

ASX / MEDIA RELEASE

1 June 2020

AUBURN SQUARE PROJECT & CASH ADVANCE FACILITY

Tian An Australia Limited (ASX: TIA) (**TIA** or **Company**) is pleased to announce that Tian An (Auburn) Pty Ltd (**TAA**), a wholly owned subsidiary of the Company, entered into a joint venture with Linfield Auburn Pty Ltd (**LFA**), an Australian residential property development company, for the purpose of developing the property at 26-36 & 35 Northumberland Road, Auburn NSW 2144 (**Auburn Square**).

The joint venture is an unincorporated joint venture to be managed by LFA, who will hold a 50% participating interest, with TAA holding the remaining 50%.

TAA will initially contribute \$41.25 million to Auburn Square. TAA will contribute up to a further \$13.75 million if required under the terms of the joint venture.

TAA is entitled to be paid a preferred profit distribution from the proceeds of sale. TAA's contribution is secured in part by a personal guarantee from the sole director of LFA, by mortgage over the Land and by a general security agreement over LFA.

The agreement and the grant of the securities under the agreement are subject to FIRB approval.

The Project

Auburn Square will consist of approximately 427 apartments, over 5 residential buildings of 10 stories each along with approximately 4,000m² of retail shops or other commercial uses. It will include associated car parking, landscaping, publically accessible open space and public domain works.

The property the subject of Auburn Square is currently owned by LFA, zoned for mixed use development and has an existing DA approval.

LFA has provided TAA with a development program and project feasibility. LFA will be responsible for the day-to-day management of the project, subject to seeking TAA's consent to any material matters relating to the project, such as financing and construction matters.

Any profits from Auburn Square are to be paid firstly to refund TAA's contribution, and then shared between TAA and LFA.

Cash Advance Facility

To fund its obligations under Auburn Square, TIA has secured an extension to its Unsecured Cash Advance Facility with Oasis Star Limited (its largest shareholder) which was announced to the market on 26 April 2018 (**Cash Advance Facility**).

Under the extension, TIA is able to draw down up to a total amount of \$92.0 million under the Cash Advance Facility to cover the costs of its initial commitment under the Auburn Square project and general working capital.

The term of the Cash Advance Facility has further been extended until the two year anniversary of the execution of the extension.

END

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About Tian An Australia:

The principal activity of Tian An Australia is to identify urban projects to develop for resale. By nature, these master planned projects offer many built-form value add opportunities beyond the standard residential lot market. Tian An Australia has a vision to grow as a significant contributor to the design and development of premium residential property utilising community based planning and innovative design concepts targeted to meet the needs and exceed the expectations of markets while delivering new benchmarks in environmental excellence.