

29 September 2009

Australian Securities Exchange
Exchange Centre,
Level 4,
20 Bridge Street,
Sydney NSW 2000.

Dear Sir/Madam,

NOTICE OF AGM AND EXPLANATORY MEMORANDUM

Please find attached our notice of Annual General Meeting and Explanatory Memorandum which are being mailed to shareholders.

Yours faithfully,



Paul Freedman,
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty-third annual general meeting of members of Cedar Woods Properties Limited will be held at 10.00am on 5 November 2010 at the Kings Park Function Centre, Fraser Avenue, West Perth, WA to consider and if thought fit, pass the following resolutions.

AGENDA

1. Ordinary Business

To receive and consider the financial report for the year ended 30th June 2010 and the accompanying directors' report, directors' declaration and auditor's report.

2. Ordinary Resolutions

To consider, and if thought fit, pass the following resolutions:

Re-election of retiring director

Ordinary Resolution 1

That Robert Stanley Brown, MAICD, AIFS having retired in accordance with the company's constitution and, being eligible, offers himself for re-election, be re-elected as a director of the company.

3. Ordinary Resolution

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

Remuneration report

Ordinary Resolution 2

That the remuneration report that forms part of the directors' report for the financial year ended 30 June 2010, be adopted.

The remuneration report is set out in the directors' report on pages 6 - 10 of the 2010 financial statements. Please note that the vote on this resolution is advisory only and does not bind the directors or the company.

By Order of the Board



P S Freedman
Secretary

29 September 2010

VOTING BY PROXY

- (a) Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
- (b) To enable a shareholder to divide their voting rights, a shareholder may appoint two proxies. Where two proxies are appointed, the Proxy Form should specify the proportion, or the number of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.
- (c) A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the company. The proxy appointed can be described in the Proxy Form by an office held, for example "the Chair of the Meeting".
- (d) In the case of shareholders who are individuals, the Proxy Form must be signed or otherwise authenticated in a manner prescribed by the Corporations Regulations:-
 - i. if the shares are held by one individual, by that shareholder;
 - ii. if the shares are held in joint names, by any one of them.
- (e) In the case of shareholders who are companies, the Proxy Form must be signed or authenticated:-
 - i. if it has a sole director who is also a sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
 - ii. in the case of any other company, by either two directors or a director and company secretary.The use of the common seal of the company, in addition to those required signatures, is optional.
- (f) If the person signing or otherwise authenticating the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign or authenticate the Proxy Form, the power of attorney or other authorisation (or a certified copy of it) as well as the Proxy Form, must be received by the company by the time and at the place in (g) below.
- (g) A Proxy Form accompanies this notice. To be effective Proxy Forms (duly completed and signed) may be lodged:

By post to - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or within the supplied reply paid envelope.

By hand to – Cedar Woods Properties Limited, Level 4, 66 Kings Park Road, West Perth WA 6005

By Fax – 1800 783 447 (Within Australia)
+ 61 3 9473 2555 (Outside Australia)

By Email - at the email address: email@cedarwoods.com.au. If you wish to lodge a proxy electronically, it will be necessary to scan an image of a signed proxy form and email that image of the proxy form with the signature(s) affixed.

Online – www.investorvote.com.au

no later than 48 hours before the time of the holding of the meeting.

Online Voting – Shareholders may submit their proxy instructions electronically to the Company's Share Registrar, Computershare Investor Services Pty LTD, by visiting www.investorvote.com.au and following the instructions given there. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

SHAREHOLDERS WHO ARE ENTITLED TO VOTE

In accordance with regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 4.00pm Perth time (7.00pm Sydney time) on 3 November 2010.

The vote on the Resolutions will be by a show of hands, unless a poll is demanded. On a show of hands each shareholder present in person or by proxy has one vote. On a poll each shareholder present in person or by proxy has one vote for each share in Cedar Woods Properties Limited.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a meeting of members of the company to be held on 5 November 2010 commencing at 10.00 am. This memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reason for the resolutions proposed. Certain terms used in this Explanatory Memorandum are defined in Section 4.

1. **ORDINARY BUSINESS ITEM 1**

As required by section 317 of the Corporations Act 2001, the financial report for the year ended 30th June 2010 and the accompanying directors' report, directors' declaration and auditor's report will be laid before the meeting. *Neither the Corporations Act nor the company's constitution requires a vote on the reports. However, shareholders will have an opportunity to ask questions about the report at the AGM.*

2. **ORDINARY BUSINESS ITEM 2**

(a) **Ordinary Resolution 1**

Robert Stanley Brown, MAICD, AIFS retires in accordance with the company's constitution and, being eligible, offers himself for re-election.

Mr Brown is Executive Chairman of Westland Group Holdings Pty Ltd, with responsibilities in mining, agribusiness, biotechnology and venture capital. He is a past president of the Federation of Building Societies of WA and has participated in and chaired various Western Australian government advisory committees related to the housing industry. Mr Brown brings to the board his diversified experience as a director of these companies and other listed entities and has served as a director of Cedar Woods Properties Limited for twenty-two years.

Mr Brown is a non-executive director and is Deputy Chairman of the Board of Directors. He is also a member of the Audit and Risk Management Committee, a member of the Human Resources and Remuneration Committee and a member of the Nominations Committee.

Mr Brown has a relevant interest in 9,403,943 ordinary shares in Cedar Woods Properties Limited, as defined by sections 608 and 609 of the Corporations Act, 2001.

(b) Directors' recommendation on Resolution 1

The other directors unanimously support the re-election of Mr Robert Brown under Resolution 1.

3. ORDINARY BUSINESS ITEM 3

(a) Ordinary Resolution 2

Shareholders are asked to adopt the company's remuneration report. The remuneration report is set out in the directors' report on pages 6 to 10 of the 2010 financial statements. The remuneration report:

- Describes the policies behind, and structure of, the remuneration arrangements of the company and the link between the remuneration of directors and executives and the company's performance.
- Sets out the remuneration arrangements in place for each director and for the other key management personnel of the company.
- Explains the differences between the base remuneration for non-executive directors and executives, including the Managing Director.

A reasonable opportunity for discussion of the remuneration report will be provided at the annual general meeting. The vote on this resolution is advisory only, and does not bind the directors or the company.

4. INTERPRETATION

In this Explanatory Memorandum:

"Notice" means the notice of meeting dated the 29 September 2010 to which this Explanatory Memorandum is attached.