

ASX ANNOUNCEMENT

21 June 2019

CopRice Agrees to Acquire FeedRite's Extrusion Business

As part of delivering on SunRice's 2022 Growth Strategy, SunRice Group division, CopRice, has signed a purchase agreement to acquire 100% of the extrusion assets of FeedRite Pty Ltd (FeedRite), one of Australia's leading manufacturers of premium extruded rice bran based equine feed.

An element of SunRice's 2022 Growth Strategy is to strengthen existing profit businesses, such as CopRice, which have the potential to generate higher revenue and profits to the benefit of B Class Shareholders, and to deliver increased resilience to the Group through expansion and diversification. The FeedRite asset acquisition is another investment aligned with this strategy, following on from Riviana's acquisitions in 2018 (Roza's Gourmet and House of Riz).

The acquisition of FeedRite will allow CopRice to continue expanding its premium feed business, especially in the key Ag Retail channel, and complements SunRice's supply of rice bran from our Riverina milling program. In addition, this investment will support the SunRice Group's \$11 million investment in a food grade stabilised rice bran plant at Leeton, which will open in September 2019, and allow SunRice to continue extracting value from by-products produced during the rice milling process.

The cost of the acquisition of FeedRite's business assets, as well as the capital expenditure upgrade and expansion of the site to CopRice's specifications and standards, is not expected to exceed \$10 million. Completion of the acquisition is expected over the coming months, pending satisfaction of a number of conditions precedent.

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About SunRice's structure

The structure of Ricegrowers Limited (**SunRice**) contains non-standard elements including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on ASX and may only be held by Active Growers. The right to vote is based on one member, one vote and no person may hold more than 5 A Class Shares. In practical terms the voting rights held by A Class Shareholders give those shareholders the right to control the election of directors and any changes to SunRice's constitution.

B Class Shares are quoted on ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not have the right to vote at general meetings of SunRice and may only vote on proposals involving a variation to their class rights or if required for the purposes of the ASX Listing Rules. This means B Class Shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see <https://corporate.sunrice.com.au/investors/>.