

ASX / MEDIA RELEASE

6 July 2016

UPDATE: PROPOSED DEVELOPMENT OF RESIDENTIAL PROJECT

Tian An Australia Limited (ASX: TIA) (the **Company** or **TIA**) advises that further to its announcement dated 12 April 2016, it has extended the exclusive due diligence period until 30 September 2016. The exclusive due diligence period was originally scheduled to complete on 6 July 2016. This extension will allow the Company to complete its due diligence and negotiate the terms of any joint venture with the Developer.

The following high level terms have been agreed to date:

- 60/40 joint venture, with the Company at 60.0%
- the joint venture will acquire the rights to develop the residential site for \$30.0 million
- the Preliminary Payment of \$7.0 million to be applied towards any equity the Company may contribute

The Preliminary Payment must be refunded to TIA in full if binding project documentation is not entered into by the end of the exclusive due diligence period, currently 30 September 2016. The Preliminary Payment is now unsecured as a result of the extension of the exclusive due diligence period.

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.