

ASX RELEASE

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HEADS OF AGREEMENT TO ACQUIRE A 50% STAKE IN AN INDONESIAN DIGITAL BANKING APP

AFT Corporation Limited (ASX: **AFT** or **the Company**) are pleased to announce the signing of a non-binding Heads of Agreement (**HOA**) with Darcodo Pte Ltd for the acquisition of 50% of the shares of PT Mcash Majapahit Bahana Tunggal Ika (**Mcash**) for a cash consideration of AUD 1,000,000.

The acquisition places AFT in a position to expand its business towards the provision of financial services in a rapidly developing market that may have a significant role in Australia's future economic prosperity.

AFT intends to take this opportunity to participate in the revolution in financial inclusiveness offered by Fintech, by providing basic digital banking services to the estimated 120 million Indonesians without access to banking services.

Rationale for the Acquisition

AFT has been seeking opportunities to grow and expand its business and to unlock value for existing shareholders. The acquisition of Mcash shares will provide significant opportunities in the financial services sector that will target the underserved markets through innovative solutions.

Profile of Mcash

Mcash is an app-based digital bank providing full banking capabilities. Mcash was founded with the aim of bringing banking services to the unbanked and poor in Indonesia.

Rather than merely providing a digital wallet, mCash is a true bank account, with a consumer's mobile phone number being the account number.

Through the app, users are able to pay bills; transfer money; receive money and, in the near future, buy insurance and have access to micro loans.

Mcash is supported by Nadlathul Ulama, the largest Islamic organization in the world with over 50 million Indonesian members.

In addition, Mcash has a working relationship with Chipsakti that acts as its distribution network. Chipsakti has over 150 000 agents throughout Indonesia and is the largest network in rural Indonesia.



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Chipsakti's current business is the provision of mobile phone top-ups and utility bill paying, and because of this, the agents tend to be a focus point within their local communities.

Chipsakti agents will provide Mcash with full cash-in-cash-out capabilities within the limits set by the Indonesian regulator based on appropriate Know Your Client procedures.

Mcash was launched on the Android platform early in 2018.

Valuation

The Acquisition value of 50% of mCash is AUD 1,000,000 and is subject to independent valuation.

Key Terms

- Non-binding HOA to acquire 50% of Mcash subject to due diligence;
- AFT will undertake a capital raising exercise to raise a minimum of AUD1,000,000;
- HOA subject to signing of binding Share Sale Agreement and conditions precedent including regulatory and shareholder approval (if required)

Due Diligence

Under the HOA, each party has agreed to allow the other to conduct due diligence investigations on the assets and the businesses of each party.

Comments

Chairman of AFT, Alan Beasley commented: "The Board of AFT believes there is real potential to combine our solar technology business with financial services in a rapidly developing country such as Indonesia. The Australian Government's focus on Indonesia is prescient about the fact that Indonesia is likely to be a prime driver of economic prosperity over coming decades. The Board of AFT looks forward to participating in developing that prosperity for the benefit of shareholders of AFT."

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