

DONGFANG MODERN AGRICULTURE HOLDING GROUP LIMITED

TERM SHEET: INITIAL PUBLIC OFFERING
LEAD MANAGER: PARADIGM SECURITIES



Introduction

A leading agricultural food producer in the world's largest market	Dongfang Modern Agriculture Holding Group Limited ("Dongfang", ASX:DFM) is a highly profitable agricultural food producer supplying the world's largest agricultural market, China.
Second largest citrus fruits harvester in China Strong balance sheet	Since inception in 2009, Dongfang has grown to become the second largest company in China harvesting citrus fruits. In 2014, the company produced over 200,000t of tangerine (mandarin), pomelo, navel oranges and camellia seed and fruit products on over 7,976 hectares of farms. Dongfang has been a successful aggregator of small plantations that have provided high revenue and earnings growth in the PRC's tax-exempt agricultural food sector.
FY2014 revenue A\$133.2m, EBITDA A\$56.6m	The ASX IPO will allow timely access to new capital (A\$39m minimum and A\$50m maximum subscription and bigger acquisition) for the Company's expansion plans and will augment A\$56m in current cash and expected A\$75m earnings in calendar 2015. Dongfang has no debt and has a transparent financial and operating history.

Overview

Issuer	▪ Dongfang Modern Agriculture Holding Group Limited (ASX: DFM)
Transaction	▪ Initial Public Offering ("IPO")
Security type	▪ New fully paid ordinary shares
Issue price	▪ A\$1.00
Subscription	▪ Minimum of A\$39 million, maximum of A\$50 million
Application minimum	▪ A\$2000.00
Purpose of the Issue	▪ Fund growth initiatives including the acquisition of new plantations
Lead Manager	▪ Paradigm Securities Limited
Corporate Advisor	▪ Austra Capital
Legal Advisor	▪ Piper Alderman
Investigating Accountant	▪ PKF Corporate Finance (NSW) Pty Ltd
Applications	▪ Application for shares can only be made pursuant to the Prospectus issued by the Company and available from the Company's website (www.dongfangmodernagriculture.com.au), the Lead Manager, Paradigm Securities and from the ASX website.

Use of funds (A\$m)	Min	Max	Capital structure (post-IPO)	Min	Max
Cash on hand	56.8	56.8	Fully-paid ordinary shares (mil)	390	401
Funds raised under the Offer	39.0	50.0	Market cap (issue price) A\$m	390	401
Acquisition of plantations	47.2	59.9	Cash A\$m	89.8	99.4
Cost of funds raised	6.0	7.4	Debt A\$m	-	-
Working capital and contingency	42.6	39.5	Enterprise value A\$m	390	401

Indicative timeline

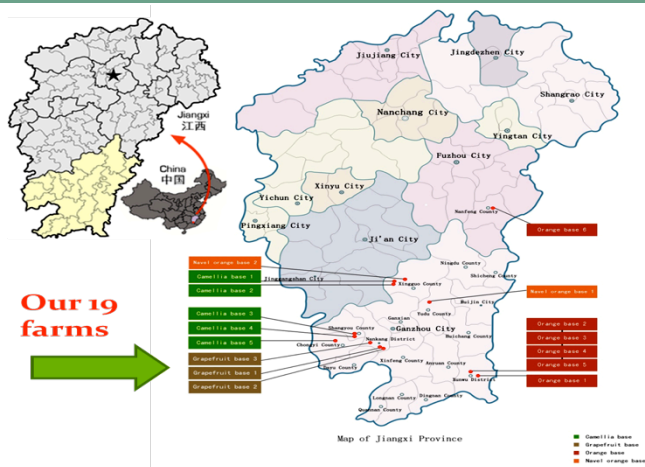
Opening date	30 June 2015
Closing date	7 August 2015
Securities issued and allotted	10 August 2015
Expected first day of trading	24 August 2015

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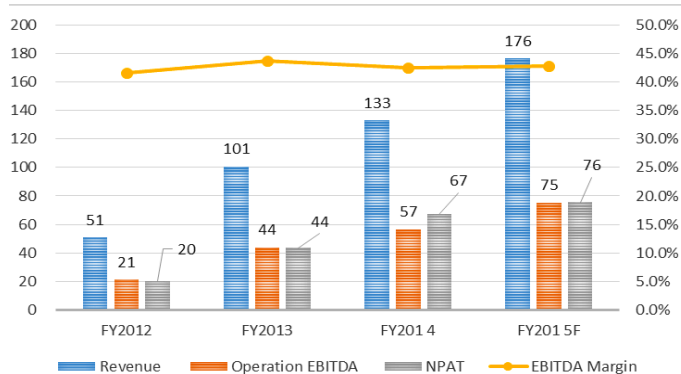


Location and plantation land



Financial information

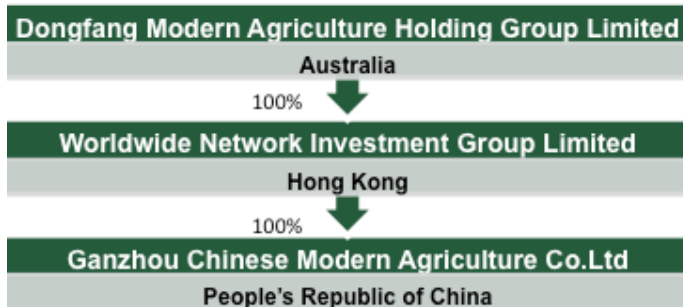
Financial performance (A\$m)



Balance Sheet (2014 pro forma)

A\$m	FY12A	FY13A	FY14E min-sub	FY14E max-sub
Assets	62.4	139.5	254.2	263.9
Liabilities	1.8	13.5	11.8	11.8
Net assets	60.6	126.0	242.4	252.1
Exchange rate RMB/\$A	6.5	5.4	5.1	5.1

Corporate structure



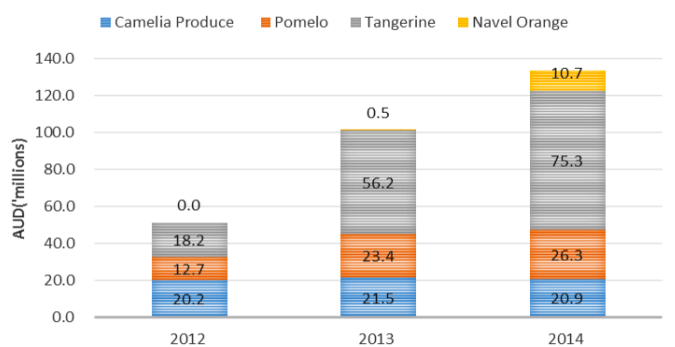
Competitive strengths

- Strong revenue and profitability base with no debt.
- Experienced management teams with 6 year proven track record.
- PRC Government Incentives including income tax and VAT exemptions.
- Established & stable network for input raw materials.

Future growth opportunities

- Expand land tenure through strategic acquisition.
- Optimise land efficiencies by increasing yields and reducing costs.
- Develop Ganzhou Chinese brand in national and international markets.
- Develop downstream Camellia Oil business.

Revenue distribution by products (A\$m)



Contact details

Lead manager

Barry Dawes
Tel: +61 2 9222 9111
bdawes@paradigmsecurities.com.au



Les Szancer
Tel: +61 418 260 937
lszancer@paradigmsecurities.com.au

DISCLAIMER: This Terms Sheet provides information for investors who wish to invest in Dongfang Modern Agriculture Holding Group Limited (ASX: DFM) ACN: 604 659 270 (the Company) as a precursor to the issuance of the Prospectus by The Company. It should not be read as a substitute for the Prospectus, which should be read in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of DFM and the rights and liabilities attaching to the shares. The Company is expanding its business, accordingly there are risks associated with investing in the Company. Potential investors should take these factors into account and consider whether this is an appropriate investment in view of their personal circumstances. If in doubt investors should seek advice from their professional advisor before deciding whether to invest. There is no guarantee that the Shares offered under this Prospectus will make a return on capital investment, that there will be any increase in the value of the Shares in the future. The Company, Paradigm Securities Pty Ltd and Astra Capital cannot and does not provide any advice on the taxation implications of any investment to any prospective investor and each investor should obtain their own advice if they have any concerns in this regard whatsoever. **Note: data sourced from DFM and Ipsos report.*