



## **ASX ANNOUNCEMENT**

27 March 2020

### **Update on COVID-19**

The SunRice Group is aware that the Vietnam Government has introduced a ban on exports of rice in response to concerns around domestic food security due to continued localised drought and COVID-19. The Group understands the ban to be in place until at least 31 May 2020.

The SunRice Group intends to flex its international supply capability to meet demand in key markets that would have been supplied from its Lap Vo rice processing mill in Vietnam.

Australia is not currently self-sufficient in rice. Due to the drought and water policy, the Australian crop sizes of the last two years represents less than 25 per cent of annual domestic rice consumption requirements which has led to an increasing reliance on imported rice.

In addition, changes to consumer shopping patterns at Australian retailers due to the global COVID-19 pandemic have led to a significant increase in demand for SunRice's products domestically. This has exacerbated the current shortage of Australian rice, and caused the SunRice Group to increasingly supplement supply through international sourcing.

SunRice has significant capability and expertise in international rice supply chains, and is flexing that capability to meet increased demand in Australia. The Group is observing increased instability and risk from both a supply and demand perspective across its key markets, primarily due to COVID-19, as evidenced by the Vietnam Government's announcement.

If there is no change to the current outlook for water availability and water prices for annual plantings between now and the 2020 planting window in October / November, there is likely to be another extremely small Australian crop.

Given the above developments, SunRice has commenced discussions with the Commonwealth Government around the potential for an allocation of water to be made available to Australian rice growers ahead of the planting window later in 2020 to ensure continued supply of Australian-grown rice for domestic consumption.

At this stage, SunRice does not anticipate any material change to its guidance for FY2020 full-year Group NPAT as a consequence of the above developments. At this stage given the global uncertainty resulting from the COVID-19 pandemic, it is too early to provide any information as to the impact of such developments on the 2021 Financial Year.

**Authorised by Rob Gordon, Chief Executive Officer, SunRice Group.**

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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/>*