

20 December 2012

Ms Lisa Banh,

Adviser, Listings Compliance

ASX Compliance Pty Ltd

20 Bridge Street

Sydney NSW 2000

Dear Lisa,

Kingform Health Hometextile Group Limited (the "Company")

RE: ASX Query

I refer to your inquiry in relations to the variation between PFR Result and the Annual Report Result dated on 20 December 2012, and respond in the same order:

- The Company considers the variation between the Preliminary Final Report Result lodged with the ASX on 31 August 2012 and the Annual Report Result lodged with ASX on 17 December 2012 to be material.
- The Company became aware of the extent of the variation upon the signing of the Annual Report and the completion of the external audit on the evening of Friday 14 December 2012.
- The Annual Report, incorporating the variation to the Preliminary Final Report, was released to the market on the morning of 17 December 2012 being the earliest time possible following the completion of the Annual Report.

• Immediately after the Annual Report has been released, on 18 December 2012, which is the earliest possible time for the Company has prepared and released the Market Announcement of the "Discrepancy in Profit before Income Tax between the Preliminary Financial Report and the Annual Report".

Please do not hesitate to contact me if you have any further queries.

Yours Sincerely,

金鴉唐

Xikang Jin Managing Director

20/12/2012



20 December 2012

Claire Li Assistant to Director| Administration Officer AFS Capital Securities Ltd Level 15, 565 Bourke Street Melbourne, Australia

Dear Claire,

Kingform Health Hometextile Group Limited (the "Company")

RE: ASX Query

ASX Limited ("ASX") refers to the following.

- 1. The Company's Preliminary Final Report lodged with ASX on 31 August 2012, which discloses revenues of \$4,095,606 and a loss after tax of \$124,982 for the year ended 30 June 2012 (the "PFR Result").
- 2. The Company's Annual Report for the year ended 30 June 2012 lodged with ASX on 17 December 2012, which discloses revenues of \$4,381,834 and a profit after tax of \$520,776 (the "Annual Report Result").
- 3. The Company's announcement on 18 December 2012 which explains the differences between the PFR Result and the Annual Report Result (the "Announcement").
- 4. Listing rules 4.3D and 4.5A which state as follows.

Immediate disclosure of circumstances affecting preliminary final report

4.3D Once an entity is or becomes +aware of any circumstances which are likely to materially affect the results or other information contained in the preliminary final report given to ASX under listing rules 4.3 or 4.3A the entity must immediately give ASX an explanation of the circumstances and the effects the circumstances are expected to have on the entity's current or future financial performance or financial position.

Disclosure of circumstances affecting preliminary final report with full year documents

4.5A If the entity is or becomes *aware of any circumstances which are likely to materially affect the results or other information contained in the preliminary final report given to ASX under listing rule 4.3 the entity must also give ASX an explanation of the circumstances and the effects the circumstances are expected to have on the entity's current or future financial performance or financial position. This rule does not apply if the entity has already given ASX the information under listing rule 4.3D. 5. The definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Having regard to the above, we ask that you answer each of the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.:

- 1. Does the Company consider the variation between the PFR Result and the Annual Report Result (the "Variation") to be material?
- 2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Variation to be material.
- 3. If the answer to question 1 is "yes", when did the Company became aware of the Variation?
- 4. If this was before the release of the Announcement, please identify any earlier announcement from the Company which explained the Variation.
- 5. If there was no earlier announcement, and the Company became aware of the Variation prior to the release of the Announcement, why was the information not released to the market at an earlier time? Please comment specifically with reference to the application of listing rules 4.3D and 4.5A.

Your response should be sent to me by e-mail at <u>lisa.banh@asx.com.au</u> or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Market Announcements Office. A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. A.E.D.T.) on Monday, 24 December 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours Sincerely,

[sent electronically without signature]

Lisa Banh Adviser, Listings Compliance (Sydney)