

AUSTRALIA SAMLY HOLDINGS GROUP LIMITED
(ACN 164 307 975)

**Notice of General Meeting and
Explanatory Statement**

Time of meeting: 10 a.m. (Shenzhen Time)

Date of meeting: Monday, 29 September 2014

**Venue: B412, Shahe Century Square, Huaqiaochen, Nanshan District,
Shenzhen, Guandong, China**

Important Information

This is an important document. Please read the information in Meeting Minutes and Explanatory Statement very carefully. It is important that you either attend the meeting or complete and lodge the enclosed proxy form.

The information provided in this Booklet is not financial product advice. This Booklet contains general information only. The Booklet does not take into account the investment objectives, financial situation and particular needs of individual investors. Accordingly, nothing in this Booklet should be construed as an investment recommendation by Australia Samly holdings Group Limited, or any associates of Australia Samly holdings Group Limited, or any other person concerning an investment in Australia Samly holdings Group Limited.

It is important that you read the entire Booklet before making any decision about how to vote. If you are in doubt about what to do in relation to the resolutions, you should consult your financial or other professional advisor.

1. Notice of General Meeting

Notice is hereby given that general meeting (*Meeting*) of the shareholders of **AUSTRALIA SAMLY HOLDINGS GROUP LIMITED** (ACN 164 307 975) (*Company*) will be held at 10 a.m. on 29 September 2014 at **B412, Shahe Century Square, Huaqiaochen, Nanshan District, Shenzhen, Guangdong, China**, for the purpose of transacting the following business:

Ordinary Business

Item 1: Financial Statements and Report

To receive and consider the Annual Financial Report and the Reports of the Directors and Auditor for the financial year ended 30 June 2014.

Item 2: Re-election of Directors

(a) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr Liangchao Chen, a Director who retires by rotation in accordance with APX listing rule 18.9 and, being eligible, is re-elected as a Director of the Company.’

(b) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Ms Zhimin Xiong, a Director who retires by rotation in accordance with APX listing rule 18.9 and, being eligible, is re-elected as a Director of the Company.’

(c) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr Enhua Huang, a Director who retires by rotation in accordance with APX listing rule 18.9 and, being eligible, is re-elected as a Director of the Company.’

(d) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

‘That Mr Colin Guang Zheng, a Director who retires by rotation in accordance with APX listing rule 18.9 and, being eligible, is re-elected as a Director of the Company.’

Item 3: Adoption of the Remuneration Report for the Year Ended 30 June 2014

To adopt the Remuneration Report for the year ended 30 June 2014, as set out in the Directors’ Report section of the Annual Report. (Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.)

Item 4: Other Business

In accordance with the Corporations Act 2001 (Cth), a reasonable opportunity will be given to shareholders, as a whole, to ask questions or make comments at the meeting on the management of the Company, including asking questions of the auditor of the Company.

2. Explanatory Statement

This Explanatory Statement contains an explanation of, and information about, the Resolution. This Explanatory Statement (together with the Annexures) forms part of the Notice of Meeting and should be read with the Notice of Meeting.

Item 1: Financial Statements and Report

The Annual Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2014 will be presented for consideration. The Annual Report will be available on the Company's corporate website and will be mailed to shareholders who have elected to receive a hard copy.

Item 2: Re-election and Election of Directors

In accordance with APX listing rule 18.9

- (a) Mr Chen Liangchao retires by rotation and, being eligible, offers himself for re-election.
- (b) Ms Zhimin Xiong retires by rotation and, being eligible, offers herself for re-election.
- (c) Mr Enhua Huang retires by rotation and, being eligible, offers himself for re-election.
- (d) Mr Colin Guang Zheng retires by rotation and, being eligible, offers himself for re-election.

Personal particulars for Mr Chen, Ms Xiong, Mr Huang and Mr Zheng are set out below.

Item 2(a): Mr Liangchao Chen

Mr Liangchao Chen is the Executive Director and the Chairman of the Group.

As the co-founder of Shenzhen Samly, Mr Chen has more than 10 years of experience in the health food and dietary supplements business industry and is a well-known entrepreneur in Shenzhen.

Mr Chen graduated from the renowned Tsinghua University in Beijing, PRC with a degree in Master of Administration (EMBA). Mr Chen is responsible for making strategic decisions for the Group and has experience in finance and banking, resource and operational management and has excellent public relations skills.

Under Mr Chen's leadership, Shenzhen Samly has won the "National Food Safety Demonstration Unit" title for several consecutive years, which was unique amongst its industry. Mr Chen has also been named as an outstanding management entrepreneur by the China Food Safety Annual Conference Committee for a number of years.

Mr Chen has extensive experience and application of sound judgment to issues falling within the scope of the role of Chairman. Mr Chen has unmatched and extensive knowledge of the Group's operations and important business relationships that the Group as a whole benefits from.

Mr Chen was appointed to the Board in June 2013 and held the position of Chairman of the Company and is a member of the Audit & Risk Management Committee (ARMC).

Item 2(b): Ms Zhimin Xiong

Ms Xiong is the Non-Executive Director and Independent Director of the Group.

Ms Xiong has many years of experience in accounting and business administration, including working in PRC companies Shenzhen Longhai Tuo Industrial Co., Ltd and Shenzhen Changxi Industry Co., Ltd for a period of six years in the accounting and administration fields.

Ms Xiong lives in Melbourne, Australia

Ms Xiong was appointed to the Board in June 2013, and is the Chairman of the Audit & Risk Management Committee (ARMC).

Item 2(c): Mr Enhua Huang

Mr Huang is the Executive Director and CFO of the Group.

Mr Huang holds a degree from the Beijing Technology and Business University and a Masters from the Australia Deakin University. Mr Huang holds the Association of International Accountants (AIA) membership and is a PRC certified Intermediate Accountant.

Mr Huang is responsible for the formulation of financial policies and financial strategic planning for the Group, reviewing and approving budgets and financial management policies, auditing and financial reporting.

Mr Huang has 11 years of work experience in the accounting and finance field and provides extensive knowledge of accounting and finance to the Group.

Mr Huang has bilingual skills (English and Mandarin).

Mr Huang was appointed to the Board in November 2013 and is a member of the Audit & Risk Management Committee (ARMC).

Item 2(d): Mr Colin Guang Zheng

Colin Guang Zheng is the Non-Executive Independent Director of the Group.

Mr Zheng holds degrees from the Jiangxi Medical University of China, the Tokyo Sunshine Language Academy of Japan and the Northeastern China's School of Medicine. Mr Zheng also studied Business Management at Stott's Business College in Melbourne, Australia. Mr Zheng has bilingual skills (English and Japanese).

He has many year of experience in management and corporate governance. Mr Zheng has previously worked as a Sales Manager for TESL Books Pty Ltd for a period of six years and as Manager for a food company in Australia for two years. Currently, he serves on the Board of Australia Hua Hei Investment Pty Ltd.

Mr Zheng lives in Melbourne, Australia.

Mr Huang was appointed to the Board in November 2013.

Board recommendation

The Board (other than Mr Chen, Ms Xiong, Mr Huang and Mr Zheng, in relation to their own election or re-election (as applicable)) recommends that you vote in favour of these resolutions.

Item 3: Adoption of Remuneration Report for the Year Ended 30 June 2014

The Remuneration Report is presented within the Directors' Report of the Company's 30 June 2014 Annual Report.

Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the General Meeting. The vote on the resolution will be advisory only and will not bind the Directors or the Company. However, under the Corporations Act, if 25 per cent or more of the votes cast on the resolution at the GM are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the GM, the Company's Remuneration Report for the year ended 30 June 2014 (2014 Remuneration Report) will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this, and
- if, at next year's GM, at least 25 per cent of the votes cast on the resolution for adoption of the 2014 Remuneration Report are against it, the Company will be required to put to shareholders a resolution proposing that an extraordinary general meeting (EGM) be called to consider the election of Directors (spill resolution). If a spill resolution is passed (i.e., more than 50 per cent of the votes cast are in favour of it), all of the Directors (other than the Managing Director & CEO) who were Directors when the resolution for adoption of the 2014 Remuneration Report was voted on will cease to hold office at the subsequent EGM and may present themselves for re-election at that EGM.

The Board will take the outcome of the vote on resolution 3 into consideration when reviewing the remuneration policy for Directors and executives in the future.

A reasonable opportunity will be provided for shareholders to ask questions about or to make comments on the Remuneration Report at the GM.

Board recommendation

The Board recommends that shareholders vote in favour of this resolution.

Voting exclusion statement

Item 3: Adoption of Remuneration Report for the Year Ended 30 June 2014.

In accordance with the Corporations Act, no vote may be cast (in any capacity) on this resolution by or on behalf of:

- any member of the Key Management Personnel (KMP) details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2014, or
- a Closely Related Party of any such member of the KMP.

However, a KMP or a KMP's Closely Related Party may vote on this resolution as proxy if the vote is not cast on behalf of a KMP or a KMP's Closely Related Party and:

- the appointment of the proxy is in writing and specifies the way the proxy is to vote on this resolution; or
- the proxy is the Chairman of the GM and the appointment of the Chairman of the GM as proxy;
- does not specify the way the proxy is to vote on this resolution; and
- expressly authorises the Chairman of the GM to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If you appoint the Chairman of the GM as your proxy and you do not direct your proxy how to vote on this resolution, you will be expressly authorising the Chairman of the GM to exercise your proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the GM.

3. Voting Instructions

A How to vote

You may vote in one of two ways:

- attending the meeting and voting in person (if a corporate shareholder, by representative); or
- voting by proxy (see below on how to vote by proxy).

B Corporations

To vote at the Meeting, a Shareholder that is a corporation must appoint an individual to act as its representative. The appointment must comply with section 250D of the Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Alternatively, a corporation may appoint a proxy.

C Voting in person

To vote in person, attend the meeting on the date and at the time and place set out above.

D Voting by proxy

To vote by proxy, please complete and sign the proxy form attached to this Notice of General Meeting as **Annexure A** as soon as possible and either:

- post the proxy form to the Company's office at AMP Centre, Level 27, 50 Bridge Street, Sydney NSW 2000 AUSTRALIA.
- by facsimile to facsimile number +61 2 9225 1595

Pursuant to section 250B(5) of the Act, the directors of the Company have determined that, for the purposes of voting at the General Meeting, the Company may accept proxy forms until 4 pm on 28 August 2014. Any proxy forms received after this time will not be accepted by the Company for the purposes of voting at the General Meeting.

A member who is entitled to attend and vote at the General Meeting may appoint a person, who need not be a member of the Company, as the member's proxy to attend and vote on behalf of the member.

A member who is entitled to cast 2 or more votes may appoint 2 or more proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment is signed by an attorney, the power of attorney or certified copy of it must be sent with the proxy form.

5 Eligibility to vote

In accordance with applicable law, the directors have made a determination that all shares of the Company are taken, for the purposes of determining the right of members to attend and vote at the General Meeting, to be held by persons who held them at 5:00 p.m. on the day which is 2 days before the Meeting. If you are not the registered holder of a relevant share in the Company at that time you will not be entitled to vote in respect of that share.

6 Voting procedure

Every question arising at this General Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's current constitution. On a show of hands, every shareholder who is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, representative or attorney will have one vote for each share held by that person.

Annexure A: Proxy Form

Meeting

Place	B412, Shahe Century Square, Huaqiaochen, Nanshan District, Shenzhen, Guangdong, China
Date	Monday, 29 September 2014
Time	10 a.m. (Shenzhen time)

We,(Name of Shareholder) of

.....
 (Address of Shareholder), being a Shareholder of **AUSTRALIA SAMLY HOLDINGS GROUP LIMITED (ACN 164 307 975) (Company)**, hereby appoint:

- the Chair of the Meeting; or
- the following person:

.....(Name of proxy) of
(Address of proxy),

or, failing that person or if no person is named, the Chair of the Meeting, as our proxy to vote on my/our behalf at the meeting of the Shareholders of the Company to be held at the time, date and place indicated above and at any adjournment of that meeting.

Please indicate how you direct your proxy to vote. If you wish to direct your proxy how to vote, please mark the appropriate box below. If you do not direct your proxy on any item, your proxy may vote as he or she thinks fit.

The proxy is directed to vote in the following manner:

	For	Against	Abstain
Resolution – Item 1: Approval of Financial Statements and Reports	[]	[]	[]
Resolution – Item 2(a): Re-election of Mr Liangchao Chen as a Director	[]	[]	[]
Resolution – Item 2(b): Re-election of Ms Zhimin Xiong as a Director	[]	[]	[]
Resolution – Item 2(c): Re-election of Mr Enhua Huang as a Director	[]	[]	[]
Resolution – Item 2(d): Re-election of Mr Colin Guang Zheng as a Director	[]	[]	[]
Resolution – Item 3: Adoption of the Remuneration Report	[]	[]	[]

Signed:

.....
(Signature of member)

.....
(Name of member appointing the proxy)