

27 August 2017

ASX Announcement

KFG business plan for the coming 12 -18 months

Development prospects

Kingform Health Hometextile Group LTD (KFG, the Company), listed on ASX, will take full advantage of the platform, to increase the value of the company, expand the global market sales share, actively participate in appropriate corporate acquisition, merger, to increase the profit and promote further development of the company.

Home textile industry is a consumer industry, with great potential. Looking to the future, with the improvement of living standards and health consciousness enhancement, the hometextile international market will be expanding all the time. As a big country with a population of one billion four hundred million, China is a huge market for home textile consumption and the future demand will be even bigger.

To maximize our shareholders' interests, the company will based on the hometextile industry and contribute to the development of Australia's economy and the promotion of trade in Australia.

Business development

To seize the above opportunity, the company has plans to prepare well for it in the next couple years.

1. Improvement in internal management

The company will pay more attention to the internal training. KFG will hire and cultivate more employees with better education, discipline and management skills, to ensure the stable and long-term development of the company.

2. Automatic production

The company will transform and update some equipment, to improve the intelligence and automation of producing, reduce work strength of the staffs, improve work efficiency, to further improve the products quality and market competitiveness.

3. Maintains and Development in Customers and Orders

The company will focus on the service of existing customers, strengthen publicity and input, maintaining and stabilizing those customers, as well as looking for more high-quality, long-term and direct customers.

The company plans to increase its annual sales by 30% in the next two years and profit by 50% annually. At present, we have become a long-term supplier of Kmart, Legend, and JYSK Europe, with orders increasing significantly from January 2017.

4. Expansion of distribution channels

In the next one to two years, those direct KFG 'experience' stores will be under inspection of the company. The company will close those stores which do not meet the long-term development. Direct experience stores will be more a place to display, experience our products than a retail shop.

The company will focus on building our own online sales platform, selling online and offline simultaneously. In this way, the company can maintain stable, long-term, and direct connection with our guests and transfer our potential customers to new direct customers.

The company will use various occasions and opportunities to publicize the company's brand products and publicize the company's policy of honest operation. Enable more customers to trust in KFG and improve the company's credibility, stabilize and expand sales network and channels.

Future investments

The company will be doing its best in the household industry in the next 18 months, as well as pay attention to the development of the upstream and downstream of this industry.

At the same time, the company will pay attention to the development trend of other relevant industries, merge and acquire the right enterprises at a proper time, and try to be a stronger and better hometextile company.

Yours sincerely

Kingform Health Hometextile Group LTD



Xikang Jin
Chairman