

31 July 2017

2017 Second Quarter Market Update

Company Financial Position Updates

Australian Samly Holdings Group Limited (**SSX: 8SA**) (**Company**) has experienced a decrease in sales revenue and profit after tax in the second quarter of 2017 compared with the same period in 2016. The following is the Company's 2017 first quarter financial update as required to be disclosed to SSX.

1. Reporting Period and Currency Unit

The reporting period of this update is 1 April 2017 through to 30 June 2017 (**Reporting Period**). The comparison period is 1 April 2016 through to 30 June 2016 (**Previous Period**). The currency unit in use is Chinese Yuan (RMB).

2. Decrease in revenue

During the Reporting Period, the Company recorded net income of RMB 13.7725 million, which represents a decrease of 35% from the Previous Period. Profit after tax for the Reporting Period was RMB 1.33 million, which represents a reduction of profit after tax by 48.85% from the Previous Period.

3. Operational reasons for decrease in revenue and profit

The decrease in revenue and profit are due to implementation of the cost reduction policy which involved a change in distribution policy and reducing marketing costs. Consequentially the reduced marketing expenditure and distribution also led to a decline in market share, which in turn, resulted in a decline in revenue and profit.

4. Other operational updates

On 19 April 2017, Shenzhen Vitality Bio-health Technology Jiangsu Co., Ltd, a subsidiary of the Company repaid its RMB 10 million loan to Jiangsu Shuyang Rural Commercial Bank.

On 17 April 2017, Jiangsu Shuyang Rural Commercial Bank reissued a loan of RMB 10 million to Shenzhen Vitality Bio-health Technology Co., Ltd (**Shenzhen Vitality**), using Shenzhen Vitality's plant property as collateral. This loan has a term of one year, from 17 April 2017 to 16 April 2018, and an interest rate of 8.5085%.

On 27 May 2017, using Shenzhen Vitality's plant property as collateral, Jiangsu Bank Shuyang Branch loaned RMB 5 million to Shenzhen Vitality. This loan has a term of one year, from 27 May 2017 to 26 May 2018, and an interest rate of 5.655%.

Please note the above quoted financial data is unaudited.

Jiajun Li

Company Secretary

On behalf of the Australia Samly Holdings Group Limited

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.

生命力 2017 年四季度经营简报

1.2017 年 4 月至 2017 年 6 月实现净收入人民币 1,377.25 万元，对比去年同期收入人民币 2,118.85 万元下滑了 35%。2017 后 4 月至 2017 后 6 月实现净利润人民币 133 万元，对比去年同期人民币 260 万元减少了 48.85%。（以上财务数据均为未审计数据）

2.公司 2017 年第四季度经营业绩对比去年同期下降主要因为：今年实行降本增效，营销政策也由去年的现货为主，少量铺货政策转为全部现货，杜绝铺货，由此带来了市场占有率下降。

3.深圳市生命力生物保健科技江苏有限公司于 2017 年 4 月 19 日偿还了江苏沭阳农村商业银行营业部到期的 1000 万元人民币贷款；通过公司厂房抵押物后，江苏沭阳农村商业银行营业部于 2017 年 4 月 17 日重新发放 1000 万元人民币贷款给到公司，期间为一年从 2017 年 4 月 17 日至 2018 年 4 月 16 日；贷款利率为 8.50850%；通过公司新增厂房抵押物后，江苏银行沭阳支行于 2017 年 5 月 27 日新增 500 万元人民币贷款给到公司，期间为一年从 2017 年 5 月 27 日至 2018 年 5 月 26 日；贷款利率为 5.655%；