

ASX / MEDIA RELEASE

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TIAN AN AUSTRALIA COMPLETES SEASPRAY AND THE MILTON, POSTS WRITEDOWNS

Tian An Australia Limited (ASX: TIA) (**TIA** or **Company**), is pleased to provide its full year report and Appendix 4E for the year ended 31 December 2018 (**Period**).

- For the year ended 31 December 2018 the Company reported an underlying loss after tax of \$2,139,000 (December 2017: \$2,437,000 profit).
- For the year ended 31 December 2017 the Company reported a statutory loss after tax of \$14,920,000 (December 2017: \$1,233,000 profit).
- Fair value writedown of Cascade Gardens, Pymble by \$12,093,000.
- Writedown of Oceanique apartments \$577,000
- Writedown of Lot 370 \$112,000
- Retail and commercial lots at The Milton in Queensland fully sold, returning a total profit of \$9,248,000.
- Settlement of 5 lots at SeaSpray in Victoria.

Jally Lin, Chief Executive Officer, said:

“The management team has completed settlement of its current East Coast projects and has reinvested these proceeds into quality projects at Pymble and Enfield. Management continues to explore new opportunities which meet the company’s investment criteria.”

Financial Position

The Company reports revenues for the period of \$2,972,000 (December 2017: \$13,649,000).

The Company is close to closing finalising sale its existing projects and is assessing new opportunities. Management will continue to focus on cash flow, the disciplined allocation of capital to projects and ongoing attention to costs and overhead efficiencies.

The Company’s statutory loss was \$14,920,000 (December 2017: \$1,233,000 profit) for the period.

Summary of developments

Western Australia

Oceanique, Dawesville

One apartment has settled and one further apartment has been unconditionally exchanged in the second half of 2018 with settlement early January 2019. Management continues to focus on the sell down of the remaining two apartments.

Point Grey and Peel Water, Point Grey

Development approval for stage 1 works for a 330 lot subdivision remains on foot. Commonwealth & State Government bilateral environmental approvals for the proposed 300 berth onshore marina and terrestrial development are in place. Management will seek development approval in 2019 to commence the marina early works, in accordance with the environmental approval, now that the State Government has now granted an extension to the time limit to achieve substantial commencement.

Lot 370, Port Bouvard, Dawesville

Lot 370 currently is for sale.

Eastern Seaboard

The Milton, Brisbane

The Milton project is complete with the sale of the remaining commercial and retail lots being settled during the 2nd half of 2018. A total of \$38,100,000 in proceeds returned, representing a profit of \$9,248,000. Following a change in accounting standards the profit from this project has not been recognised in the profit and loss statement, rather there has been a direct transfer from the reserves to the retained earnings account.

SeaSpray, Point Cook

SeaSpray, located in Point Cook, Victoria, has completely settled with five lots settling over the course of 2018. TIA made in excess of \$15,000,000 profit from the project.

Enfield, NSW

The Group is progressing a rezoning application to increase the height and floor space ratio (FSR) for residential apartments.

Cascade Gardens, Pymble, NSW

TIA entered into a joint venture with Linfield Developments in May 2018. The Pymble site is DA approved for 98 apartments, adjacent to Pymble railway station on Sydney's Upper North Shore. Demolition commenced in August 2018.

Short Term Outlook

TIA will focus on identifying residential developments that meet its investment strategy and criteria. Management will continue to focus on gaining the necessary approvals for its Enfield project, converting the site from a commercial building to a residential site. It will also begin construction and continue sales of its Pymble investment.



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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.