

31 October 2016

## 2016 Third Quarter Market Update

### **Company Financial Position Updates**

Australia Samly Holdings Group Limited (**Company** or **Samly**) has experienced a decrease in sales revenue and a reduction in loss in the third quarter of 2016 compared with the same period of 2015.

#### **1. Reporting period and currency unit**

The reporting period of this update is 1 July 2016 through 30 September 2016; and the comparison period is 1 July 2015 through 30 September 2015. The currency unit in use is Chinese Yuan (RMB).

#### **2. Decrease in revenue and reduction in loss**

During the third quarter of 2016, Samly has recorded sales revenue of RMB 10.4 million, which represents a decrease by 25% from the same period last year. Loss after tax for the period was RMB 1.78 million, which represents a reduction of loss by RMB 4.64 million (figures unaudited).

#### **3. Reasons for decrease in revenue**

The reduction in the Company's recorded sales revenue is mainly attributable to fact that the advertisements broadcasted during the comparison period could not be broadcasted during the reporting period due to restrictions imposed by new advertising laws in China, which largely weakened the brand of Samly products. In addition, the Company has also reduced customer support costs on less profitable clients (figures unaudited).

### **Company Operational Updates**

#### **5. New products**

In the third quarter of 2016, Samly has introduced 3 new products including the protein powder for children as the sixth product of the Betty Bear product series and calcium supplements and multi-vitamins supplements both for pregnant women. These new products are released to adapt to the Company's overall strategy, to take over more market share and to expand the product varieties. Particularly, the introduction of these three new products is in line with the new Chinese reform of relaxation of its One-Child Policy in order to meet the market demands.

With the launch of the three new products, the Company has already gradually preempted better market resources and achieved better market response.

## **6. Jiangsu Factory Expansion Plan**

Shenzhen Vitality Bio-health Technology Jiangsu Co., Ltd (Jiangsu subsidiary of the Company) is negotiating with local government to expanding the current factory. Further details will be announced to the market once the company and local government reach an agreement for the project.

## **Company Loan Updates**

### **7. Repayment of loan**

On 21 September 2016, Shenzhen Vitality Bio-health Technology Co., Ltd (subsidiary of the Company) has repaid the loan of RMB 13 million from the Shenzhen branch of Industrial Bank.

### **8. New Loans**

On 23 September 2016, the Company has entered into a new loan agreement for RMB 13 million from the Shenzhen branch of Industrial Bank. The Chairman, Liangchao Chen has provided a security interest over his personal real estates as collateral. The loan period is from 13 September 2016 to 13 September 2017, and the interest rate is the People's Bank of China (PBOC) benchmark rate plus 1.355%.

On 27 September 2016, the Company has entered into a loan agreement for RMB 2.85 million from the Shenzhen branch of Industrial Bank. The financial controller of the Company, Zhuojun Wang has provided her fixed deposit of RMB 3 million as pledged asset. The loan period is from 27 September 2016 to 27 September 2017, and the interest rate is 4.35%.

Please note the above quoted financial data is unaudited.

*There is a Chinese version attached to this announcement and the Chinese version is an accurate translation of the content of the English version and in the event of any inconsistency between the English and Chinese versions the English version prevails.*

**Jiajun Li**

Company Secretary

On behalf of Australia Samly Holdings Group Limited

## 2016 第三季度公司信息更新

1. 2016 年 3 季度，生命力累计实现销售收入 1040 万元人民币，较去年同期下降 25%，实现所得税后利润-178 万元人民币，同期减少了亏损 464 万元人民币（未经审计数据）。其中下降的主要原因是因为去年同期受广告的影响，销量提升较快，而受新广告法的限制，广告已终止播放，品牌效应减弱；针对一些低利润的客户，公司适当降低了支持，所以相应的销量也有部分下降。
2. 2016 年三季度，生命力共计推出 3 个新产品，继续补充公司儿童系列（即贝蒂熊系列）第六款产品（即系列的主打产品）：儿童蛋白质粉；及两款孕妇专属品种：孕妇钙和孕妇多维。此次新品的推出，其目的在于为适应公司整体战略布局，更好的抢占优质市场及丰富公司产品线。尤其是贝蒂熊系列产品的完善及孕妇专属品种的补充，紧跟“二胎放开”政策下的市场需求，并抢先推出系列产品，目前已逐渐占据优质资源，并取得较好的市场效果。
3. 深圳市生命力生物保健科技江苏有限公司目前正在与政府洽谈，计划在当地投产扩建，详细的情况正在洽谈当中，相关协议签署之后会进行详细披露。
4. 深圳市生命力生物保健科技有限公司于 2016 年 9 月 21 日偿还了兴业银行深圳前海支行到期的 1300 万元人民币贷款；通过公司董事长个人房产抵押物后，兴业银行深圳前海支行于 2016 年 9 月 23 日重新发放 1300 万元人民币贷款给到公司，期间为一年从 2016 年 9 月 13 日至 2017 年 9 月 13 日，贷款利率为央行基准利率+1.355%；深圳市生命力科技发展有限公司通过汪卓君叁佰万元人民币的定期存单质押，兴业银行深圳前海支行于 2016 年 9 月 27 日发放 285 万人民币贷款给公司，期间为一年从 2016 年 9 月 27 日至 2017 年 9 月 27 日,贷款利率为 4.35%。