

DONGFANG PLANTATION AREAS APPROACHES 10,000 HECTARES FOLLOWING TWO ACQUISITIONS

Leading Chinese agricultural company Dongfang Modern Agriculture Holding Group Limited ("Dongfang") (ASX:DFM) continues to execute its growth strategy through the acquisition of a tangerine plantation (400 hectares) and a camellia plantation (800 hectares) with a total price of approximately RMB 400 million (~AUD81 million).

The tangerine and camellia plantations are in Xunwu County, both near to the Company's existing plantations within the Ganzhou City district of Jiangxi Province, China's premier citrus region.

Commenting on the new acquisitions, Chief Executive Officer Mr Charles So said: "We continue to aggregate orchards within China's fragmented agricultural sector, cementing our position as the leading agricultural company, with plantation areas now in excess of 9,800 hectares. As such, we remain a key domestic supplier of tangerines, navel oranges, pomelos and camellia fruit products, meeting the growing demand for fruit by consumers in China's tier-1 cities.

"We will now take over and manage these two plantations, applying modern tree husbandry, fertilisation and harvesting procedures in order to optimise yields ahead of the 2016 harvest season commencing in September. We expect the new acquisitions will increase output by over 19,600 tonnes and increase gross profit by over RMB30 million (~AUD6 million) for 2016. Our goal is to increase earnings per share (EPS) by 10% per annum."

Dongfang's Chairman Mr Cai said: "Our acquisition of the renowned "Xunwu" branded tangerine plantation puts us in a strong position to exceed our record 2015 crop of our largest selling product.

"Our camellia plantation acquisition positions us to advance a possible downstream camellia oil business, capitalising on several supportive Chinese Government policies and diversifying our revenue streams."

The acquisitions constitute the transfer of 30 years' operating rights of the plantations. An initial payment comprising 80% of the purchase price (approximately RMB300 million) (~AUD60 million) was made before 30th June 2016. The balance of the purchase price is payable on 30th June 2018.

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About DFM

DFM is a leading agricultural 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 2015, the company sold over 240,000 tonnes of fruit and camellia products, generating revenue of A\$199 million, net profit of A\$82 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.