

Lisa Banh
Senior Adviser
ASX Compliance Pty Limited
20 Bridge Street
Sydney NSW 2000

Dear Lisa

Dongfang Modern Agricultural Holding Group Limited ("DFM" or the "Company" or "Dongfang "): ASX price query

I refer to your letter dated 25 July 2017, received by email the same day requesting a response to the questions contained in your letter as follows:

1. *Does DFM consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

DFM's growth strategy includes the acquisition of plantations which is publically available information. These acquisitions are in line with the group's published strategy of increasing market share and further consolidate Dongfang's position as the market leading fruit harvester in China. A review of DFM's share price pre and post the announcement shows that DFM's share price was not materially impacted.

However, DFM considered the announcement necessary to meet its continuous disclosure obligations and as such made such an announcement when the operating rights had in fact transferred to DFM.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

Not applicable.

3. *If the answer to question 1 is "yes", when did DFM first become aware of the information?*

This is covered in the response to question 4 below.

4. *If the answer to question 1 is "yes" and DFM first became aware of the information before the relevant date, did DFM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DFM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DFM took to ensure that the information was released promptly and without delay.*

The acquisition of the operating rights to the plantations had a series of conditions before the rights could be transferred to DFM. This included approval from the Chinese local government and application of necessary permits. Although 80% of the purchase price for the acquisition was paid on 30 June 2017, final approvals only came through on 4 July 2017 CST. The announcement was made on 6 July 2017 once all the approvals were granted and the relevant permits were issued. Up to that point, DFM could not release any information under Listing Rules 3.1 and 3.1A because the information related to an incomplete proposal.

5. *Please confirm that DFM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

DFM is in compliance with Listing Rule 3.1.

6. *Please confirm that DFM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DFM with delegated authority from the board to respond to ASX on disclosure matters.*

DFM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DFM with delegated authority from the board to respond to ASX on disclosure matters.



Charles So

Chief Executive Officer

For further information, please contact

In Australia:

Philip Killen, Company Secretary +61 408 609 916

International:

Charles So, CEO +61 449 895 835

Media queries:

Ashley Rambukwella, FCR +61 407 231 282
and a.rambukwella@fcr.com.au

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 2016, the Company sold over 240,000 tonnes of fruit and camellia products, generating revenue of A\$194 million, net profit of A\$82 million, and operating margins in excess of 40%. The group's plantations today span more than 10,700 hectares.

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



25 July 2017

Mr Philip Killen
Company Secretary
Dongfang Modern Agriculture Holding Group Limited

By email: phil.killen@cpkconsulting.com.au

Dear Mr Killen

Dongfang Modern Agriculture Holding Group Limited ("DFM"): aware query

ASX Limited ("ASX") refers to the following:

- A. DFM's announcement entitled "Dongfang acquires two major plantations" lodged on the ASX Market Announcements Platform on 6 July 2017 (the "Announcement"), disclosing the acquisition of two major camellia and navel orange plantations.
- B. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information"*.

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks DFM to respond separately to each of the following questions and requests for information:

1. Does DFM consider the information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did DFM first become aware of the information?
4. If the answer to question 1 is "yes" and DFM first became aware of the information before the relevant date, did DFM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DFM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DFM took to ensure that the information was released promptly and without delay.
5. Please confirm that DFM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that DFM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DFM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEST on Friday, 28 July 2017. If we do not have your response by then, ASX will have no choice but to consider suspending trading in DFM's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DFM's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at lisa.banh@asx.com.au . It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DFM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that DFM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in DFM's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Lisa Banh
Senior Adviser
P: (02) 9227 0000
E: lisa.banh@asx.com.au