

VETILOT LIMITED
PO Box 1314
Shortland Street
Auckland
Ph +64 (09) 304 0145

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
9.30AM ON 2 APRIL 2015

Vetilot Limited (*the Company*) gives you notice that a special meeting of shareholders will be held at Raffles Room, Stamford Plaza Auckland, 22-26 Albert Street, Auckland commencing at 9.30am on 2 April 2015.

The Contents of this Notice of Meeting	Page
1. Chairman's introduction	2
2. Resolutions	2
3. Independent Adviser's Report	3
4. Directors' recommendation	3
5. Voting Details	4
6. Explanatory Notes	6
7. NZX Waivers	12
8. Election of Directors	12
9. Glossary	13
10. Admission Card/Proxy Form/Voting Paper	15

The Explanatory Notes which accompany this Notice of Meeting set out the details of the transactions which are the subject of the resolutions and the approval required for each resolution by the shareholders of the Company pursuant to the constitution of the Company, the Companies Act 1993 (*Companies Act*), the NZAX Listing Rules, and the Takeovers Code Approval Order 2000 (*Takeovers Code*).

All capitalised terms used in this Notice of Meeting are defined in the Glossary of definitions at the end of this Notice of Meeting.

The business of the meeting will be:

Chairman's introduction

1. Resolution 1: Share Placement to NZ Silveray Group Limited, Debt Forgiveness and Payment of Fees and Costs

To consider and, if thought fit, to pass the following **special** resolution:

Subject to and conditional upon the passing of Resolution 2, that for the purposes of section 129 of the Companies Act, NZAX Listing Rules 7.3.1, 9.1.1 and 9.2.1, and Rule 7(d) of the Takeovers Code, the Company approve the issue by the Company to NZ Silveray Group Limited of 1.25 billion ordinary shares in the Company to be issued for cash at 0.1 cents per share, the Debt Forgiveness by the Company's lenders which is a condition of the issue of those shares, and the Fees and Costs (estimated by the Board to be approximately \$150,000) to be paid in connection with the Transaction and for work that enables the Transaction to take place and prior work on other projects seeking to use the Vetilot shell, each on the terms set out in the Explanatory Notes (this transaction is referred to as the "Transaction").

2. Resolution 2: Warrant Issue

To consider and, if thought fit, to pass the following **special** resolution:

Subject to and conditional upon the passing of Resolution 1, that for the purposes of Section 129 of the Companies Act and NZAX Listing Rules 9.1.1 and 9.2.1, the Company approve an issue to holders of existing ordinary shares in the Company upon settlement of the Transaction (including NZ Silveray Group Limited) of up to 1,784,080,173 new ordinary shares in the Company pursuant to a renounceable issue of warrants to be made pro rata on a one for one basis on settlement of the Transaction on terms that will entitle the holder of each warrant to subscribe for cash for one ordinary share in the Company at an exercise price of 0.2 cents per ordinary share at any time on or prior to 31 December 2017 (this transaction is referred to as the "Warrant Issue").

3. Resolution 3: Election of Yang Xia as a Director

That subject to and conditional upon the passing of Resolutions 1 and 2 Yang Xia be elected as a Director of the Company, such appointment to be subject to, conditional upon, and to take effect from the time of, the allotment of shares to be made pursuant to Resolution 1.

4. Resolution 4: Election of Tingsong Zhang as a Director

That subject to and conditional upon the passing of Resolutions 1 and 2 Tingsong Zhang be elected as a Director of the Company, such appointment to be subject to, conditional upon, and to take effect from the time of, the allotment of shares to be made pursuant to Resolution 1.

Explanatory Notes

Explanatory Notes on the Resolutions are set out below.

Independent Adviser's Report

The Takeovers Code requires the Company to obtain an independent adviser's report in relation to Resolution 1, and for that report to be contained in or to accompany this Notice of Meeting. The purpose of that report is to assess the merits of the proposed allotment of shares under Resolution 1. Campbell MacPherson Limited has prepared that report and a copy of their report accompanies this Notice of Meeting.

In their report, Campbell MacPherson Limited reach the following conclusion in relation to the proposed allotment of shares under Resolution 1:

Having given due regard to all the above factors we consider that, on balance, the benefits of the Proposed Transaction substantially outweigh its negative features. Campbell MacPherson Limited provide a summary of the key benefits and negative features of the proposed allotment of shares to NZ Silveray Group Limited (NZSG), on pages 17 and 18 of their report.

Directors' recommendation

The Directors recommend that you vote in favour of the Resolutions.

If either Resolution 1 or 2 is not passed neither the proposed placement to NZSG, nor the Warrant Issue, will proceed and any appointment of Directors under Resolutions 3 and 4 will not take effect. Therefore, if Resolutions 1 and 2 are not passed the Company will remain a listed shell.

Special Resolution

Resolutions 1 and 2 are special resolutions. A special resolution means a resolution passed by a majority of 75% or more of the votes of those shareholders of the Company entitled to vote and voting on the Resolution in person or by proxy.

A special resolution is required to comply with Section 129 of the Companies Act (for why Section 129 applies see the subheading *Section 129 of the Companies Act* under the heading *Why is Shareholder Approval Needed for Resolutions 1 and 2?* on page 9).

Resolution 1 is also required to be passed as an ordinary resolution to comply with NZAX Listing Rules 7.3.1, 9.1.1 and 9.2.1 and Rule 7(d) of the Takeovers Code. (for the reasons why this is the case, see the subheadings *NZAX Listing Rule 7.3.1*, *NZAX Listing Rule 9.1.1*, *NZAX Listing Rule 9.2.1* and *Takeovers Code* under the heading *Why is Shareholder Approval Needed for Resolution 1?* on page 9),

Resolution 2 is also required to be passed as an ordinary resolution to comply with NZAX Listing Rule 9.1.1 (for the reasons why this is the case, see the subheading *NZAX Listing Rule 9.1.1* under the heading *Why is Shareholder Approval Needed for Resolutions 1 and 2?* on page 9).

An ordinary resolution means a resolution passed by a simple majority of the votes of those shareholders of the Company entitled to vote and voting on the resolution in person or by proxy.

The passing of a special resolution means that the threshold for the passing of an ordinary resolution is also passed.

Minority Buy-out Rights

If Resolution 1 or 2 is passed, any shareholder who has cast all of the votes attached to shares registered in that shareholder's name (and having the same beneficial owner) against the Resolution that has been passed, is entitled to require the Company to purchase those shares in accordance with section 111 of the Companies Act. A shareholder must have cast all the votes attached to the shares registered in that shareholder's name and having the same beneficial owner against that Resolution to be entitled to require the Company to purchase those shares. If shareholders wish to exercise that entitlement they must contact the Company within 10 working days of the passing of the resolution. If a shareholder exercises that entitlement, the Company must purchase that shareholder's shares unless the Court grants an exemption under section 114 of the Companies Act. The Company would apply for an exemption if, as a consequence of shareholders exercising their rights, the Board formed the view that any of the grounds set out in section 114 existed.

Ordinary Resolution

Resolutions 3 and 4 are ordinary resolutions. An ordinary resolution means a resolution passed by a simple majority of the votes of those shareholders of the Company entitled to vote and voting on the Resolution in person or by proxy.

Voting Restrictions

By virtue of NZAX Listing Rule 9.3, Mr Brent King, and Snowdon Peak Investments Limited (an Associated Person of Mr King), and their respective Associated Persons will not be entitled to vote in respect of the Resolutions. This is because the Fees and Costs referred to in Resolution 1 include Mr King's Director's fees of \$38,000 and costs of \$12,000 for work that enables the Transaction to take place and prior work on other projects seeking to use the Vetilot shell. Any votes cast by any such person in relation to the Resolutions will be disregarded by the Company (unless such votes are cast by such person acting as a proxy for a person entitled to vote on the Resolutions and in accordance with that person's express instructions). Discretionary proxies given to disqualified persons i.e. persons not entitled to vote, will not be valid, but disqualified persons may act as a proxy and vote in accordance with the express instructions of a shareholder who is not disqualified from voting.

Proxies and representatives

Shareholders may exercise their right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in their place. A proxy need not be a shareholder of the Company. The Chairman of the meeting is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. If the shareholders appoint the Chairman as their proxy, and do not direct him how he is to vote, then the Chairman must abstain from voting on the Resolutions. Therefore, if you wish to appoint the Chairman of the meeting as your proxy, please ensure you give the Chairman of the meeting directions how to vote your proxy. A shareholder is not permitted to confer a discretionary proxy on a shareholder who is not entitled to vote. A body corporate shareholder may appoint a representative to attend the meeting on its behalf. A proxy form is enclosed with this notice.

If you wish to vote by proxy you must complete the attached form and produce it to the Company by delivering it to the Company's Share Registrar, Computershare Investor Relations Limited, Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand or by posting it to The Share Registrar, Vetilot Limited, c/- Computershare Investor Relations Limited, Private Bag 92119, Auckland Mail Centre, Auckland 1142, New Zealand (in each case, so as to be received no later than 48 hours before the meeting is due to begin (i.e before 9.30am on 31 March 2015)).

Postal voting is not available.

By order of the Board

A handwritten signature in black ink, appearing to read 'B King', written in a cursive style.

Brent King
Chairman

EXPLANATORY NOTES

RESOLUTIONS 1 AND 2: SHARE PLACEMENT TO NZ SILVERAY GROUP LIMITED, DEBT FORGIVENESS, PAYMENT OF FEES AND COSTS, AND THE WARRANT ISSUE

Reasons for the Transaction

The Company is a listed shell. Total liabilities exceeded total assets by \$955,154 as at 30 September 2014 (30 September 2013: \$845,783; 31 March 2014: \$921,059). The Company's continued existence has been dependent on the ongoing financial support of the Company's major shareholders who had advanced secured and unsecured loans to the Company totalling \$1,039,327 as at 30 September 2014 (30 September 2013: \$935,000; 31 March 2014: \$1,007,965).

The Company has been exploring various capital raising options to make the Company viable again. Having considered various options, the Board considers that the proposed Transaction with NZSG on the terms set out in the Subscription Agreement, and the Debt Forgiveness by the Company's lenders required as a condition of the Subscription Agreement, as the most appropriate option available to the Company at this time in order to make it viable again. The proposed New Share Issue to NZSG and the Debt Forgiveness will make the Company viable and provide it with a platform to seek further capital and pursue investment activities again.

In summary, the Transaction will:

- (a) Make the Company solvent;
- (b) Provide the Company with a new cornerstone shareholder, NZSG, holding 70.06% of the Company's expanded shares on issue;
- (c) Increase the Company's shareholders funds from a current negative figure by the aggregate of the Debt Forgiveness plus an amount of \$1,250,000 before Fees and Costs (which are estimated by the Board to be approximately \$150,000);
- (d) Provide the Company with a platform to seek further capital and pursue investment activities again.

If the Transaction proceeds NZSG will become the holder of 70.06% of the Company's expanded shares on issue. This will dilute the percentage shareholding of all existing shareholders accordingly. For example, a shareholder holding 1,000,000 shares in the Company currently holds 0.19% of its shares. After the issue of shares to NZSG that shareholder would hold 0.06% of the shares in the Company. While the Transaction will dilute the percentage shareholding of each existing shareholder, the Directors consider that it will enhance the value of existing shareholdings (for further information on the merits of the Transaction see the Independent Adviser's Report referred to on page 3).

A pro rata issue of warrants to shareholders (including NZSG) on settlement of the Subscription Agreement will provide both NZSG and the existing shareholders with an opportunity to invest additional funds into the Company in the future. This warrant issue (*Warrant Issue*) will be made pro rata on a one for one basis on settlement of the Transaction on terms that will entitle the holder of each warrant to subscribe for cash for one ordinary share in the Company at an exercise price of 0.2 cents per ordinary share at any time on or prior to 31 December 2017.

The balance of the new funds subscribed for by NZSG are to be invested by the Company with New Zealand registered banks and/or in securities of New Zealand issuers.

Upon completion of the Transaction the Company will have at least two of its current three Directors.

Following completion of the Transaction the Company intends to undertake a review of its New Zealand investment options, and to provide an update on progress at the Company's Annual Meeting later this year.

NZ Silveray Group Limited

NZSG is a New Zealand holding company established in February 2014 by Mr Yang Xia, a Chinese national.

Mr Xia has more than 30 years experience in commerce and finance. Prior to starting his own business, he held management and leadership roles in the Chinese Government's finance department and in major nationally owned Chinese companies. He is a former director general of the Anhui Chaohu Foreign Trade and Economic Relations Commission. He currently holds directorships in various Chinese companies spanning a range of industries.

In 2007 Mr Xia formed his own investment company, Guangdong YinRui Investment & Management Co Limited. While a majority of his investments are in China, he has also invested in a chemical company in Thailand. Mr Xia is now in the process of expanding his investment activities into Australia and New Zealand having founded NZSG, and its subsidiary National Dairy Group Limited (*National Dairy Group*) in February 2014.

National Dairy Group is an exporter of dried milk products sourced from and packaged in New Zealand.

NZSG's investment in Vetilot would represent what is effectively a second step (after National Dairy Group) of its investment activities in New Zealand, as Vetilot would provide NZSG with a listed platform to pursue a wide range of investment activities

Mr Xia has a particular interest in investing in pre IPO companies and bringing those companies to market.

Subscription Agreement

The Company has entered into a conditional Subscription Agreement with NZSG that provides for an issue of shares in the Company for cash to NZSG that will result in NZSG being the holder of 70.06% of the Company's ordinary shares.

The issue price is NZ\$1,250,000, being an issue price of 0.1 cents per share for 1.25 billion ordinary shares.

The Subscription Agreement is conditional upon the following conditions (*Conditions*) being satisfied or waived on or prior to settlement:

1. The Company's lenders forgiving all liabilities owed to them by the Company.
2. The Company obtaining all shareholder and other approvals required to issue the shares to be issued to NZSG and otherwise implement the Transaction in compliance with the Companies Act, NZAX Listing Rules and the Takeovers Code and any other applicable laws and any contracts binding on the Company.
3. The shareholders of the Company appointing up to three persons nominated by NZSG to be Directors, such persons to be nominated by NZSG within seven days of the signing of the Subscription Agreement, and such appointments to be conditional on, and to take effect from, settlement i.e. at the time of the allotment of shares to be made pursuant to Resolution 1.
4. The Company obtaining waivers from NZX Regulation so as to permit GA Seago Limited and/or Snowdon Peak Investments Limited to vote on any shareholder resolutions required to implement the Transaction.

Subject to satisfaction of the Conditions, the Transaction is to be settled on the later of 27 March 2015 and the date which is five Trading Days after the Conditions are satisfied or waived, or such other date as is agreed in writing by the Company and NZSG.

The Conditions (except for Condition 1) must be satisfied or waived on or before 30 June 2015. Condition 1 must be satisfied or waived on or prior to settlement. The Conditions (except for Condition 4) can only be waived by agreement of both parties. The Company may waive Condition 4.

Settlement is also conditional upon the Company remaining listed on a market for the trading of shares operated by NZX on the settlement date.

The Subscription Agreement also provides for the Company, on settlement, to make the Warrant Issue.

Application has been made to NZX to quote the shares to be issued to NZSG and the warrants to be issued to shareholders on settlement under the Warrant Issue and all requirements of NZX relating thereto can be complied with on or before the date of this Notice of Meeting have been duly complied with.

NZSG has paid the Company a non refundable deposit of NZ\$150,000. The balance of the subscription price of \$1,100,000 is payable to the Company's solicitors as a stakeholder within two Trading Days of receiving written notice from the Company that NZX and the Takeovers Panel has approved the notice of meeting of shareholders required to approve the transaction. The balance of the subscription price does not become payable to the Company until settlement.

The Company estimates that its Fees and Costs payable in connection with the Transaction and for work that enables the Transaction to take place *and prior work on other projects seeking to use the Vetilot shell* will be approximately \$150,000.

Why is Shareholder Approval Needed for Resolutions 1 and 2?

Resolution 1 is required to comply with the provisions of section 129 of the Companies Act, NZAX Listing Rules 7.3.1, 9.1.1 and 9.2.1 and Rule 7(d) of the Takeovers Code. Resolution 2 is required to comply with the provisions of section 129 of the Companies Act and Listing Rules 9.1.1 and 9.2.1. These requirements are described below.

Section 129 of the Companies Act

Section 129 of the Companies Act provides that a company must not enter into a Major Transaction unless the transaction is approved by, or is contingent on approval by, a special resolution of shareholders. A Major Transaction includes a transaction that has, or is likely to have, the effect of the company acquiring rights or interests or incurring obligations or liabilities the value of which is more than half of the value of the Company's assets before the transaction.

The consideration of \$1,250,000 to be paid to the Company for the issue of the New Shares is in excess of the relevant threshold under section 129 of the Companies Act, and therefore the Transaction is a Major Transaction under the Companies Act.

The Warrant Issue is potentially also a Major Transaction for the purposes of Section 129 of the Companies Act because, if the warrants issued under the Warrant Issue are exercised, this could involve the Company (depending on the number of warrants that are exercised) acquiring assets (namely cash) the value of which is more than half of the value of the Company's assets before the transaction.

NZAX Listing Rule 7.3.1

NZAX Listing Rule 7.3.1 permits the Company to issue new shares if the precise terms and conditions of the specific proposal to issue those shares have been approved by ordinary resolution of its shareholders.

NZAX Listing Rule 9.1.1

NZAX Listing Rule 9.1.1 prohibits the Company from entering into a Major Transaction without shareholder approval (for the purposes of the NZAX Listing Rules a Major Transaction means a transaction which has a gross value in excess of 50% of the Company's Average Market Capitalisation). The consideration of \$1,250,000 to be paid to the Company for the issue of the New Shares is in excess of the relevant threshold under NZAX Listing Rule 9.1.1 and therefore the Transaction is a Major Transaction in terms of NZAX Listing Rule 9.1.1. The Warrant Issue is potentially also a Major Transaction for the purposes of NZAX Listing Rule 9.1.1 because, if the warrants issued under the Warrant Issue are exercised, this could involve the Company (depending on the number of warrants that are exercised) acquiring assets (namely cash) which have a gross value in excess of 50% of the Company's Average Market Capitalisation.

NZAX Listing Rule 9.2.1

NZAX Listing Rule 9.2.1 prohibits the Company from entering into a Material Transaction if a Related Party is, or is likely to become, a direct or indirect party to the Material Transaction, or to at least one of a related series of transactions of which the Material Transaction forms part, unless that Material Transaction is approved by an Ordinary Resolution of the NZAX Issuer. The issue of the New Shares is a Material Transaction. The Debt Forgiveness is a transaction that includes forgiveness of debt by Related Parties of the Company (GA Sego Limited and its associates) which is related to the New Share Issue.

The Warrant Issue is also a Material Transaction. The Sponsor acting on the listing of the warrants to be issued under the Warrant Issue is IRG, a Related Party of the Company. IRG is a Related Party of the Company on account of Mr Brent King being a director and shareholder of the Company and a director and indirect shareholder of IRG. Therefore, the Warrant Issue is a Material Transaction and a Related Party (IRG) is a party to that Material Transaction.

Takeovers Code

The New Share Issue will result in NZSG becoming the holder of 70.06% of the voting rights in the Company and therefore the New Share Issue must be approved by an ordinary resolution of the Company in order to comply with the requirements of the Takeovers Code (*Code*).

Except as provided in Rule 7 of the Code, Rule 6 of the Code prohibits a person who holds or controls less than 20% of the voting rights in a company from becoming the holder or controller of an increased percentage of the voting rights in the company unless, after that event, that person and that person's associates hold or control in total not more than 20% of the voting rights in the company. However, Rule 7(d) permits any such increase by allotment to that person of voting securities in the company or in any other body corporate if the allotment has been approved by an ordinary resolution of the company in accordance with the requirements of the Code.

The Code provides strict requirements as to the type of information shareholders must receive before voting on any such resolution, in particular as set out in Rule 16 of the Code.

The following information is provided in order to comply with the requirements of Rule 16 of the Code (the paragraph numbering below corresponds with the paragraphs of Rule 16):

- (a) The allottee of the New Shares is NZ Silveray Group Limited.
- (b) The number of voting securities being allotted to NZ Silveray Group Limited is 1.25 billion. Mr Xia via his shareholding in NZ Silveray Group Limited is an associate of that company who will be a controller of these shares (for further details of Mr Xia, see page 12).

The following information is included as required by Rule 16(b)(i) of, and Schedule 4 to, the Code. Paragraphs (a) to (d) in the table provide the information required by paragraphs (a) to (d) of Schedule 4.

(a)	Number of Voting Securities being allotted.	1.25 billion
(b)	The percentage of the aggregate of all existing voting securities and all voting securities being allotted that that number represents.	70.06%
(c)	The percentage of all voting securities that will be held or controlled by the allottee after completion of the allotment.	70.06%
(d)	The aggregate of the percentages of all voting securities that will be held or controlled by the allottee and the allottee's associates after completion of the allotment.	70.06%

- (c) Not applicable (as the voting securities to be allotted are not securities of a body corporate other than a Code company).
- (d) The issue price of the voting securities being allotted to NZ Silveray Group Limited is 0.1 cents per New Share. A non refundable deposit of \$150,000 payable on account of the issue price has been paid. The balance of the issue price is payable on the later of 27 March 2015 and the date 5 Trading Days after the Conditions (described in paragraphs 1 to 4 under the heading Subscription Agreement) are satisfied or waived, or such other date agreed in writing by the Company and NZSG. The Conditions (except for Condition 1) must be satisfied (or waived by agreed between the parties) on or before 30 June 2015. Condition 1 must be satisfied (or waived by the Company) on or prior to Completion.
- (e) The proposed allotment of New Shares to NZSG arises from a commitment made by the Company under the Subscription Agreement and the Company's reasons for entering into the Subscription Agreement are set out under Reasons for the Transaction above.
- (f) The allotment of the New Shares to NZSG under the Subscription Agreement, if approved, will be permitted under Rule 7(d) of the Code as an exception to Rule 6 of the Code.
- (g) The Company has been advised by NZSG that, except for the Subscription Agreement and a non binding document preceding the Subscription Agreement covering the same matters as the Subscription Agreement and summarised under the heading Subscription Agreement, no agreements or arrangements have been, or are intended to be, entered into between NZSG and any other person relating to:
- (a) The allotment, holding or control of the New Shares to be allotted to NZSG; or
 - (b) The exercise of voting rights in the Company.
- (h) This Notice of Meeting is accompanied by an independent adviser report from Campbell MacPherson Limited on the merits of the proposed allotment of voting securities to NZSG. The report, having given due regard to all relevant factors, states that, on balance, the benefits of the Transaction substantially outweigh its negative features.

- (i) The directors of the Company have issued a statement recommending approval of the proposed allotment of voting securities to NZSG on the grounds that the issue of the New Shares will ensure that new equity of NZ\$1,250,000 is received by the Company which, compared with the Company's negative shareholder equity as at 30 September 2014, represents, in conjunction with the Debt Forgiveness, and after payment of the Fees and Costs, a significant strengthening of the Company's financial position.

NZX Waivers

Listing Rule 9.3.1 prohibits a Related Party and its Associated Persons from voting on a resolution of shareholders to approve any Material Transaction with a Related Party or any Material Transaction if a Related Party is a party to one of a related series of transactions of which the Material Transaction forms part.

G A Sego is the Company's current largest shareholder. It is a condition of the Subscription Agreement that GA Sego enter into a Debt Forgiveness forgiving all indebtedness owed to it by the Company. The Debt Forgiveness is therefore a Material Transaction with a Related Party and a transaction that is related to the New Share Issue.

NZX Regulation has granted the Company a waiver from Listing Rule 9.3.1 to the extent that Rule would otherwise prohibit GA Sego voting on Resolutions 1 to 4.

RESOLUTIONS 3 and 4: ELECTION OF DIRECTORS

Under clause 16.1 of the Constitution, the number of directors must not at any time be less than three. The Constitution does not provide for any maximum number of directors.

Under clause 16.6 of the Constitution, a Director may be appointed by ordinary resolution.

Yang Xia is a Chinese national with more than 30 years experience in commerce and finance. Prior to starting his own business, he held management and leadership roles in the Chinese Government's finance department and in major nationally owned Chinese companies. He is a former director general of the Anhui Chaohu Foreign Trade and Economic Relations Commission. He currently holds directorships in various Chinese companies spanning a range of industries.

In 2007 Mr Xia formed his own investment company, Guangdong Yinrui Investment & Management Company. While a majority of his investments are in China, he has also invested in a chemical company in Thailand. Mr Xia is now in the process of expanding his investment activities into Australia and New Zealand having founded NZSG, and its subsidiary National Dairy Group Limited (*National Dairy Group*) in February 2014.

National Dairy Group is an exporter of dried milk products sourced from and packaged in New Zealand.

NZSG's investment in Vetilot would represent what is effectively a second step (after National Dairy Group) of its investment activities in New Zealand, as Vetilot would provide NZSG with a listed platform to pursue a wide range of investment activities

Mr Xia has a particular interest in investing in pre IPO companies and bringing those companies to market.

Tingsong Zhang (also known as Spencer Zhang) has since 2014 been the Deputy General Manager of Mr Xia's investment management company, Guangdong Yinruy Investment and Management Company. He joined that company as a Senior Investment Manager in 2011. Prior to that he was a management trainee for Voith GmbH in China, and at the same time was a part time financial analyst for the Australian Chamber of Commerce in Shanghai. Mr Zhang's career started in 2010. Mr Zhang graduated with a BSc (Hons) in Management and Marketing from the University of Manchester in England in 2006, and obtained double masters in Finance and Commerce from RMIT University in Melbourne, Australia.

GLOSSARY

Associated Person has the same meaning as in the NZAX Listing Rules.

Average Market Capitalisation has the same meaning as in the NZAX Listing Rules.

Board means the Directors of the Company, acting as a board.

Code means the Takeovers Code in force pursuant to the Takeovers Code Approval Order 2000.

Companies Act means the Companies Act 1993.

Conditions means conditions 1 to 4 described under the heading Subscription Agreement.

Debt Forgiveness means, in the case of each lender to the Company, a forgiveness of all debt owed to it by the Company.

Fees and Costs means the fees and costs (estimated by the Board to be approximately \$150,000) comprising fees and costs payable by the Company in connection with the Transaction (none of whom are Associated Persons of the Company) and Mr Brent King's Director's fees of \$38,000 and costs of \$12,000 for work that enables the Transaction to take place and prior work on other projects seeking to use the Vetilot shell.

GA Sego means G A Sego Limited.

IRG means Investment Research Group Limited.

Major Transaction:

- (a) For the purposes of the Companies Act has the same meaning as in the Companies Act;
- (b) For the purposes of the NZAX Listing Rules has the meaning set out in Rule 9.1.1(b) of the NZAX Listing Rules.

Material Transaction has the same meaning as in the NZAX Listing Rules.

National Dairy Group means National Dairy Group Limited.

New Share Issue means the issue of the New Shares under the Subscription Agreement.

New Shares means the 1.25 billion new ordinary shares proposed to be issued to NZSG under the Subscription Agreement.

NZAX means the alternative market operated by NZX.

NZAX Listing Rules means NZAX's listing rules.

NZX means NZX Limited.

NZSG means NZ Silveray Group Limited.

Related Party has the same meaning as in the NZAX Listing Rules.

Resolutions 1, 2, 3 and 4 respectively, mean the resolutions set out under the Chairman's introduction at the commencement of this Notice of Meeting.

Resolutions means Resolutions 1 to 4.

shareholders means the shareholders of the Company.

Snowdon Peak means Snowdon Peak Investments Limited.

Subscription Agreement means a conditional agreement for the issue of the New Shares made between the Company and NZSG.

Takeovers Code means the Takeovers Code enforced pursuant to the Takeovers Code Approval Order 2000.

Trading Day means any day on which ordinary shares in the Company are traded on the NZAX.

Transaction means the Debt Forgiveness followed by the issue of the New Shares pursuant to the Subscription Agreement and the payment of the Fees and Costs payable in connection with the Transaction.

Warrant Issue means a renounceable issue of warrants to the Company's shareholders, including NZSG, to be made pro rata on a one for one basis on settlement of the Transaction on terms that will entitle the holder of each warrant to subscribe for cash for one ordinary share in the Company at an exercise price of 0.2 cents per ordinary share at any time on or prior to 31 December 2017.