

METROLAND AUSTRALIA LIMITED

ABN 81 009 138 149

**Interim Half-Yearly Financial Report
31 December 2013**

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Metroland Australia Limited ("the Company") and the entities it controlled during the half-year ended 31 December 2013 and the Auditor's review report thereon.

Principal Activities

The consolidated entity was not actively engaged in any principal operating activity during the half-year.

Consolidated Result

The consolidated loss after income tax for the half-year attributable to members of Metroland Australia Limited was \$64,648 (2012: profit of \$2,430,600).

Review of Operations

The Board has been exploring and negotiating with a number of investors with a view to re-capitalising the Company and with this, to apply for the lifting of the suspension of the trading of its shares.

The Company remains listed on the Exchange, but its share trading is suspended until such time when it is re-capitalised and conducting a business.

The Board is now actively negotiating with a number of investors for the re-capitalisation of the Company.

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 3, and forms part of the Directors' Report for the half-year ended 31 December 2013.

Directors

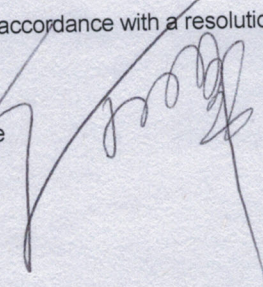
The directors of the Company in office during or since the end of the half-year are:

Name	Period of Directorship
Frank Shien <i>Chairman and Chief Executive Officer</i> BA (Lon)	Director since 1997. Resigned 11/9/2014
Mr Da Cheng Zhang <i>Independent Non-Executive Director</i>	Director since 2000
Mr Shuqing Wang <i>Independent Non-Executive Director</i>	Director since 2009
Mr Michael Wong <i>Independent Non-Executive Director</i> B.Econ, ACA	Appointed 29/1/2013. Resigned 11/9/2014
Mr Damian Bernard McAdam <i>Independent Non-Executive Director</i>	Appointed 18/3/ 2013. Resigned 11/9/2014
Mr Xuejun He <i>Executive Director</i>	Appointed 11 September 2014
Mr Yicheng Zhang <i>Independent Non-Executive Director</i>	Appointed 11 September 2014
Mr Zuwen Yuan <i>Independent Non-Executive Director</i>	Appointed 11 September 2014
Mr Xiaofeng Wang <i>Independent Non-Executive Director</i>	Appointed 11 September 2014

Dated at Sydney this 27th day of February 2015.

Signed in accordance with a resolution of directors.

Xuejun He
Director



Chartered Accountants

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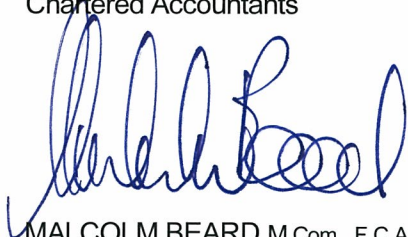
The Board of Directors
Metroland Australia Limited
Unit 801, 370 Pitt Street
SYDNEY NSW 2000

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been no contraventions of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

GOULD RALPH ASSURANCE
Chartered Accountants



MALCOLM BEARD M.Com., F.C.A.
Partner

Dated at Sydney this 27th day of February 2015

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

CONDENSED CONSOLIDATED STATEMENT of PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME for the half-year ended 31 December 2013

		CONSOLIDATED 31 December	
	Note	2013 \$	2012 \$
Revenue			
Other revenue		73,608	2,027
Total revenue		73,608	2,027
Borrowing costs		-	(614)
Administration and operating		(95,939)	(32,138)
Professional and consultancy fees		(18,212)	(47,068)
Directors fees		(9,584)	(52,790)
Other expenses		(14,521)	(17,735)
(Loss) from continuing operations before income tax expense		(64,648)	(148,318)
Income tax (expense)		-	-
(Loss) from continuing operations for the half-year		(64,648)	(148,318)
Other comprehensive income		-	-
Total comprehensive (loss) from continuing operations for the half-year		(64,648)	(148,318)
Profit/(loss) from discontinued operations		-	2,629,733
Income tax (expense)	5	-	(24,788)
Profit/(Loss) for the half-year		(64,648)	2,456,627
Total comprehensive profit/(loss) attributable to:			
Owners of the company		(64,648)	2,430,600
Non-controlling interest		-	26,027
Total comprehensive profit/(loss) for the half-year		(64,648)	2,456,627

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

CONDENSED CONSOLIDATED STATEMENT of PROFIT OR LOSS and OTHER COMPREHENSIVE INCOME for the half-year ended 31 December 2013

	CONSOLIDATED 31 December		
	2013	2012	\$
<i>From continuing and discontinued operations:</i>			
Basic earnings per share (cents per share)	(0.05)	1.92	
Diluted earnings per share (cents per share)	<u>(0.05)</u>	<u>1.92</u>	
<i>From continuing operations:</i>			
Basic earnings per share (cents per share)	(0.05)	(0.12)	
Diluted earnings per share (cents per share)	<u>(0.05)</u>	<u>(0.12)</u>	

The accompanying notes form part of these Financial Statements.

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

		CONSOLIDATED	
	Note	31 December 2013	30 June 2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,388	1,343
Trade and other receivables		9,888	33,214
Other current assets		-	2,375
Total current assets		<u>11,276</u>	<u>36,932</u>
NON – CURRENT ASSETS			
Property, plant and equipment		<u>22,362</u>	<u>26,470</u>
Total non – current assets		<u>22,362</u>	<u>26,470</u>
TOTAL ASSETS		<u>33,638</u>	<u>63,402</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		115,374	125,784
Financial liabilities	8	<u>152,247</u>	<u>106,953</u>
Total current liabilities		<u>267,621</u>	<u>232,737</u>
TOTAL LIABILITIES		<u>267,621</u>	<u>232,737</u>
NET LIABILITIES		<u>(233,983)</u>	<u>(169,335)</u>
EQUITY			
Contributed equity		15,212,773	15,212,773
Accumulated losses		<u>(15,446,756)</u>	<u>(15,382,108)</u>
TOTAL EQUITY (DEFICIENCY)		<u>(223,983)</u>	<u>(169,335)</u>

The accompanying notes form part of these Financial Statements.

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2013

		CONSOLIDATED 31 December	
	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		62,973	582,790
Cash payments in the course of operations		(130,396)	(1,119,513)
Interest received		3	2,027
Borrowing costs paid		-	(127,738)
Income tax (paid)		-	(25,903)
Net cash flows (used in) operating activities		(67,420)	(688,337)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		-	(4,062)
Proceeds from sale of investment		-	669,980
Net cash flows from investing activities		-	665,918
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(3,000)	(147,080)
Dividends paid		-	(35,382)
Loans from/(to) related entities		67,211	39,507
Net cash from/(used in) financing activities		64,211	(142,955)
Net decrease in cash held		(3,209)	(165,374)
Net cash at 1 July 2013		(7,946)	195,785
Net cash at 31 December 2013	3	(11,155)	30,411

The accompanying notes form part of these Financial Statements.

Metroland Australia Limited and Controlled Entities

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2013

	Contributed equity \$	Accumulated profit/(losses) \$	Non- controlling interests \$	Total \$
Balance at 1 July 2012	15,112,773	(17,617,353)	-	(2,504,580)
(Loss) attributable to members of parent entity	-	2,430,600	-	2,430,600
Profit attributable to minority shareholders	-	-	26,027	26,027
Dividends paid or provided for	-	-	(26,027)	(26,027)
Balance at 31 December 2012	<u>15,112,773</u>	<u>(15,186,753)</u>	<u>-</u>	<u>(73,980)</u>
 Balance at 1 July 2013	 15,212,773	 (15,382,108)	 -	 (169,335)
Loss attributable to members of parent entity	-	(64,648)	-	(64,648)
Balance at 31 December 2013	<u>15,112,773</u>	<u>(15,446,756)</u>	<u>-</u>	<u>(233,983)</u>

The accompanying notes form part of these Financial Statements.

Metroland Australia Limited and Controlled Entities

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Half-Year Financial Report

The general purpose financial statements for the interim half-year reporting period ending 31 December 2013 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Metroland Australia Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the new and revised Accounting Standards set out below.

Going Concern

During the six months to 31 December 2013, the consolidated entity was not actively engaged in any business operations.

The Directors are seeking new investment opportunities for the Group; and the lifting of the Company's trading suspension from the ASX.

The consolidated entity's results from continuing operations for the half-year was a loss of \$64,648 (2012: \$148,318), and at that date it had a net asset deficiency of \$233,983. Its current liabilities also exceeded its current assets by \$256,345 and there was a net cash outflow from operating activities of \$67,420 (2012: \$688,337).

The ongoing operations of the consolidated entity is dependent upon the ability of the Directors to raise further capital, to generate positive cash-flows from the consolidated entity's operations and for continued support from the Chairman of the entity, Mr Frank Shien and current Director, Mr Xuejun He who have each undertaken not to require repayment of the outstanding balance of their respective loans made to the Group prior to or since the reporting period, until at least March 2016.

These conditions give rise to material uncertainty which may cast doubt upon the consolidated entity's ability to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, which might be necessary should the consolidated entity not be able to continue as a going concern.

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2013 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

Consolidated financial statements, joint arrangements and disclosures of interests in other entities

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities*;
- AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*; and
- AASB 2012 -10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first times in the current half-year reporting period ended 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11.

The introduction of these new Standards has not resulted in any significant changes to the financial statements.

Fair Value measurements and disclosures

The Group has adopted AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards* arising from AASB 13 from 1 July 2013 together with consequential amendments to other Standards. The Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period ended 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value.

The introduction of this new Standard has not resulted in any significant changes to the financial statements.

Metroland Australia Limited and Controlled Entities

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

2. PROFIT OR (LOSS) FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	CONSOLIDATED 31 December	
	2013 \$	2012 \$
(a) Revenue from Continuing Operations		
Other revenue	73,608	2,027
	<u>73,608</u>	<u>2,027</u>
(b) Revenue from Discontinued Operations		
Rental revenue	-	345,493
Property management revenue	-	176,449
Consultancy revenue	-	47,234
Other revenue	-	70
	<u>-</u>	<u>569,246</u>
I Other Income from Discontinued Operations		
Gain on deconsolidation of wholly-owned subsidiary	-	1,410,463
Profit on sale of investments	-	760,481
Liabilities extinguished under Deed of Company Arrangement, net of expenses	-	644,456
	<u>-</u>	<u>2,815,400</u>
(d) Expenses from Discontinued Operations		
Borrowing costs	-	123,837
Property expenses	-	135,061
Employee benefits expense	-	132,746
Professional and consulting fees	-	325,481
Loss on disposal of fixed assets	-	78,884
Impairment of investment & trade and related Receivables	-	(65,900)
Administration and operating	-	24,804
	<u>-</u>	<u>754,913</u>

In the previous corresponding period:-

- The Group's wholly-owned subsidiary was placed into receivership by its property financiers in October 2012, with the only remaining investment property of the Group re-possessed by the financiers pursuant to their first registered mortgage over the property. Accordingly, the subsidiary was deconsolidated. This resulted in the recognition of a significant reduction in rental income and a gain on the deconsolidation of the subsidiary to the Group. Additionally, borrowing costs reduced significantly.
- The Group sold its 55% interest in the partially-owned strata management entity in August 2012, with the proceeds put towards the repayment of the Group's existing liabilities. This resulted in the significant reduction in property management revenues, and the recognition of a profit on the sale of the investment.
- The Company was placed in voluntary administration on 31 August 2012 and was brought out of administration on 5 October 2012, when the Deed of Company Arrangement resolution declared at the Decision Meeting of Creditors was wholly effectuated. As a result, a gain from the liabilities extinguished under this Deed of Company Arrangement, net of expenses incurred in the administration, was recognised.

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

	CONSOLIDATED 31 December	
	2013 \$	2012 \$
3. CASH AND CASH EQUIVALENT ASSETS		
<i>Current</i>		
Cash at bank and in hand	1,388	37,338
Bank overdraft	(12,543)	(6,927)
	<u>(11,155)</u>	<u>30,411</u>

4. OPERATING SEGMENTS

(i) Segment performance

	Half-Year Ended 31 December 2013			
	Property Construction and Management \$	Property Rental and Management \$	Investment & Financial Services \$	Consolidated \$
External revenue	-	-	73,608	73,608
Discontinued operations revenue	-	-	-	-
Total group revenue	-	-	73,608	73,608
Segment net (loss) before tax	-	-	(64,648)	(64,648)
Income tax				-
Segment net (loss) after income tax				<u>(64,648)</u>

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

4. OPERATING SEGMENTS – cont'd

(i) Segment performance

	Half Year Ended 31 December 2012			
	Property Construction and Management \$	Property Rental and Management \$	Investment & Financial Services \$	Consolidated \$
External revenue	47,234	521,942	2,097	571,273
Discontinued operations revenue	(47,234)	(521,942)	(70)	(569,246)
Total group revenue	-	-	2,027	2,027
Segment net (loss) before tax	-	-	(20,270)	(20,270)
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>	-	-	-	-
Unallocated items:				
• Corporate charges	-	-	-	(128,048)
Net (loss) before income tax				(148,318)
Income tax				-
Net (loss) after income tax				(148,318)

Metroland Australia Limited and Controlled Entities

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NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

4. OPERATING SEGMENTS (cont'd)

(ii) Reconciliation of Segment Assets

	As at 31 December 2013		
	Property Rental and Management \$	Investment & Financial Services \$	Consolidated \$
Segment assets			
Opening balance at 30 June 2013	1,066	6,995	8,061
Disposals	(1,066)	(6,659)	(7,725)
Segment assets at 31 December 2013	-	336	336
<i>Reconciliation of segment assets to group assets:</i>	-	-	-
• Unallocated corporate assets			33,302
Total group assets			33,638

5. INCOME TAX EXPENSE

	CONSOLIDATED 31 December	
	2013 \$	2012 \$
Prima facie tax (expense)/benefit on profit/(loss) before income tax at 30% (2012: 30%)	(19,394)	(744,425)
<i>(Increase)/decrease in income tax expense due to:</i>		
Capital gains offset against capital losses	-	230,970
Gain on de-consolidation of wholly-owned subsidiary	-	423,139
Deferred tax losses de-recognised	-	42,343
Tax losses not recognised	18,194	-
Utilisation of tax losses previously de-recognised	-	42,711
Other	1,200	(19,526)
Income tax (expense)	-	(24,788)

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

6. EVENTS SUBSEQUENT TO REPORTING DATE

- a) The appeal on the action brought by Austino Wentworthville Pty Limited (Austino) against the administrator and Metroland Australia Limited ("MTD") was heard in the Court of Appeal on 5 March 2013, at which Austino's appeal was dismissed and the appellant (Austino) ordered to pay the respondents' (MTD and administrator) costs. An application of costs was filed in the Supreme Court of New South Wales on 14 January 2014. In July 2014, Austino settled the payment of MTD's costs at an agreed sum of \$112,883, and the application of costs filed in the Supreme Court of New South Wales was withdrawn. On 1 January 2014, the wholly-owned subsidiary, Metroland Management Services Pty Limited was de-registered with ASIC.

Apart from the issues discussed above, no matters or circumstances have arisen since 31 December 2013 that have significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

8. FINANCIAL LIABILITIES

		CONSOLIDATED	
		31 December 2013	30 June 2013
		\$	\$
<i>Current</i>			
Bank overdraft		12,543	9,289
Loans from other entities – unsecured	8(a)	<u>139,704</u>	<u>97,664</u>
		<u>152,247</u>	<u>106,953</u>

- (a) Includes loan from an entity related to director, Frank Shien, to assist in the Group's working capital requirements (refer Note 9).

9. RELATED PARTY TRANSACTIONS

Material transactions with related parties during the 6 months to 31 December 2013 include:

Transaction with directors and director related entities:-

- Loan funds advanced by an entity related to Frank Shien for working capital purposes. At 31 December 2013 the amount was \$139,704 (2012: \$36,487).

Metroland Australia Limited and Controlled Entities

ABN 81 009 138 149

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

for the half-year ended 31 December 2013

10. CONTROL GAINED OR LOST OVER ENTITIES

In the previous corresponding period, control was lost over the following entities:-

On 31 August 2012, the Company disposed of its 55% interest in Stratawide Management Pty Ltd. Profit contributed during the 2012 half-year by Stratawide Management Pty Ltd was \$57,838 (2011: profit \$190,177).

On 5 October 2012, Global Real Estate Assets Corporation Pty Ltd (Global) was placed into receivership. Global contributed a profit of \$107,426 (2011: profit of \$1,495,874) during the 2012 half-year period.

On 1 August 2012, Kings Properties (Australia) Pty Ltd was voluntarily de-registered with the Australian Securities & Investments Commission.

No entities were gained control of or lost during the current period.

Metroland Australia Limited and Controlled Entities

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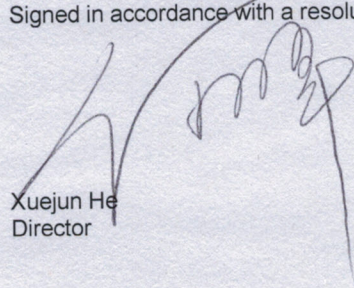
DIRECTORS' DECLARATION

In the opinion of the directors of Metroland Australia Limited:

1. the financial statements and notes set out on pages 4 to 16:
 - a) give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance, for the half-year ended on that date; and
 - b) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 27th day of February 2015

Signed in accordance with a resolution of the directors.



Xuejun He
Director

Chartered Accountants

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INDEPENDENT REVIEW REPORT TO THE MEMBERS OF METROLAND AUSTRALIA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metroland Australia Limited and Controlled Entities (the consolidated entity), which comprises the condensed consolidated Statement of Financial Position as at 31 December 2013, the condensed consolidated Statement of Profit or Loss and Other Comprehensive Income, condensed consolidated Statement of Changes in Equity and condensed consolidated Statement of Cash Flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Metroland Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metroland Australia Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF METROLAND AUSTRALIA LIMITED

Emphasis of Matter

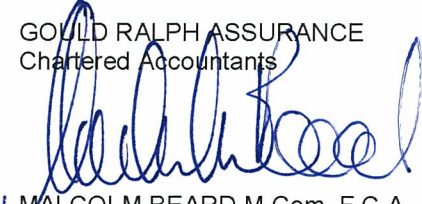
Without qualification to the conclusion expressed above, attention is drawn to the following matter:

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 1 - 'Going Concern' in the financial report which identifies that the consolidated entity incurred a loss from continuing operations of \$64,648 (2012: \$148,318) and net cash outflows from operating activities of \$67,420 (2012: \$688,387) during the half-year, and it had a net asset deficiency of \$233,983 and its current liabilities exceeded its current assets by \$256,345 as at 31 December 2013. These conditions, along with other matters set out in Note 1 - 'Going Concern', give rise to material uncertainty as to whether the consolidated entity will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Dated at Sydney this 27th day of February 2015

GOULD RALPH ASSURANCE
Chartered Accountants



MALCOLM BEARD M.Com, F.C.A.
Partner