

Metroland Australia Limited
ACN 009 138 149

**Notice of Annual General Meeting
and Explanatory Statement**

Annual General Meeting to be held at
Level 42, Suncorp Place, 259 George Street, Sydney, New South Wales
on Friday, 20 November 2009 commencing at 2:00pm (Sydney time)

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of shareholders of Metroland Australia Limited (ACN 009 138 149) (**Company**) will be held at Level 42, 259 George Street, Sydney, New South Wales on Friday, 20 November 2009 commencing at 2:00pm (Sydney time).

BUSINESS

Receive and Consider the Financial Statements

To receive and consider:

- (a) the Financial Report;
- (b) the Directors' Report; and
- (c) the Auditor's Report

of the Company for the year ended 30 June 2009.

Resolution 1 – Adoption of Remuneration Report

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That the Remuneration Report of the Company's 2009 Annual Report be considered and adopted."

Please note that the vote on this resolution is advisory only and does not bind the Company or its Directors.

Resolution 2 – Ratification of appointment of Mr Wang as a Director

Mr Shuqing Wang retires as a Director pursuant to the provisions of the Constitution of the Company.

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That Mr Shuqing Wang, who retires as a Director of the Company in accordance with the provisions of the Constitution, and being eligible offers himself for re-election, be appointed as a Director of the Company."

Resolution 3 – Re-election of Mr Zhang as a Director

Mr Da Cheng Zhang retires as a Director pursuant to the provisions of the Constitution of the Company.

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That Mr Da Cheng Zhang, who retires as a Director of the Company in accordance with the provisions of the Constitution, and being eligible offers himself for re-election, be appointed as a Director of the Company."

Resolution 4 – Ratification of Issue of Ordinary Shares

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders ratify the issue of 15,000,000 fully paid ordinary shares."

Voting Exclusion

The Company will disregard any votes cast on this resolution by Mr Xue Jun He and any associate of Mr Xue Jun He. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of Issue of Ordinary Shares

To consider and if thought fit to pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 7.4 and for all other purposes shareholders ratify the issue of 1,500,000 fully paid ordinary shares."

Voting Exclusion

The Company will disregard any votes cast on this resolution by W.S International Enterprises Group Pty Limited and any associate of any W.S International Enterprises Group Pty Limited. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6: Authorise the Issue of Convertible Notes

To consider and if thought fit to pass the following resolution as an ordinary resolution:

*"That in accordance with the provisions of ASX Listing Rule 7.1 and for all other purposes, the Company is hereby authorised to issue 19,230,769 Convertible Notes (**Convertible Notes**) to investors (being investors who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act 2001) (**Investors**)."*

Voting Exclusion

The Company will disregard any votes cast on this resolution by any Investors who may be issued with Convertible Notes and any associate of an Investor who may be issued with Convertible Notes. However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Point at Which Voting Rights are Determined

The regulations of the Corporations Act permit the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

All shares of the Company that are quoted on the ASX on Wednesday, 19 November 2009 at 8:00pm (Sydney time) shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion is not specified each proxy is entitled to cast half of the number of votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Corporate Representative

In order to vote on behalf of a company that is a shareholder in the Company, a valid Appointment of Corporate Representative form must be either lodged with the Company prior to the General Meeting or be presented at the meeting before registering on the Attendee Register for the Annual General Meeting. A Corporate Representative form is attached to this Notice of Meeting.

Helen Lay
Company Secretary
Metroland Australia Limited

20 October, 2009

Explanatory Statement

Purpose of this Explanatory Statement

This Explanatory Statement is provided to shareholders of the Company to explain the resolutions to be put to shareholders at the Annual General Meeting to be held at Level 42, 259 George Street, Sydney, New South Wales on Friday, 20 November 2009 commencing at 2:00pm (Sydney time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the resolutions.

Receive and Consider the Financial Statements

The Corporations Act 2001 (**Corporations Act**) requires the Financial Report which includes the Financial Statements, Directors' Declaration, the Directors' Report and the Auditor's Report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Accordingly, the Company's Financial Report is placed before the shareholders for discussion and no voting is required for this item of business.

Shareholders will have a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business and operations of the Company.

Resolution 1: Adoption of Remuneration Report

The remuneration report of the Company for the period ended 30 June 2009 is set out in the Directors Report of the 2009 Annual Report to shareholders (**Remuneration Report**).

The Remuneration Report sets out the Company's remuneration arrangements for the Managing Director, Executives and Non-executive Directors. A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting. In addition, the Corporations Act requires that Resolution 1, to adopt the Remuneration Report, be put to the vote. However, the vote on this resolution is only advisory and does not bind the Company or its Directors.

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

Resolution 2: Ratification of appointment of Mr Wang as a Director

In accordance with the provisions of the Company's Constitution Mr Shuqing Wang retires as a Director of the Company and offers himself for re-election.

Mr Shuqing Wang was appointed as a Director of the Company on 1 October 2009. Mr Wang is a resident of Australia, a property developer in Shanghai, China and has 20 years of experience in developing high grade residential and hotel properties. Mr Wang's appointment will bring benefit to the company with opportunities for future co-investments both in Australia and China.

Resolution 3: Re-election of Mr Zhang as a Director

Mr Zhang retires as a Director pursuant to the provisions of the Constitution of the Company and the Listing Rules.

Mr Zhang has been a Director since 2000 and is a Chinese national. He is President of the HIT Group which has two companies listed on the China Stock Exchange - one in Shanghai and one in Shenzhen. Mr Zhang is also the Vice – Principal of the Harbin Institute of Technology in Harbin, China.

Resolution 4: Ratification of Issue of Ordinary Shares

On 18 February 2009 the Company announced an allotment of shares by a private placement to raise approximately \$1.5 million.

The original placement of the shares did not require shareholder approval. However, pursuant to the provisions of Listing Rule 7.4 an issue of securities made without approval can, for the purposes of the Listing Rules, be treated as if it was made with approval if the holders of ordinary shares in the company subsequently approve that issue. Accordingly, the Company now seeks the approval of the shareholders to the issue.

Pursuant to the provisions of Listing Rule 7.5, the following information is supplied to shareholders:

| | |
|---|----------------------------|
| Number of Securities Allotted: | 15,000,000 |
| Price at which the Securities were issued: | 10 cents |
| Terms of the Securities: | Fully Paid Ordinary Shares |
| Name of the allottee: | Mr Xue Jun He |
| Use of the funds: | Working Capital |
| Date of Allotment: | 18 February 2009 |

Resolution 5: Ratification of Issue of Ordinary Shares

On 1 October 2009 the Company announced an allotment of shares by a private placement of 1,500,000 shares to raise approximately \$150,000.

The original placement of the shares did not require shareholder approval. However, pursuant to the provisions of Listing Rule 7.4 an issue of securities made without approval can, for the purposes of the Listing Rules, be treated as if it was made with approval if the holders of ordinary shares in the company subsequently approve that issue. Accordingly, the Company now seeks the approval of the shareholders to the issue.

Pursuant to the provisions of Listing Rule 7.5, the following information is supplied to shareholders:

| | |
|---|---|
| Number of Securities Allotted: | 1,500,000 |
| Price at which the Securities were issued: | 10 cents |
| Terms of the Securities: | Fully Paid Ordinary Shares |
| Name of the allottee: | W.S International Enterprises Group Pty Limited |
| Use of the funds: | Working Capital |
| Date of Allotment: | 1 October 2009 |

Resolution 6: Authorise the Issue of Convertible Notes

ASX Listing Rule 7.1 prohibits a listed company, except in certain cases, from issuing new securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders (**15% Rule**). Under a Loan Agreement and Convertible Note Deed, the Company will issue Convertible Notes up to the value of \$2,500,000, convertible into fully paid ordinary shares, subject to the Company obtaining the required approvals under the Listing Rules.

The Directors are seeking shareholder approval to the issue of 19,230,769 Convertible Notes with each Convertible Note having a face value of 13 cents. The Convertible Notes will not be quoted. The effect of the shareholders approving this resolution will be that the issue of the Convertible Notes will not be counted for the purposes of the 15% Rule, giving the Company a greater capacity to issue securities for any subsequent requirements that may arise.

Under the Loan Agreement and Convertible Note Deed, the Company will only issue the Convertible Notes once shareholder approval has been obtained.

In accordance with Listing Rule 7.3, the Company advises as follows:

| | |
|---|---|
| Number of Securities to be allotted: | 19,230,769 unsecured fixed rate Convertible Notes, convertible into a maximum of 19,230,769 ordinary fully paid shares in the Company. |
| Price at which the Securities will be issued: | The Convertible Notes will have a face value of 13 cents per note. |
| Terms of the Securities: | <p>Convertible Notes shall be convertible at any time during the term of the Loan Agreement and Convertible Note Deed at the election of the Convertible Noteholder.</p> <p>The Convertible Notes attract an interest rate of 8.5% p.a. on the principal amount of the Convertible Notes payable half yearly in arrears.</p> <p>The conversion ratio for the Convertible Notes will be 13 cents per share.</p> <p>The Convertible Notes may be redeemed by the Company at any time.</p> <p>The Convertible Notes will have a maturity date of October 2013 and if they are not converted before then will be redeemed by the Company.</p> |
| Name of the allottees: | Investors who fall within one or more of the classes of exemptions specified in Section 708 of the Corporations Act 2001. |
| Use of the funds: | Working capital for the development of Company's joint venture project at 61-79 Quay Street, Sydney, as announced to the market on 16 September 2009. |
| Date of Allotment: | No later than 3 months after the date of the Company's 2009 Annual General Meeting. |

Proxy form

Section 1: Name and address of member

Name:
Address:

Mark this box with 'X' if you have made any changes to your address details (see overleaf).

Section 2: Appointment of proxy

I, being a member of the Company and entitled to attend and vote appoint

the Chairman of the meeting
(mark with an 'X')

OR

Write here the full name of the person or body corporate you are appointing if this person is someone other than the Chairman of the meeting.

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the meeting, as my proxy to attend, to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit), and to act generally on my behalf, at the annual general meeting of the Company to be held at:

| | |
|----------|---|
| Location | Level 42, 259 George Street, Sydney, New South Wales 2000 |
| Date | 20 November 2009 |
| Time | 2:00pm |

and at any adjournment of that meeting.

Section 3: Voting instructions

Voting directions to proxy – please mark to indicate your directions.

| | | For | Against | Abstain* | Discretion |
|---------------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Resolution 1. | Directors' Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2. | Ratification of appointment of Mr Wang as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3. | Re-election of Mr Zhang as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4. | Ratification of issue of Ordinary Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5. | Ratification of issue of Ordinary Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6. | Authorise the Issue of Convertible Notes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you do not wish to direct the Chairman as your proxy to vote, please place a mark in this box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he or she has an interest in the outcome of the resolution, and that votes cast by him or her, other than as proxy holder, would be disregarded because of that interest.

The Chairman intends to vote all undirected proxies in favour of the resolutions being passed.

Section 4: Signing by member

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1

Sole Director and Sole Secretary

Member 2 (if joint holding)

Director/Company Secretary
(delete one)

Member 3 (if joint holding)

Director

Please provide the information below in case we need to contact you.

Contact name

Contact day time telephone

Date

Instructions for completion of proxy form

Section 1: Name and address of member

Name:
Address:

- 1 This is your address as it appears in the register of members of the Company. If this information is incorrect, please mark the box and make the correction on the form. Members sponsored by a broker (in which case your reference number will commence with an 'x') should advise their broker of any changes. **Please note you cannot change the ownership of your shares using this form.**

Section 2: Appointment of proxy

- 2 If you wish to appoint the Chairman of the meeting as your proxy, mark the box. If the person or body corporate you wish to appoint as your proxy is someone other than the Chairman of the meeting, write the full name of that person or body corporate in the space provided. A proxy may be an individual or a body corporate. If you leave this section blank or your named proxy does not attend the Meeting, the Chairman of the meeting will be your proxy. A proxy need not be a member of the Company.
- 3 If you are entitled to cast two or more votes at the general meeting, you are entitled to appoint two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company. Alternatively you may copy this form.
- 4 To appoint a second proxy:
 - (a) on each of the first proxy form and second proxy form state the percentage of your voting rights or number of shares applicable to that form (if the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise one half of your votes, and fractions of votes will be disregarded); and
 - (b) return both forms in the same envelope.

Section 3: Voting instructions

- 5 You may direct your proxy how to vote on an item of business by placing a mark in one of the boxes opposite that item of business. All of your shares will be voted in accordance with your direction unless you indicate a proportion of voting rights on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may decide whether or how to vote on that item. If you mark more than one box on an item, your vote on that item will be invalid.

Section 4: Signing by member

- 6 You must sign this form as follows in the spaces provided:

| | |
|--------------------------|---|
| Individual | Where the holding is in one name, the member must sign. |
| Joint holding | Where the holding is in more than one name, all of the members must sign. |
| Power of Attorney | To sign under power of attorney, either the power of attorney must have already been lodged with the Company's share registry for notation or the original (or a certified copy) of the power of attorney must accompany this |

| | |
|------------------|---|
| | document. |
| Companies | <p>In the following cases, subject to the Company's constitution, the following person must sign:</p> <p>(a) Australian proprietary company with a sole director who is also the sole company secretary - that person must sign;</p> <p>(b) Australian proprietary company with a sole director and no company secretary - that person must sign;</p> <p>(c) other Australian companies - two directors, or one director and one company secretary must sign; and</p> <p>(d) foreign company - in accordance with the laws of the jurisdiction of incorporation and constituent documents.</p> |

Section 5: Lodging of proxy

7 This proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than the time and date set out below, by mail, hand delivery, or facsimile.

| | |
|---|--|
| Last time and date for lodgement * | 11:00am (Sydney time), 18 November 2009 |
| By mail | Metroland Australia Limited, Level 4, 45 Murray Street, Pyrmont NSW 2009 |
| By delivery | Metroland Australia Limited, Level 4, 45 Murray Street, Pyrmont NSW 2009 |
| By facsimile | (02) 9692 0084 |

* Any proxy form received after that time will not be valid.

For Further Information

If you need any further information about this form or attendance at the Company's Annual General Meeting, please contact Helan Lay, Company Secretary, on (02) 9395 8888

Appointment of Corporate Representative Section 250D of the Corporations Act

This is to certify that by a resolution of the Directors of:

..... (Company)
Insert name of shareholder

the Company has appointed:

.....
Insert name of Corporate Representative

in accordance with the provisions of section 250D of the Corporations Act, to act as the body corporate representative of that company at the meeting of Metroland Australia Limited to be held on 20 November 2009 and at any adjournments of that meeting.

DATED

Executed by the Company)
in accordance with its constituent documents)

..... Signed by authorised representative Signed by authorised representative

..... Name of authorised representative (print) Name of authorised representative (print)

..... Position of authorised representative (print) Position of authorised representative (print)

INSTRUCTIONS FOR COMPLETION

Under Australian law, an appointment of a body corporate representative will only be valid if the Certificate of Appointment is completed precisely and accurately.

Please follow the instructions below to complete the Certificate of Appointment:

1. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
2. Print the name and position (eg director) of each company officer who signs this Certificate on behalf of the company.
3. Insert the date of execution where indicated.
4. Send or deliver the Certificate to Metroland Australia Limited at Level 4, 45 Murray St, Pyrmont NSW 2009, or by facsimile to 02 9692 0084. Alternatively the Certificate of Appointment may be presented upon attendance at the general meeting of the Company.

For personal use only