

## DONGFANG FINALISING ACQUISITION OF TWO MAJOR PLANTATIONS

Leading Chinese citrus producer Dongfang Modern Agriculture Holding Group Limited (ASX: DFM, "Dongfang") is pleased to announce further plantations acquisitions that will result in the company controlling a total of 20 plantations covering over 8,000 hectares within China's premier fruit growing regions.

Dongfang's wholly owned subsidiary company Ganzhou Chinese is finalising its acquisition of Nanfeng County Tangerine plantation, located in the Jiangxi Province and spanning some 4,417 hectares. The subsidiary will complete the acquisition upon payment of the second and final instalment of RMB 60 million (~AUD 12.8 million), having already made the first instalment of RMB 240 million (~AUD 51.4 million) in December 2014.

In addition, Ganzhou Chinese will procure a further 853 hectares of prime camellia plantations in Xingguo County Jiangxi Province with rights to operate for a period of 30 years, at a cost of RMB 194 million (~AUD 41.9 million). The terms are that an 80% deposit of RMB 155 million (~AUD 33.5 million) will be paid immediately with the 20% balance in 2016.

Commenting on the acquisitions, executive Chairman Hongwei Cai said: "We are delivering upon the expansion plans outlined within our IPO prospectus, and will seek further opportunities to grow within the world's largest agribusiness sector, China.

"The acquisitions further advance Dongfang on its path to becoming the largest citrus harvester in China, and well position the company to continue generating strong returns from its tangerine and camellia products for decades to come."

The company listed on the ASX on 20 October 2015 having completed its IPO and raising AUD 39.2 million in the process, with these funds contributing to the acquisitions.

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### About DFM

DFM is a leading citrus producer operating within the world's largest market in China. DFM is unique in providing exposure to China's agribusiness sector for Australian investors.

In 2014, the company sold over 200,000 tonnes of fruit and camellia products, generating revenue of A\$133 million, net profit of A\$67 million, and operating margins in excess of 40% from 19 plantations spanning 8,600 hectares.

Formed in 2008, the company has grown each year, benefitting from China's favourable taxation incentives for agribusiness companies.