight (8) core principles. All of these practices, unless otherwise stated, were in place for the full reporting period.

Principle 1: Lay solid foundations for management and oversight
Functions of the Board and Management

The Board of Directors is responsible for the corporate governance of the Group. To ensure that the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board. These responsibilities include:

- setting the strategy for the Group, including operational and financial objectives and ensuring that there are sufficient resources for this strategy to be achieved
- appointing and, where appropriate, removing the Chief Executive Officer ('CEO'), approving other key executive appointments and planning for executive succession
- overseeing and evaluating the performance of the CEO and the Executive Team through a formal performance appraisal process having regard to the Group's business strategies and objectives
- monitoring compliance with legal, regulatory and occupational health and safety requirements and standards
- overseeing the identification of key risks faced by the Group and the implementation of an appropriate internal control framework to ensure those risks are managed to an acceptable level
- approving the Group's budgets, including operational and capital budgets, and the approval of significant acquisitions, expenditures or divestitures
- approval of the annual and half-yearly financial reports; and
- ensuring the market and shareholders are fully informed of material developments.

The responsibility for the operation and administration of the Group is delegated by the Board to the Chief Executive Officer ('CEO') and the Executive Management Team. The Board ensures that both the Managing Director ('MD') and Executive Team, including the CEO, are appropriately qualified and experienced to discharge their responsibilities and, as discussed above, has in place procedures to monitor and assess their performance.

Of necessity, because of the size and scope of the Group's operations there is a substantial overlap between board and management functions in all entities within the Group.

Senior Executive performance evaluation

The Board reviews the performance of the MD and Executive Team on a half-yearly basis. Performance is measured against a set of key performance indicators which have been established with reference to the Group's strategy and the individual's responsibilities.

Principle 2: Structure the Board to add value
Board composition

Individual details of the Directors, including period in office, Board committee memberships, qualifications, experience and skills are set out in the information on Directors section of the Directors' Report.

The Board's composition is determined with regard to the following criteria:

- independent Non-Executive Director who is also the Chairman
- a majority of Directors having extensive experience in the industries that the Group operates in, with those that do not, having extensive experience in significant aspects of financial reporting and risk management
- re-election of one third of the Directors at least annually at the Annual General Meeting (except for the Managing Director and Chief Executive Officer)

- the size of the Board is appropriate to facilitate effective discussion and efficient decision making

With regards to Director Independence, the Board has adopted specific principles which state that an Independent Director must not be a member of management and must comply with the following criteria:

- not, within the last three (3) years, have been employed in an executive capacity by AFT Group Limited or any other member of the Group
- not be a substantial shareholder or be associated either directly or indirectly with a substantial shareholder
- not, within the last three (3) years, have been a professional advisor to the Group either as a principal, or material consultant, or an employee materially associated with the service provided
- be not a material supplier or customer of the Group or associated either directly or indirectly with a material supplier or customer of the Group; and
- have no material contractual relationship with any Entity within the Group other than in the capacity as a Director.

The Board undertakes an annual review of the extent to which each Non-Executive Director is independent. As part of this review, each Director is required to make an annual declaration stating their compliance with the independence criteria to the Board. As at the date of this report, the Non-Executive Director has submitted his annual declaration to the Board, and the Board is satisfied that he has retained his independence throughout the reporting period.

Role of the Chairman

The Chairman is responsible for the leadership of the Board. This includes taking responsibility for ensuring that the Board functions effectively and that they comply with the continuous disclosure requirements of the ASX with regard to communicating the operations and activities of the Group to shareholders. The Chairman's responsibilities include:

- setting the agenda for Board meetings
- managing the conduct, frequency and length of Board meetings to ensure that all Directors have had the opportunity to establish a detailed understanding of the issues affecting the Group
- facilitating the Board meetings to ensure effective communication between the Directors and that all Directors have contributed to the decision making process thereby leading to a considered decision being made in the best interest of the Group and its shareholders.

Nomination and Remuneration Committee

Having regard to the number of members currently comprising the Group's Board, the Board does not consider it appropriate to have a Nomination and Remuneration Committee. Accordingly, the Board oversees the appointment and induction process for Directors and the selection, appointment and succession planning process of the Group's Managing Director and Chief Executive Officer.

Directors' performance evaluation

The performance of all directors is assessed through review by the Board as a whole of a director's attendance at and involvement in board meetings, his performance and other matters identified by the Board or other directors. Significant issues are actioned by the Board. Due to the Board's assessment of the effectiveness of these processes, the Board has not otherwise formalised measures of a director's performance.

The Group has not conducted a performance evaluation of the members of the Board during the reporting period, however the Board conducts a review of the performance of the Group against budgeted targets on an ongoing basis.

Independent professional advice and access to information

Each Director has the right of access to all relevant information in the Group in addition to access to the Group's executives. Each Director also has the right to seek independent professional advice subject to prior consultation with, and approval from, the Board. This advice will be provided at the Group's expense and will be made available to all members of the Board.

Insurance

The Group has in place, a Directors and Officers liability insurance policy providing a specified level of cover for current and former Directors and Executive Officers of the Group against liabilities incurred whilst acting in their respective capacity.

Principle 3: Promote ethical and responsible decision making
Code of Conduct

The Directors are committed to establishing and maintaining practices throughout the AFT Group to maintain confidence in the Group's integrity. Public ownership corporate governance principles and controls are applied. All relevant policies are directed towards fair and ethical dealings with suppliers, customers and other stakeholders. All related party relationships are carefully monitored and disclosed and conflicts of interest dealt with appropriately.

Unethical practices, including fraud, legal and regulatory breaches, and policy breaches are required to be reported on a timely basis to management. Reporting parties are able to do so without fear of reprisal or retribution as their identity and report are kept in the strictest confidence. External third party reporting procedures are available to employees to provide them with the assurance that their identity will be kept confidential at all times.

Trading in the Group's Securities by Directors and Employees

Directors and employees are prohibited by law from dealing in the Group's securities whilst in possession of price sensitive information and all directors and employees are aware of this, and their obligations and responsibilities in relation to disclosure through the ASX of changes in director's shareholdings.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. The Diversity Policy outlines the requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board has developed the following objectives regarding gender diversity and aims to achieve these objectives over the next few years as Director and Senior Executive positions become vacant and appropriately qualified candidates become available:

Gender Diversity Objective	**2014**		**2015-2016**	
	No.	**%**	**No.**	**%**
Women on the Board	**0**	**0**	**0**	**0**
Women in Senior Management Roles	**1**	**20**	**1**	**25**
Women employees in the Company	**2**	**12**	**2**	**17**

Having regard to the number of members currently comprising the Group's Board, the Board does not consider it appropriate to have an Audit and Review Committee. Instead the Board takes responsibility for the following:

Principle 4: Safeguard integrity in financial reporting
Audit and Risk Committee

Having regard to the number of members currently comprising the Group's Board, the Board does not consider it appropriate to have an Audit and Risk Committee.

Instead, the Board takes responsibility of the following:

- ensures the integrity of the Group's internal and external financial reporting including compliance with applicable laws and regulations
- ensures that appropriate and effective internal systems and controls are in place to manage the Group's exposure to risk
- oversees the appointment, compensation, retention and oversight of the external auditor, and review of any non-audit services provided by the external auditor; and
- regularly reviews the performance of the external auditor regarding quality, costs and independence.

Principle 5: Make timely and balanced disclosure

The Group has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Group, and ensure that all investors have access to information on the Group's financial performance. This ensures that the Group is compliant with the information disclosure requirements under the ASX Listing Rules.

Matters involving potential market sensitive information must first be reported to the Managing Director either directly or via the Company Secretary. The Managing Director will advise the other Directors if the issue is important enough to warrant the consideration of the full Board. In all cases the appropriate action must be determined and carried out in a timely manner in order for the Group to comply with the Information Disclosure requirements of the ASX.
Once the appropriate course of action has been agreed upon, either the Managing Director or Company Secretary, being the only authorised officers of the Group who are able to disclose such information, will disclose the information to the relevant authorities. Board approval is required for market sensitive information such as financial results, material transactions or upgrading / downgrading financial forecasts. This approval is minuted in the meetings of the Board of Directors.

Principle 6: Respect the rights of shareholders

The Group provides effective communication with shareholders via:

- the Annual Report, including relevant information about the operations of the Group during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Report can be accessed either through the ASX website or the Company's website
- the half year and full year financial results are announced to the ASX and are available to shareholders via the company's websites
- All announcements made to the market and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the investor information section of the company's website after they have been released to the ASX
- detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting; and
- shareholding and dividend payment details are available through the Group's share register, Computershare Investor Services Pty Ltd.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions. The shareholders are requested to vote on matters such as the adoption of the Group's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

The external auditor attends the Annual General Meeting to answer any questions concerning the audit of the Group and the contents of the Auditor's Report.

Principle 7: Recognise and manage risk
Risk management framework

AFT Corporation Limited recognises that a robust risk management framework is essential for corporate stability, protecting the interests of its stakeholders and for sustaining its competitive market position and long term performance.

The following objectives drive the Group's approach to risk management:

- having a culture that is risk aware and supported by high standards of accountability at all levels
- promoting and achieving an integrated risk management approach whereby risk management forms a part of all key organisational processes
- supporting more effective decision making through better understanding and consideration of risk exposures
- increasing shareholder value by protecting and improving share price and earnings per share in the short to medium term while building a sustainable business in the longer term;
- safeguarding the Group's assets
- enabling the Board to fulfil its governance and compliance requirements; and
- supporting the sign off for ASX Principles four and seven by the Chief Executive Officer and Chief Financial Officer.

In achieving effective risk management, AFT Corporation Limited recognises the importance of leadership. As such, the Board and executive management have responsibility for driving and supporting risk management across the Group. Each subsidiary then has responsibility for implementing this approach and adapting it, as appropriate, to its own circumstances.

Corporate reporting

The Board has required management to design and implement a risk management and internal control system to manage the Group's material business risks and to report on whether those risks are being effectively managed.

DIRECTORS' REPORT

The Board of Directors of AFT Corporation Ltd has pleasure in submitting its report on the Company and its controlled entities (the "Group") in respect of the financial year ended 31 December 2014.

Directors and Company Secretary

The names of directors in office at any time during or since the end of the financial year and until the date of this report are:

Name	Role
Stone Wang	Executive Director
John Zhang	Executive Director
Neil Bourne	Non-Executive Director

Mr Stone Wang graduated as a Master of Science from University of Sydney. He has extensive experience in business in both Australia and China. Mr Stone Wang does not hold any directorships in other listed companies and is currently the Chief Executive Officer and Chairman of the Group.

Mr John Zhang was educated in China at the Guangdong Foreign Trade College and has extensive experience in import/export between Australia and China. He worked in a public listed company in Hong Kong and has been residing in Australia for 10 years. Mr John Zhang does not hold any directorships in listed companies.

Mr Neil Bourne holds a Masters in Business Administration and Bachelor of Science in Electronic Engineering. Mr Neil Bourne does not hold any directorships in listed companies.

Company Secretary

Maurice Watson – CA

Maurice Watson is a member of the Institute of Chartered Accountants and has been in public practice as a principal for 18 years.

Unissued Shares Under Options

As at date of this report , the number of unissued ordinary shares of AST Corporation Limited under option is 360,000,000. These options were granted on 2 March 2012 with expiry date of 2 March 2015 and with an exercise price of $0.001 per share.

Further details are provided under "Employee and Director Share Based Loan" in the Directors' Report.

Directors' Meetings

During the year, there were 8 meetings of directors, and 0 circulating resolutions pursuant to the Group's Constitution.

The attendance of directors was as follows:

	Held	Eligible	Attended
Stone Wang	8	8	8
John Zhang	8	8	7
Neil Bourne	8	8	7

As at the date of this report, the Company does not have a separately constituted audit committee. The Company is not of a size, nor are the affairs of a complexity, sufficient to warrant the existence of a separate audit committee. All matters, which could be delegated to such a committee, are dealt with by the full Board.

Principal Activity

The principal activity of the Group during the year was the marketing and sales of solar panel products by Artemis Building Systems Pty Ltd, and supporting new developments with project finance under leasing and energy sale contracts through its subsidiary Artemis Energy Solutions.

Operating Results

The result for the financial year ended 31 December 2014 after income tax is a loss of $1,751,177.

Dividends

Since the end of the previous financial year, no dividends have been paid or declared by the Aft Corporation Limited, and the directors of the Company recommend that no dividends be provided for the year ended 31 December 2014.

Financial Position

The net assets of the Group have decreased by $726,437 from 31 December 2013 to $1,006,137 in 2014.

The decrease is largely due to the operating loss of $1,751,177 and offset with the new capital issued with an amount of $1,000,000.

Risk Management

Procedures have been established by the Board to ensure the Group's risk management and internal compliance and control system continues to operate efficiently and effectively in all material respects.

Significant Changes in State of Affairs

The following matters significantly affected the state of affairs of the Group during the financial year:

- An unsecured loan of $1,000,000 at an interest rate of 9% was obtained during the year

Events Subsequent to Balance Date

There are no material subsequent events since the year ended 31 December 2014, that have significantly affected or may significantly affect either the Group's operation, the results of those operations and the Group's state of affairs in future financial years.

Future Developments

Information relating to future developments has been covered in the Executive Directors review and review of operations above.

Environmental Issues

The Group's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

Remuneration Report (Audited)

The directors of AFT Corporation Limited present the remuneration report for non-executive directors, executive directors and other key management personnel prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001

a). Principles used to determine the nature and amount of remuneration.

The principles of the Group are:

- To align rewards to business outcomes that deliver value to shareholders.
- To drive a high performance culture by setting challenging objectives and rewarding high performing individuals, and
- To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

b). Use of remuneration consultants.

The company used an independent consultant to determine the salary package of Mr Stone Wang. Mr Wang's contract for a period of 3 years from 1 January 2013, with options to renew for a future 3 years.

Recognising the Group's requirement to preserve cash at this point, the Directors have voluntarily elected to increase the portion of their compensation packages paid in the form of options. These shares were issued under the Employee Share Based Loan Plan explained on pages 15 to 16.

Details of the nature and amount of each element of the compensation of each key management personnel of the Group are shown below:

2014

Key Management Personnel	**Short-term Benefits**		**Post-employment Benefits**	**Share-based payment**	**Total**	**% of remuneration that is performance based**
	Cash, salary and fees	**Non-cash benefit**	**Super-annuation**	**Options**		
	$	**$**	**$**	**$**	**$**	**%**
Stone Wang	227,731	-	48,279	24,740	300,750	-
Neil Bourne	30,000	-	2,812	-	32,812	-
John Zhang	97,500	-	8,109	-	105,609	-
Total	**355,231**	**-**	**59,200**	**24,740**	**439,171**	**-**

2013

Key Management Personnel	**Short-term Benefits**		**Post-employment Benefits**	**Share-based payment**	**Total**	**% of remuneration that is performance based**
	Cash, salary and fees	**Non-cash benefit**	**Super-annuation**	**Options**		
	$	**$**	**$**	**$**	**$**	**%**
Stone Wang	289,503	-	46,470	52,140	388,113	-
Neil Bourne	37,618	-	2,737	-	40,355	-
John Zhang	143,759	-	9,581	-	153,340	-
Total	**470,880**	**-**	**58,788**	**52,140**	**581,808**	**-**

Shares held by Key Management Personnel

The number of ordinary shares in the company during the 2014 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out follow:

	Balance	
Personnel	**Start of year**	**End of year**
Stone Wang	888,991,840	651,233,204
Neil Bourne	40,000,000	40,000,000
John Zhang	-	-

Employee and Director Share based Loan Plan

The Board introduced an employee/directors share plan in 2008 called the AFT Corporation Limited Employee Loan Plan (Loan Plan). The Board believes the introduction of the Loan Plan is in the best interests of AFT Corporation Limited (the "Company"). The purpose of the Loan Plan is to better align the interests of shareholders and the employees/directors of AFT Corporation Limited (Employees) by linking the rewards of Employees to the long-term success of the Company. The Loan Plan will facilitate a comprehensive remuneration strategy for the Employees.

There were no new loans provided to the employees and directors of the Company this year.

The Board believes the Loan Plan will:

1. create a stronger link between the shareholders, the Employees and the Company's overall financial performance as reflected by the performance of the Company's shares;

2. provide a direct remuneration linkage between any dividends received by shareholders and the rewards of Employees; and

3. increase productivity through increased participation in the Company by the Employees as shareholders.

Some of the key terms of the Loan Plan are set out below, the full Loan Plan Rules are available upon request from the Company Secretary.

Maximum number of shares that can be issued

The maximum number of shares subject to the Loan Plan rules shall not exceed 15% of the issued capital of the Company.

Manner of acquisition

The Employees will be invited to subscribe for a new issue of the Company's shares. Generally, shares will be issued to the Employees at an issue price set by the Board with reference to the market price at the date of the allocation, being the weighted average price at which those shares were traded on the ASX over the one week period before the date of allocation and if there were no transactions on the ASX during that one week period, the last price at which an offer was made on the ASX in that period to buy such a share. A Company provided loan as outlined below would fund the acquisition cost of the shares. The shares will be registered in the name of the Employees, but will remain subject to restrictions on dealing as specified by the Board (which may include applying a holding lock to the shares) until the Employees become entitled to withdraw the shares from the Loan Plan (see below).

Performance hurdles

The Board will specify the performance hurdles that will generally need to be satisfied before the Employees may withdraw their shares from the Loan Plan. Performance hurdles may include minimum tenure periods (Vesting Scale) and performance criteria specified by the Board at the time of the invitation. Generally, provided any loans outstanding have been repaid, the Employees may withdraw their shares from the Loan Plan once the applicable performance hurdles have been satisfied.

Loan and security

The Company may extend a loan to enable the Employees to acquire shares under the Loan Plan as determined by the Board. Generally speaking, the loan is repayable within five years.

Loans under the Loan Plan are limited recourse in nature, which means that if at the date that the loan becomes repayable, the Employee's shares are worth less than the outstanding balance of the loan, the Company cannot recover the difference from the Employee. If at the date that the loan becomes repayable the proceeds of sale of the shares exceeds the total amount of the loan owing to the Company by the Employee, then subject to satisfaction of any performance hurdles, the surplus proceeds shall be paid by the Company to the Employee. Interest will not be payable on the outstanding balance of the loan.

As security for the loan, the Employee will pledge the shares acquired under the Loan Plan to the Company at the time the financial assistance is provided and will grant a charge over any benefits attributable to those shares, including bonus shares, rights and dividends. Under the terms of the loan, the Employee authorises and directs the Company to:

1. sell, if possible, any rights or other tradeable benefits attributable to the shares held by the Employee under the Plan and pay the proceeds to the Company in reduction of the outstanding balance of the Employee's loan;

2. with the exception of dividends, pay any other payments attributable to Plan shares or any associated bonus shares, including any capital repayment, to the Company in reduction of the outstanding balance of the Employee's loan; and

3. hold any bonus shares as security until the Performance Hurdles have been satisfied and the loan is repaid in full.

Loans or other financial assistance will only be extended to the Employees as permitted by the Corporations Act. Dividends on the shares the subject of the Loan Plan will be paid to the Employees' nominated bank accounts.

Indemnities given and insurance paid to auditors and officers

During the year, the company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the insurance contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of the proceedings. The company was not a party do any such proceeding during the year.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

Auditor's Independence Declaration

The auditor's independence declaration required by section 307C of the Corporations Act 2001 is included immediately following this Director's Report and forms part of the Director's Report.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2)(a) of the Corporations Act 2001.

For and on behalf of the Board.

Stone Wang
CEO and Managing Director

Sydney, New South Wales
Date: 30 March 2015

Hayes Knight
Accountants & Business Advisers

Hayes Knight (NSW) Pty Ltd
ABN: 25 125 243 692
Level 2, 115 Pitt Street, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 F: 02 9221 6305
www.hayesknight.com.au

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

To the Directors of AFT Corporation Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Pran Rathod - Director Audit Services
Registered Company Auditor

Hayes Knight
Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 31st day of March 2015

AFT CORPORATION LIMITED – ABN 33 004 701 062
and Controlled Entities

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated Entity 2014 $	2013 $
Continuing Operations			
Revenue	2	2,660,452	3,535,836
Other Income	2	206,311	355,741
Subtotal		**2,866,763**	**3,891,577**
Raw Materials/Consumables Used	3	(1,957,116)	(2,905,164)
Occupancy & Administration Expenses		(317,298)	(238,061)
Audit & Accounting Fees		(129,003)	(126,267)
Finance Costs	3	(141,642)	(9,452)
Salaries and Wages		(870,232)	(781,783)
Consulting Expenses		(90.474)	(147,388)
Directors' Remuneration		(573,817)	(529,668)
Depreciation and Amortisation Expenses	3	(17,149)	(18,341)
Other Expenses		(521,209)	(526,301)
(Loss) Before Income Tax		**(1,751,177)**	**(1,390,848)**
Income Tax Expense	4	-	-
Net (Loss) from continuing operations		**(1,751,177)**	**(1,390,848)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(1,751,177)**	**(1,390,848)**
Total comprehensive income for the year attributed to			
- Members of the parent entity		(1,710,879)	(1,397,242)
- Non-controlling interest		(40,298)	6,394
		(1,751,177)	**(1,390,848)**
Earnings per share			
From continuing operations:	**20**		
- Basic and diluted (Loss)/earnings per share (cents)		(0.0244)	(0.0226)
- Diluted (loss)/earnings per share		(0.0244)	(0.0226)

The above statement should be read in conjunction with the accompanying notes.

AFT CORPORATION LIMITED - ABN 33 004 701 062
and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Consolidated Entity 2014 $	2013 $
CURRENT ASSETS			
Cash and Cash Equivalents	6	2,524,170	2,097,043
Trade and Other Receivables	7	759,059	658,302
Inventories	8	517,413	667,417
Financial Assets	9	73,404	30,239
Other Assets	10	49,234	204,401
TOTAL CURRENT ASSETS		3,923,280	3,657,402
NON-CURRENT ASSETS			
Other Financial Assets	11	499,070	278,712
Plant and Equipment	12	25,385	41,817
TOTAL NON-CURRENT ASSETS		524,455	320,529
TOTAL ASSETS		4,447,735	3,977,931
CURRENT LIABILITIES			
Trade and Other Payables	13	722,162	774,731
Provisions	16	215,648	127,282
TOTAL CURRENT LIABILITIES		937,810	902,013
NON-CURRENT LIABILITIES			
Provisions	16	63,098	43,404
Borrowings	14	2,440,690	1,299,940
TOTAL NON-CURRENT LIABILITIES		2,503,788	1,343,344
TOTAL LIABILITIES		3,441,598	2,245,357
NET ASSETS		1,006,137	1,732,574
EQUITY			
Issued Capital	17	104,126,740	103,126,740
Reserves	18	344,407	319,667
Accumulated Losses		(103,430,969)	(101,720,090)
Parent Interest		1,040,178	1,726,317
Non-Controlling Interest		(34,041)	6,257
TOTAL EQUITY		1,006,137	1,732,574

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Issued Capital	Accumulated losses	Option reserve	Non-Controlling Interest	Total equity
	$	$	$	$	$
CONSOLIDATED ENTITY					
At 1 January 2014	103,126,740	(101,720,090)	319,667	6,257	1,732,574
Comprehensive Income					
(Loss) for the year	-	(1,710,879)	-	(40,298)	(1,751,177)
New share issued	1,000,000	-	-	-	1,000,000
Share based payments	-	-	24,740	-	24,740
At 31 December 2014	104,126,740	(103,430,969)	344,407	(34,041)	1,006,137

	Issued Capital	Accumulated losses	Option reserve	Non-Controlling Interest	Total equity
	$	$	$	$	$
CONSOLIDATED ENTITY					
At 1 January 2013	103,126,740	(100,322,848)	287,527	(137)	3,071,282
Comprehensive Income					
(Loss) for the year	-	(1,397,242)	-	6,394	(1,390,848)
Share based payments	-	-	52,140	-	52,140
At 31 December 2013	103,126,740	(101,729,090)	319,667	6,257	1,732,574

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated Entity 2014	2013
			$
Cash Flows from Operating Activities			
Receipts from customers		2,624,762	4,245,899
Payments to suppliers and employees		(4,319,479)	(5,317,861)
Interest received	2	123,454	68,328
Finance costs		(893)	(9,452)
Net cash (used in) operating activities	27(b)	**(1,572,156)**	**(1,013,086)**
Cash Flows from Investing Activities			
Payments for investments		-	(109,590)
Payments for property, plant & equipment		(717)	(1,697)
Loan advanced		-	(22,088)
Net cash (used in) investing activities		**(717)**	**(133,375)**
Cash Flows from Financing Activities			
Proceeds from borrowings		1,000,000	996,877
Proceeds from new shares issued		1,000,000	-
Net cash proceed by financing activities		**2,000,000**	**996,877**
Increase / (Decrease) in cash and cash equivalents		**427,127**	**(149,584)**
Cash and cash equivalents at beginning of financial period		2,097,043	2,246,627
Cash and cash equivalents at end of financial period	27(a)	**2,524,170**	**2,097,043**

The above statement should be read in conjunction with the accompanying notes.

Note 1: Summary of Significant Accounting Policies

The financial report includes financial statements for the Consolidated Entity consisting of AFT Corporation Limited and its controlled entities ("The Group"). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The separate financial statements of the parent entity, AFT Corporation Ltd, have not been presented within the financial report as permitted by the Corporations Act 2001.

AFT Corporation Limited is a company limited by shares incorporated & domiciled in Australia.

The financial statements were authorised for issue by the board on 30 March 2015.

a. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Except for the cash flow, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

b. Going Concern

The Group has been incurring losses over the past 3 years. The Group's ability to generate profits and cash flows is dependent on the successful outcome of discussions on new substantial business, the monitoring of expenses and the ability to raise additional capital and or long term debt.

The directors are of the opinion that the above are achievable and therefore consider that there is no material uncertainty in going concern of the Group.

c. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity and all of its subsidiaries. Subsidiaries are entities the parent controls.

The parent controls an entity when it is exposed to, or if it has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A list of subsidiaries is contained in Note 25 to the financial statements.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intercompany balances and transactions, including unrealised profits or losses arising from intra-group transactions, have been eliminated in full.

Non-controlling interests, being the equity in subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

d. Foreign Currency Translation

The consolidated financial report is presented in Australian dollars, which is also the functional currency of the parent entity.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of the exchange rate ruling at the balance sheet date. Unrealised exchange gain/loss is recognised in the statement of profit or loss and other comprehensive income.

e. Segment Reporting

The Group operates primarily in Australia in the Solar Panel & LED lighting business.

f. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. It is measured by reference to the fair value of the consideration received or receivable excluding sales taxes, rebates and trade discounts. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues to the net carrying amount of the financial asset.

Hire Purchase Sales

Hire purchase sale is recognised as outright sale. The property in goods passes to the buyer only when the last instalment is paid and the other conditions of the hire purchase agreement are satisfied.

g. Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and / or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

h. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except:

- Where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST payable or recoverable included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

i. Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

j. Trade and Other Receivables

Trade receivables, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Non-current trade and other receivables consist of receivables from wholly owned entities. Settlement of these receivables is neither planned nor likely to occur in the foreseeable future.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l. Plant and Equipment

Plant and equipment is stated at acquisition cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is calculated in a straight-line basis over the estimated useful life of over 3-8 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss and other comprehensive income.

m. Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

n. Provisions

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

o. Employee Benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The Group's liabilities for annual leave and long service leave are included in other long term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents employee benefit obligations as current liabilities in the statement of financial position if the Group does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

p. Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL),'held to maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(ii) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designed as at FVTPL. There are no such assets.

(iii) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loan and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(iv) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

(v) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(vi) Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designed as at FVTPL. There are no such financial liabilities.

(vii) Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(viii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

q. Share-based Payment Transactions

Where the Group provides benefits to a director or employee of the Group in the form of share-based payment transactions, the employees render services in exchange for share or rights over shares ('equity-settled transactions').

The cost of the equity-settled transaction is measured by reference to the fair value at the date at which it is granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of AFT Corporation Ltd ('market conditions').

The cost of equity-settled transaction is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

r. Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the parent entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

s. Critical accounting estimates, assumptions and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The estimates and assumptions used in the value-in-use calculations concern the future. The accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions have a significant risk of being different due to changes in economic or market conditions and/or due to events outside the control of management, and cause material adjustment to the carrying amounts of assets and liabilities in future periods.

Share-based payment transactions

The Group measures the cost of equity settled transactions with Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted.

The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Inventories

Management estimates the net reasonable value of inventories, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

t. Operating Lease

Lease payments under operating leases, where substantially all the risks and benefits remain with the leaser, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortized on a straight – line basis over the life of the lease term.

u. Investments in Associates

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

v. **New Standards and Interpretations Not Yet Adopted**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

New/Revised Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
AASB 9 *Financial Instruments*	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows	1 January 2018	*When this standard is first adopted for the year ending **31 December 2018,** there will be no material impact on the transactions and balances recognised in the financial statements.*
AASB 15 *Revenue from Contracts with Customers*	AASB 15: replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations: • establishes a new revenue recognition model • changes the basis for deciding whether revenue is to be recognised over time or at a point in time • provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing) • expands and improves disclosures about revenue	1 January 2017	*When this Standard is first adopted for the year ending **31 December 2017**, there will be no material impact on the transactions and balances recognised in the financial statements.*
AASB 2014-1 Amendments to Australian Accounting Standards (part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)	Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*. Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*: a. clarify that the definition of a 'related party' includes a	1 July 2014	*When these amendments are first adopted for the year ending **31 December** 2015, there will be no material impact on the entity.*

New/Revised Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
	management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and b. amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.		
AASB 2014-1 *Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)*	Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.	1 January 2016	*When these amendments become effective for the first time for the year ending **31 December 2016**, they will not have any impact on the entity.*
AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)	Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 *Financial Instruments* to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 *Hedge Accounting* into AASB 9 and to amend reduced disclosure requirements for AASB 7 *Financial Instruments: Disclosures* and AASB 101 *Presentation of Financial Statements*.	1 January 2015	*The entity has not yet assessed the full impact of these amendments.*
AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 *Business Combinations*, should: • apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint	1 January 2016	*When these amendments are first adopted for the year ending **31 December 2016**, there will be no material impact on the transactions and balances recognised in the financial statements.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

New/Revised Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
	control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and • provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.		
AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*	The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.	1 January 2016	*When these amendments are first adopted for the year ending **31 December 2016**, there will be no material impact on the financial statements.*
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	The narrow-scope amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures* introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.	1 January 2016	*When these amendments are first adopted for the year ending **31 December 2016**, there will be no material impact on the financial statements.*
Disclosure Initiative – Amendments to IAS 1 *Presentation of Financial Statements*	The amendments: • clarify the materiality requirements in IAS 1, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that IAS 1's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other	1 January 2016	*When these amendments are first adopted for the year ending **31 December 2016**, there will be no material impact on the financial statements.*

New/Revised Pronouncement	Nature of Change	Effective Date	Likely impact on initial application
	comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.		

The Group does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Group's financial statements.

Adoption of New Accounting Standards and Interpretations

The Group has adopted all new and amended Australian Accounting Standards and Interpretations which are effective from 1 January 2014. The adoption did not result in any significant changes to the Group's accounting policies or disclosures.

	Note	2014	2013
Note 2: Revenues		$	$
Sale of goods and services		2,600,452	3,535,836
Other income			
Interest received		123,453	68,328
Compensation received from Landlord		-	170,000
Other		82,858	117,413
Total other revenue		206,311	355,741
Total revenues		**2,866,763**	**3,891,577**

Note 3: Expenses

Interest – other borrowings	141,642	9,452
Cost of sales	1,957,116	2,905,164
Other Expenses include:		
- Bad and Doubtful Debts	-	(15,000)
- Rental expenses	77,130	88,535
Depreciation and amortisation expenses:		
- plant and equipment	17,149	18,341

Note 4: Income Tax Expense

No income tax is payable by the Parent Company or any Subsidiary Company within the Group as the companies are either in a current year tax loss position or have sufficient prior year tax losses available to offset against current year taxable income. Deferred tax assets which may be derived from such losses have not been carried forward as an asset in the Statement of Financial Position since it is not considered probable that they will be uitlised and will only be obtained if:

(a) the relevant company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;

(b) the relevant company continue to comply with conditions for deductibility imposed by the law; and

(c) no changes in tax legislation adversely affect the relevant company in realising the benefit from the deduction of the loss.

Note 4 : Income Tax Expense (Con't......)

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	2014	2013
	$	$
(Loss)before income tax	(1,751,177)	(1,390,848)
At the Group's statutory income tax rate of 30%	(525,353)	(417,254)
Tax losses not booked	525,353	417,254
Income tax expense reported	-	-

Tax losses

The Group has tax losses of approximately $15,786,167 for which no deferred tax asset has been recognised in the Statement of Financial Position on the basis of, at this stage it is not being considered probable that these losses will be utilised.

	2014	2013
	$	$
Note 5: Auditors' Remuneration		
Auditor of the parent entity		
Auditing or reviewing the financial report	30,679	32,454
	30,679	**32,454**
Note 6: Cash and Cash Equivalents		
Cash at bank	2,524,170	2,097,043
	2,524,170	**2,097,043**
Note 7: Trade and Other Receivables		
Current		
Trade and other receivables	759,059	658,302
	759,059	**658,302**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

	2014	2013
Note 8: Inventories	**$**	**$**
At cost		
Finished goods	517,413	667,417
Note 9: Financial Assets(Current)		
Commercial HP Receivable	106,182	47,555
Unearned Interest Revenue	(32,778)	(17,316)
	73,404	**30,239**
Note 10: Other Assets		
Prepayment	27,146	182,313
Loan to related entities (Unsecured)	22,088	22,088
	49,234	**204,401**
Note 11: Financial Assets(Non-current)		
Due from other entities	9,652	9,652
Commercial HP Receivable	557,163	245,740
Unearned Interest Revenue	(182,065)	(91,000)
Investments accounted for using equity method		
Investments in other companies:		
GA (HK) – holding 33% shares	4,730	4,730
GA (Guangzhou) – holding 49% shares	109,590	109,590
(These entities have not yet commenced trading)		
Total non-current investments	**499,070**	**278,712**

Note 12: Plant And Equipment

Plant and equipment		
- at cost	148,145	147,428
- accumulated depreciation	(122,760)	(105,611)
	25,385	**41,817**

Movements in Carrying Amounts

Movements in the carrying amounts for plant and equipment between the beginning and the end of the financial period:

	2014 $	2013 $
Balance at the beginning of the period	41,817	59,733
Additions	717	1,698
Disposals	-	(1,273)
Depreciation expense	(17,149)	(18,341)
Carrying amount at the end of the period	**25,385**	**41,817**

Note 13: Trade and Other Payables

Current		
Trade payables	472,408	673,064
Other payables	96,147	30,259
Accrued expenses	153,607	71,408
	722,162	**774,731**

All amounts are short term. The carrying value of trade and other payables are considered to be a reasonable estimation of fair value.

Note 14: Borrowings

Non-current		
Borrowings (unsecured)	**2,440,690**	**1,299,940**

Advance loan $1,299,940 from Ms Jing Yun Yang to Artemis Energy Solutions Pty Ltd is unsecured, repayable at end of 3 years in 2016. The loan amount of $999,940 is subject to 5% pa interest rate and the accrued interest expense is $67,000 as at 31 December 2014.

Advance loan of $1,000,000 from Surplus King Capital Resources Limited is unsecured, repayable at the end of 2 years in 2016. The loan amount is subject to 9% pa interest rate and the accrued interest expense is $73,750 as at 31 December 2014.

Note 15: Commitments

(a) Lease

Non-cancellable operating lease contracted for but not capitalised in financial statements.

	2014	2013
	$	$
Payable - not later than 12 months	84,564	82,242
- between 12 months and 5 years	105,705	186,000
- greater than 5 years	-	-
	190,269	**268,242**

(b) Capital Expenditure

There is no capital expenditure commitment at balance date.

	2014	2013
Note 16: Provisions	**$**	**$**
Current		
Annual Leave	175,648	127,282
Legal fee	40,000	-
	215,648	**127,282**
Non-Current		
Long Service Leave	**63,098**	**43,404**
At the beginning of the period	170,686	117,719
Additional AL provisions made	48,366	41,243
Additional legal fee provisions made	40,000	-
Additional LSL provisions made	19,694	11,724
Carrying at the end of the period	**278,746**	**170,686**

	2014	2013
Note 17: Issued Capital	**$**	**$**
Issued and paid-up capital		
7,148,528,012 issued and fully paid ordinary shares (6,148,528,012 : 2013)	104,126,740	103,126,740
Ordinary shares		
At the beginning of reporting period	103,126,740	103,126,740
New share issued	1,000,000	-
At reporting date	**104,126,740**	**103,126,740**

The company has authorised share capital amounting relating to 7,148,528,012 ordinary shares of no par value.

Note 18: Reserves

Option reserve

The option reserve is to record for the potential cost to the company of executive directors exercising their options and share based payments as per the company's employee and director's share based loan plan.

Note 19: Contingent Liabilities

At such time as the Company has funds available in excess of that required for it to obtain an admission to the Alternative Investment Market of the London Stock Exchange and above those sums required for the reasonable day to day running costs of AFT Corporation Ltd, a liability will crystallise to pay Philip Hall One Hundred and Fifty Thousand Pounds (£150,000) plus interest at the rate of 6% per annum from 31 August 2006 to the date of payment.

As at 31 December 2014, the estimated interest liability is $80,140. As it is contingent upon these conditions, this has not been included as a liability. There are no contingent liabilities other than this.

Note 20: Earnings per Share

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2014	2013
	$	$
(Loss)	(1,751,177)	(1,390,848)
Earnings used in the calculation of basic and diluted EPS	(1,751,177)	(1,390,848)
Weighted average number of ordinary and shares outstanding during the year used in the calculating diluted EPS	**7,148,528,012**	**6,148,528,012**

Note 21: Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There has been no change in capital management since the prior year.

Note 22: Financial Risk Management

(a) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Treasury Risk Management

Board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

(c) Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are foreign currency risk, liquidity risk, and credit risk.

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Group's measurement currency.

Foreign currency risk - The Group manages this risk by discharging liabilities at favourite foreign exchange rate.

Liquidity risk - The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk - The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Credit Risk Exposure

The Group's maximum exposures to credit risk, excluding the value of any collateral and other security at balance dates in relation to each class of recognised financial asset, is the carrying value of those assets net of any provisions for doubtful debts as disclosed in the Statement of Financial Position and notes to the financial statements.

All receivables are from Customers in Australia.

The Group minimises credit risk in relation to trade account receivables and HP receivables by undertaking transactions with organisations such as government instruments which have good credit ratings. The Group does not have any material credit risk exposure to any single debtor or Group of debtors, under financial instruments entered into by it. There are no material amounts of collateral held as security as at 31 December 2014.

Credit risk is managed on a Group basis and reviewed regularly by the directors.

(e) Foreign Currency Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in US Dollar may impact on the Group's financial results unless those exposures are appropriately hedged.

It is the Group's policy that hedging, as a percentage of net foreign exchange rate exposure, be maintained within FRMC established limits. There are further controls around the cumulative amount of hedging that can be undertaken within any 30-day period to avoid pricing concentration risk. The functional currency of the Group is

Australian Dollars.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations, denominated in currencies other than the functional currency of the operations as at 31 December 2014.

2014

Consolidated Entity	**USD**	**AUD**	**Total AUD**
US Dollar	(234,193)	(287,142)	(287,142)
Balance sheet exposure	**(234,193)**	**(287,142)**	**(287,142)**

2013

Consolidated Entity	**USD**	**AUD**	**Total AUD**
US Dollar	(93,953)	(101,669)	(101,669)
Balance sheet exposure	**(93,953)**	**(101,669)**	**(101,669)**

The Group has performed sensitivity analysis relating to its exposure to exchange rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity, which could result from a change in these risks.

At 31 December 2014, the effect on profit and equity as a result of changes in the exchange rate, with all other variables remaining constant would be as follows:

	Consolidated Entity	
	2014	**2013**
Change in profit	**$**	**$**
-Increase in exchange rate by 10%	28,714	10,167
-decrease in exchange rate by 10%	(28,714)	(10,167)
Change in equity		
-Increase in exchange rate by 10%	28,714	10,167
-decrease in exchange rate by 10%	(27,714)	(10,167)

(f) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves, and through the continuous monitoring of budgeted and actual cash flows.

Contracted maturities of payables year ended 31 December 2014 :

(f) Liquidity Risk (Con't....)

	2014	2013
Payables	**$**	**$**
Less than 6 months	38,167	30,259
6 to 12 months	683,995	744,472
1 to 5 years	2,440,690	1,299,940
Total	**3,162,852**	**2,074,671**

(g) Net Fair Value of the Financial Assets & Liabilities

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

Note 23: Economic Dependence

A significant portion of the goods purchased for the running of the business is obtained from Suntech Power Co. Ltd.

Note 24: Key Management Personnel Disclosures

All disclosures in relation to key management personnel have been made in the Directors' Report.

Note 25: Details of Controlled Entities

	Country of incorporation	Percentage owned 2014	Percentage owned 2013
Parent Entity		**%**	**%**
AFT Corporation Limited	Australia		
Subsidiaries			
Microgenix Australasia Pty Limited	Australia	100	100
OCTIP Ltd	United Kingdom	50	50
Artemis Building Systems Pty Ltd	Australia	100	100
AFT Logistics Pty Ltd	Australia	100	100
ABS Green Solutions Pty Ltd	Australia	100	100
Artemis Energy Solutions	Australia	70	70

Note 26: Subsequent Events after Balance Sheet Date

There has not been any matter or circumstances occurring subsequent to the end of the financial year, which significantly affect or may significantly affect the operations of the Group the results of those operations or the state of affairs of the Group.

Note 27: Notes to the Statement of Cash Flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

	2014	2013
	$	$
Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position:		
Cash and cash equivalents	2,524,170	2,097,043

(b) Reconciliation of net cash provided by operating activities to operating (loss) after income tax.

	2014	2013
Operating (Loss) after tax	(1,751,177)	(1,390,848)
Depreciation and amortisation expense	17,149	19,613
Share-based payment expense	24,740	52,140
Non-cash interest expense	140,750	-
Decrease/(Increase) in receivables	(392,934)	(77,300)
Decrease/(Increase) in inventories	150,004	436,858
Decrease/(Increase) in prepayments	183,820	(151,859)
Increase/(Decrease) in creditors	(52,569)	45,343
Increase/(Decrease) in provisions	108,061	52,967
Net cash (used in)/provided by operating activities	(1,572,156)	(1,013,086)

Note 28: Parent Entity

The following information has been extracted from the books and records of the parent and has been prepared accordance with Australian Accounting Standards

(a) Summary of Statement of Comprehensive Income

	2014	2013
	$	$
Loss for the year	(1,192,005)	(965,215)
Total comprehensive (loss) for the year	**(1,192,005)**	**(965,215)**

(b) Summary of Statement of Financial Position

	2014	2013
Assets		
Current assets	54,293	198,782
Non-current assets	149,446	196,767
Total assets	**203,739**	**395,549**
Liabilities		
Current liabilities	418,745	208,968
Non-current liabilities	3,318,617	3,552,939
Total liabilities	**3,737,362**	**3,761,907**
Net liabilities	**(3,533,623)**	**(3,366,358)**
EQUITY		
Issued capital	104,126,740	103,126,740
Reserves	344,407	319,667
Accumulated losses	(108,004,770)	(106,812,765)
TOTAL EQUITY	**(3,533,623)**	**(3,366,358)**

(c) Contingencies

(i) Deed of cross guarantee under which the company and subsidiary guarantee debts of each other.

(ii) Refer note 19

Note 29: Company Details

The registered office of the Company is:

Unit 7, 6-8 Herbert Street,

St Leonards, New South Wales 2065

The principal places of business are:

Unit 7, 6-8 Herbert Street,

St Leonards, New South Wales 2065

DIRECTORS' DECLARATION

The Directors of AFT Corporation Limited declare that:

1. the financial statements and notes, as set out on page 19 to page 45 are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date;
   (c) complies with International Financial Reporting Standards as disclosed in Note 1;
2. the Managing Director has declared that:
   (a) the financial records of the Company and Controlled Entities for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   (b) the financial statements and notes for the financial year comply with Australian Accounting Standards; and
   (c) the financial statements and notes for the financial year give a true and fair view.
3. 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 Company and a wholly-owned subsidiary, AFT Corporation Listed Public Limited, have entered into a deed of cross guarantee under which the company and its subsidiary guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

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

Stone Wang
CEO and Managing Director
Sydney, New South Wales
Date: 30 March 2015

Hayes Knight
Accountants & Business Advisers

Hayes Knight (NSW) Pty Ltd
ABN: 25 125 243 692
Level 2, 115 Pitt Street, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 F: 02 9221 6305
www.hayesknight.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AFT CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of AFT Corporation Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at year's end or from time to time during the financial year.

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. In Note 1, the directors also state, in accordance with Accounting Standard AASB101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of AFT Corporation Limited a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Hayes Knight
Accountants & Business Advisers

Hayes Knight (NSW) Pty Ltd
ABN: 25 125 243 692
Level 2, 115 Pitt Street, Sydney NSW 2000
GPO Box 4565 Sydney NSW 2001
T: 02 9221 6666 F: 02 9221 6305
www.hayesknight.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AFT CORPORATION LIMITED

Auditor's Opinion

In our opinion:

(a) the financial report of AFT Corporation Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of AFT Corporation Limited for the year ended 31 December 2014 complies with s 300A of the *Corporations Act 2001.*

Pran Rathod-Director Audit Services
Registered Company Auditor

Hayes Knight
Hayes Knight (NSW) Pty Ltd

Dated at Sydney, this 31st day of March 2015

SHAREHOLDER INFORMATION

The following information is provided in accordance with the Listing Rules of Australian Stock Exchange Limited

1. Statement of issued capital at 31 December 2014

Range	Total Holders	Units	% Issued Capital
1 - 1,000	121	76,373	0.001
1,001 - 5,000	225	626,991	0.008
5,001 - 10,000	118	917,149	0.012
10,001 – 100,000	356	14,525,662	0.193
100,000 or more	1,623	7,492,381,834	99.785
Total	**2,443**	**7,508,528,009**	**100.000**

2. Top 20 Holders of Ordinary Shares as at 31 December 2014

Rank	Name	Number of Shares	% Issued Capital
1.	SURPLUS KING CAPITAL RESOURCES LIMITED	1,000,000,000	13.31
2.	MR STONE HONG WANG	651,233,204	8.67
3.	MR GE WANG	380,049,780	5.06
4.	MS PEIWEN PEGGY LU	322,172,136	4.29
5.	MR KUN SUM SHEA	300,780,440	4.00
6.	MR JIAN XIN CHAN	300,000,000	3.99
7.	MS CHONG KWAN	300,000,000	3.99
8.	MR SHAOHUA LIANG	300,000,000	3.99
9.	OXFORD INTERNATIONAL CAPITAL LIMITED	300,000,000	3.99
10.	MR JING WANG	200,780,440	2.67
11.	MR ZHANG XIAO MING	200,000,000	2.66
12.	TECHSUCCESS LIMITED WOLFELANDS	177,430,681	2.36
13.	CITICORP NOMINEES PTY LTD	146,026,380	1.94
14.	MR JAMES LEUNG & MS CHRISTINE CHUI WAH CHEUNG	63,687,898	0.84
15.	MR ROBERT H GREENFIELD	60,000,000	0.79
16.	BRIGHT LUCK INVESTMENT	58,333,310	0.77
17.	MRS LYNETTE JOYCE MACKAY & MR JOHN WENSTROM MACKAY <DYNAPLAS P/L S/F A/C>	57,200,001	0.76
18.	MR ANDREW SEDLEY BODY & MRS LUCIE ANN BODY <A & L BODY S/F A/C>	55,200,000	0.73
19.	MR JOHN LONGO	50,597,897	0.67
20.	MR. PAUL DOMINIC HILLMAN	50,000,000	0.66
	Total	**4,973,492,167**	**66.23**

SHAREHOLDER INFORMATION

3. Unmarketable Parcels

The number of shareholders with unmarketable parcels is 1394.

4. Substantial Holders

The names of the substantial shareholders as at 31 December 2014 are

Name	Number of shares
SURPLUS KING CAPITAL RESOURCES LIMITED	1,000,000,000
MR STONE HONG WANG	651,233,204
MR GE WANG	380,049,780
MS PEIWEN PEGGY LU	322,172,136
MR KUN SUM SHEA	300,780,440
MR JIAN XIN CHAN	300,000,000
MS CHONG KWAN	300,000,000
MR SHAOHUA LIANG	300,000,000
OXFORD INTERNATIONAL CAPITAL LIMITED	300,000,000
MR JING WANG	200,780,440

5. Voting Rights

Each Ordinary Share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

6. Quotation

Shares in AFT Corporation Limited are listed on Australian Stock Exchange Limited.

7. Audit Committee

As at the date of the directors' report the Company did not have a separate audit committee, however meetings are held between senior management and auditors throughout the year to discuss the Company's ongoing activities and to discuss any proposed changes prior to their implementation and to seek advice in relation thereto.