Appendix 4E
Preliminary Final Report

Ricegrowers Limited

ABN:	Financial Year Ended:	Lodgment Date:
55 007 481 156	30 April 2020	25 June 2020

This financial report does not include all of the notes of the type normally included in the full year statutory accounts. Accordingly, it is recommended that this report be read in conjunction with the Annual Report for the year ended 30 April 2020 and any public announcements made by Ricegrowers Limited ("SunRice" or 'Group") during the year ended 30 April 2020, in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

Reporting Period and Reported Information

The current reporting period is the year ended 30 April 2020 (FY2020 or CY19) and the previous corresponding period is the year ended 30 April 2019 (FY2019 or CY18). The information in this report is based on accounts which have been audited.

Results for Announcement to the Market

Consolidated Group	2020 $'000	2019 $'000	Change $'000	Change %	Up/Down
Revenue from ordinary activities	1,134,818	1,193,063	58,245	4.9	Down
Profit after tax	22,680	32,767	10,087	30.8	Down
Profit after tax attributable to B Class shareholders	27,013	31,498	4,485	14.2	Down

Dividends	Current period	Previous corresponding period
Franking rate applicable:	100%	100%
Final dividend		
Amount per security	33.0 cents	33.0 cents
Franked amount per security	33.0 cents	33.0 cents
Interim dividend		
Amount per security	n/a	n/a
Franked amount per security	n/a	n/a

Date the dividend is payable:	**30 July 2020**
Record date to determine entitlements to the dividend	8 July 2020
If it is a final dividend, has it been declared?	Yes

The dividend or distribution plans shown below are in operation.

Ricegrowers Limited Dividend Reinvestment Plan (DRP).

NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security ($)	7.82	7.64

Commentary on results for the period

Financial results were driven by a combination of several factors that included:

- Ongoing drought conditions in the Riverina, leading to the second-smallest crop on record of 54,000 tonnes in CY19 (The CY20 rice crop, at 45,000 paddy tonnes, has replaced the CY19 crop of 54,000 paddy tonnes as the second-smallest on record), down 91% on the CY18 crop of 623,000 tonnes
- Deteriorating conditions in key global markets, particularly across the Pacific
- Flexing of our international sourcing capability to offset the lower Australian crop and ensure the Group met continued growing global demand for SunRice's products
- Continued execution of the 2022 Growth Strategy, delivering significant value during FY2020, with new global supply chains, innovative product offerings across multiple segments and expanded production capabilities
- Response to COVID-19 in the last two months of FY2020 has demonstrated the resilience and agility that exists across our portfolio of businesses, and highlighted the strength of the Group's existing risk management and mitigating strategies.
- Despite restructure of SunRice's Riverina operations in line with lower production levels in FY2020, the Rice Pool was unable to absorb all overheads and recorded a loss, impacting overall Group profitability.

Further details of the FY2020 financial position, performance and cash flows are set out in the 2020 Annual Report, which is provided together with this 4E Preliminary Final Report.

Details of associates and joint venture entities

Trukai Industries Limited, which is 66.23% owned by Ricegrowers Limited, has the following associate:

Name of associate or joint venture

Pagini Transport (incorporated in Papua New Guinea). Principal activity: Transport

Reporting entities percentage holding

Pagini Transport: 30.44% (30 April 2019: 30.44%)

Controlled entities

Ricegrowers New Zealand Ltd, a wholly owned subsidiary of Ricegrowers Limited, was incorporated in New Zealand on 8 July 2019.

There have been no other changes in controlled entities in the year ended 30 April 2020.

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/.

Other information required

Please refer to the attached Annual Report including the full year statutory accounts for other information required.


SunRice
2020 Annual Report
70 years
1950 - 2020

About This Report

The SunRice Group continuously seeks to improve the way we communicate long-term sustainable value to A and B Class shareholders and other important stakeholders. This year we have integrated our financial and non-financial reporting to provide information on all aspects of our performance in one report, the Annual Report, supported where required by supplementary information (see Reports Portfolio).

Reporting boundary and period

SunRice's Annual Report covers Ricegrowers Limited ABN 55007481156 and its controlled entities. Unless otherwise stated all disclosures in the Annual Report relate to the Financial Year ended 30 April 2020 (FY2020). In this report, 'the year', 'this year', 'crop year 2019' and 'CY19' all refer to FY2020. The '2020 harvest', 'crop year 2020' and 'CY20' all refer to the rice crop harvested in 2020, which will be processed and marketed in the Financial Year ending 30 April 2021 (FY2021). 'SunRice', 'SunRice Group', 'Group', 'we' and 'our' refer to Ricegrowers Limited ABN 55007481156 and its controlled entities, as defined in this report.

Reporting frameworks

The FY2020 Financial Report (on pages 76 - 126) and Directors' Report (on pages 57 - 74) have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Operating and Financial Review, which is a required element of the Directors' Report, can be found on pages 11 - 46 and includes the Our World, Our Strategy, Our Financial Performance and Position, Our Approach to Sustainability, Our Approach to Risk and Our Outlook sections.

The content of the Our Approach to Sustainability section forms part of SunRice's application of the Global Reporting Initiative (GRI) Core standards for FY2020. The GRI Standards are the world's most widely used standards for sustainability reporting. The GRI index (see Reports Portfolio) highlights where required FY2020 GRI Core disclosures can be found. The sustainability disclosures in this report and the information in SunRice's sustainability website www.sunrice.com.au/sustainability serve as our Communication on Progress for the United Nations (UN) Global Compact.

Report assurance

The Remuneration report on pages 59 - 73 and the Financial Report on pages 76 - 126 have been audited by PwC Australia. All other disclosures in the Annual Report have been subject to SunRice's internal review and approval processes by management, the executive and the Board, as appropriate.

Stakeholder engagement and materiality

SunRice undertakes a materiality process to identify the issues that are significant to the business and to key stakeholders. The 2018 materiality assessment for FY2019 reporting included 26 stakeholder interviews and a detailed documentary review. It identified stakeholders' material topics which were considered by senior management using the criteria of relevance, control, influence and impact for discussion in SunRice's FY2019 reports portfolio.

During the FY2020 reporting period, SunRice undertook a detailed review of the material topics with the senior leaders of the business. This process resulted in SunRice grouping the material topics under seven focus areas that the business can relate to and affect meaningful change in over time. For FY2020, these focus areas and approaches are described in Our Approach to Sustainability on pages 27 - 38. Material topics are also discussed in the Our Approach to Risk section of this report on pages 39 - 44 and in the SunRice Stakeholder Engagement Statement www.sunrice.com.au/sustainability-reports.

2020 reports portfolio

- **Annual Report** – provides information on SunRice, including governance, strategy, key risks, financial and non-financial performance, and includes the Annual Directors' Report and Annual Financial Report. www.sunrice.com.au/annual-reports
- **Interim (Half Yearly) Financial Report** – provides information on SunRice's half-yearly financial and non-financial performance and outlook. www.sunrice.com.au/financial-reports
- **Corporate Governance Statement** – provides an online overview of our policies, procedures and practices to ensure application of all the ASX Corporate Governance Principles and Recommendations (3rd Edition). www.sunrice.com.au/corporate-governance

Other reports and information

- **Sustainability information** – provides further online information on SunRice's sustainability strategy, performance and future plans. www.sunrice.com.au/sustainability-reports
- **GRI Index** – is a summary of how SunRice has addressed each of the GRI reporting core standards, with references to where the detailed information can be located across the 2020 reports portfolio. www.sunrice.com.au/sustainability-reports
- **Other information** – presentations and announcements made to stakeholders during the year. www.sunrice.com.au/presentations

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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 per cent of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see investors.sunrice.com.au.

Contents

FY2020 Highlights

Fully franked dividend per B Class Share

33 cents

Dividend yield[1]

6.4%

CY19 paddy price for medium grain Reiziq

$500 per tonne

CY19 paddy price for organic varieties

$1,350 per tonne

SunRice celebrates

70 years

The Australian rice industry remains the backbone of SunRice's heritage. We have not only endured, but thrived, for 70 years and will continue to do so.

Chairman's Report

As we celebrate 70 years of SunRice, I acknowledge that FY2020 was a challenging year. Ongoing low rice production in Australia and deteriorating conditions in key global markets impacted the Group. Few companies would be able to retain their profitability when faced with such a dramatic reduction in the availability of their core input. This certainly highlights the underlying resilience of our company and the performance of our management team.

Not only has the Board focused on the Riverina cyclical downturn; but also, for the past three years, the execution of the Group's 2022 Growth Strategy. This is designed to strengthen and grow the company to provide sufficient scale to navigate challenges and meet the needs of customers in a dynamic global environment. In FY2020 we continued to leverage the Group's strong balance sheet to pursue strategic growth and build value for our growers and investors following our listing on the ASX in FY2019.

Despite the operational challenges of FY2020, the Board declared a fully franked dividend of 33 cents per B Class Share, representing a dividend yield of 6.4 per cent[1]. This was largely made possible due to the diversification of earnings across the Group's portfolio and our global sourcing capabilities in a year in which Australian crop was scarce.

Understanding the impact of low water availability and high water prices on our A Class grower shareholders, the Board exercised its discretion to defer the redemption of A Class Shares during the year. In order to incentivise production to maintain baseline Riverina operations, our growers were offered fixed price contracts of $500 per paddy tonne for medium grain Reiziq and up to $1,350 per paddy tonne for organic varieties in CY19. However, only 54,000 paddy tonnes were harvested, a 91 per cent reduction on the 623,000 tonnes harvested the prior year. In August 2019, the Board took the decision to offer record fixed price contracts to stimulate CY20 plantings. This crop, harvested in mid-2020, was smaller again, at approximately 45,000 tonnes.

The Board is cognisant that the impact of low production is not only felt by our growers, but across our NSW rice growing regions. In crop years of around 600,000 tonnes, SunRice directly contributes close to $400 million to the Riverina economy in the form of payments to growers, shareholders, employees and other suppliers. In contrast, in crop years such as those we are currently experiencing, our direct contribution is significantly smaller.

While there have been ongoing drought conditions, there is growing evidence that the allocation yield of NSW General Security water entitlements has been significantly eroded as a by-product of Australian water reform.

Despite assurances contained in the 2004 National Water Initiative, the burden of these NSW and Federal reforms are not being shared equally. This, combined with the complexity and lack of clarity in the water allocation process, has led to a loss of confidence by our Riverina growers. As such, the Board intensified its advocacy efforts with the NSW and Federal Governments in FY2020 to address these unintended consequences and will continue to do so in FY2021 in conjunction with the RGA.

Beyond our focus on Group strategic direction and performance, there were changes to Board membership following the Grower Director Elections and a review of Board composition, size and tenure during FY2020. This included welcoming new Non-executive Grower Directors Jeremy Morton and Julian Zanatta, who replaced retiring Non-executive Grower Directors Glen Andreazza and Mark Robertson.

As a Board, we also strengthened our risk management framework and continued to monitor the Group's performance under the Board's 2017 Sustainability Charter. This included our commitment to mitigating the risks of a variable climate and the approval of a new SunRice Supplier Sustainability Code. We are well placed to issue our first Modern Slavery Statement in FY2021.

As FY2020 closed, COVID-19 demonstrated that the Australian public will demand access to their preferred staple foods in times of crisis. The cleanout of rice from supermarket shelves in the first weeks was a stark example of the importance of our rice industry, not only to Australia, but also potentially to our nearest neighbours. Our rice industry has taken nearly a century to build and should not be taken for granted. With reasonable access to water, we can play a significant role in the recovery of rural Australia post COVID-19.

I am proud to be Chairman of a company that has consistently demonstrated resilience and innovation across multiple cycles of adversity and opportunity. We have not only endured, but thrived, for 70 years and will continue to do so.

I thank my fellow Directors, our growers, shareholders, the RGA and RMB and our dedicated team, led ably by CEO Rob Gordon, for ensuring the company's continued success. I look forward to the journey ahead.

Laurie Arthur
SunRice Chairman

1. Based on the applicable B Class Share price at 30 April 2020.

70 years 1950 - 2020

70 Years of Innovation

From the entrepreneurial spirit of a group of Riverina rice growers pooling their money to fund a single rice mill in 1950, to the truly global food group we are today, SunRice's journey spans 70 years of innovation.

1880s

Introduction of rice seed into Australian gold fields by Chinese prospectors.

1900s

The Murrumbidgee Irrigation Area (MIA Scheme) is launched and Japanese ex-parliamentarian, Isaburo (Jo) Takasuka begins rice cultivation near Swan Hill.

1920s

The Murrumbidgee Irrigation Area Ricegrowers' Co-operative Society and rice industry infrastructure are established. The Rice Marketing Board for the State of New South Wales (RMB) is later formed in 1928.

Sun Rice®

1950

The Ricegrowers' Association (RGA) Central Executive forms the Ricegrowers' Co-operative Mills Limited (hereafter, RCM), which would later become RCL and then SunRice.

1950s

Mills are built at Leeton and at other sites across the Riverina and Murray regions, and the Co-operative launches its own branded retail pack of Sunwhite rice.

1960s

Coleambally Mill is built.

1970s

Deniliquin Mill is built.

1970

Rice Growers Australia Limited, which later became Trukai Industries Limited, is established in Papua New Guinea (PNG) to extend markets for Riverina rice.

1977

CopRice is acquired to process and sell rice milling by-products.

1980s

Some RMB and RCM functions are amalgamated and RCM is now known as Ricegrowers' Co-operative Limited (RCL). RCL begins a program of diversification towards value added products, including rice cakes, rice bran and horticultural products.

Rice Research Australia Pty Ltd (RRAPL) is established for the purposes of carrying out rice research and development and a Rice Cakes Plant is built at Leeton to manufacture value added rice products.

RRAPL RICE RESEARCH AUSTRALIA

1990s

Solomons Rice Company Limited (SolRice) is aquired to further expand markets for Riverina rice. A second mill opens in Deniliquin for brown rice only, which is later upgraded to a brown and white rice mill.

A new speciality rice variety, Koshihikari, is successfully developed and launched for the Japanese rice market.

1993

Riviana Foods is aquired to diversify RCL's investment portfolio, including non-rice products.

2000s

SunRice becomes the new trading name for RCL and the company commissions a new Rice Flour Mill at Leeton. The construction of SunRice's Specialty Rice Foods plant for microwave-ready products in Leeton begins.

2001

CY01 sees a record 1.8 million tonnes of paddy rice harvested, SunRice's biggest rice crop in history.

2005

Growers vote to change the co-operative's structure. RCL registers as a company in 2005 and changes its name to Ricegrowers Limited. It later lists on the NSX in 2007.

SunRice diversifies its business portfolio and global sourcing program to ensure continued growth and prosperity, including new rice flour, snacks, microwave rice and ready-to-go meal offerings.

Aqaba Processing Company is established to service markets into Jordan. A majority shareholding in SunFoods is acquired in the U.S. to diversify rice supply in times of drought, with the remaining share later acquired in 2016. SunRice also acquires the paddy storage facilities from RMB, increasing vertical integration and facilitating whole of supply chain management.

2008

Off the back of the Millennium Drought, the CY08 harvest is just over 19,000 tonnes of paddy rice, a record low. Coleambally and Deniliquin Mills are placed into care and maintenance during 2007 with significant job losses. SunRice recovered in subsequent years with Deniliquin Mill reopening in 2010.

2010s

Brandon Mill in North Queensland is aquired to supplement supply of Riverina rice. Ricegrowers Singapore Pte Ltd is incorporated to extend markets and global sourcing capabilities across Asia.

2010

In CY10, growers achieve an average yield of 11 tonnes per hectare for the first time.

2011

CY11 sees harvest tonnages rebound to 800,000 tonnes of paddy rice.

2012

SunRice hits $1 billion in turnover in FY2012.

2016

Riviana Foods acquires Fehlbergs Fine Foods.

THE GLOBAL GOALS
For Sustainable Development

2017

SunRice becomes a member of the UN Global Compact Network Australia.

2018

A and B Class shareholders vote to list SunRice on the ASX in 2018, with the company being admitted to the Official List of ASX in 2019.

Riviana Foods acquires Roza's Gourmet. SunRice acquires a rice processing mill in Dong Thap Province in Vietnam's Mekong Delta.

2019

CopRice acquires the assets of Australian rice bran manufacturer FeedRite to expand its pet food capabilities.

A $10 million stabilised bran processing plant opens in Leeton to benefit the CopRice and Rice Food segments.

2020

SunRice celebrates 70 years.

CopRice converts Coleambally Mill into a ruminant feed mill, the largest of its kind in Australia.

FY2020 Highlights

Group Revenue

$1.1bn

Net Profit After Tax

$22.7m

Kantar TNS Brand Health Tracking ranked SunRice in the

Top 4%

of the most iconic FMCG brands in Australia

Significant progress was made against our 2022 Growth Strategy, with the pursuit of new merger and acquisition opportunities to further diversify and increase earnings.

CEO's Report

FY2020 was an extraordinary year. As a Group, we faced multiple challenges, not least of which were the second smallest Australian rice crop on record at the time, deteriorating conditions in international markets and the impact of successive natural disasters.

SunRice responded with a significant coordinated effort, demonstrating the agility, resilience and diversification we have built into our business.

In our Profit Businesses, the Group's international sourcing capability was rapidly flexed in response to the small Australian crop. The strategic expansion of our supply chains, in line with our growth strategy, allowed us to backfill key markets and maintain continuity of supply. It is an outstanding achievement to be able to successfully meet global demand for SunRice product in excess of 1 million paddy tonnes, with only 5 per cent of this volume available from the CY19 Riverina harvest and is a clear demonstration of our strategy in action. Despite these gains, difficult and deteriorating economic conditions in our Pacific markets, coupled with aggressive competitor pricing strategies significantly weighed against Group performance.

In our Australian Rice Pool Business, a further restructure of SunRice's Riverina operations was undertaken in FY2020 in line with low production levels. Despite these measures, the Rice Pool was unable to absorb all of its overheads and recorded a loss in FY2020, which also impacted overall Group profitability.

As FY2020 closed, we were faced with the impacts of the COVID-19 pandemic, which delivered negative foreign exchange movements and supply chain disruption, with the Vietnam and Cambodian governments placing export restrictions on rice. While there were increases in consumer demand across many of our markets, these gains were largely offset by a rapid deterioration in food service sales. During this time, our focus remained on the wellbeing of our global workforce, who demonstrated great commitment and care in response to dynamic conditions.

At 30 April 2020, revenue was $1.13 billion, down $58 million or 5 per cent on FY2019. Net Profit After Tax (NPAT) was $22.7 million, down $10.1 million or 31 per cent on the prior period. Given the challenging circumstances, these results are a credit to the Group's diversification and risk mitigation strategies, and I thank our team for their flexibility and resilience in delivering for both our growers and shareholders in this environment.

With respect to our 2022 Growth Strategy, significant progress was made in FY2020 despite the challenging context. Highlights included our Lap Vo Mill in Vietnam achieving profitability in its first full year of operation, further diversifying our supply sources to include South America and the optimisation of existing and new assets to capitalise on market trends. To date, our prudent capital management has enabled us to pursue these growth opportunities organically. As a result, we have a strong balance sheet and access to debt facilities, which will enable us to pursue new merger and acquisition opportunities to further diversify and increase earnings.

In line with our strategy, new Low GI offerings were launched into Asian markets in FY2020 and our healthier rice-based snacks range was extended and launched in the Middle East and Asia. Our marketing programs tapped into the universal appeal of rice across cultures, with popular Australian TV chef Poh Ling Yeow and leading nutritionist Lyndi Cohen continuing in their roles as SunRice brand ambassadors.

FY2020 also saw a strong focus on embedding sustainability across our operations. SunRice is committed to supporting the UN Sustainable Development Goals (SDGs) and is a signatory to the UN Global Compact. Continued improvements are also being seen across our health and safety training and company culture, demonstrating our action in these important areas.

70 years of operation is an outstanding achievement for any company. However, when you consider the evolution that's taken place over those decades – from the early growers who formed a cooperative in 1950, to the diversified ASX-listed global group we are today – it is poignant that SunRice was recognised as one of Australia's most iconic FMCG brands during this landmark year.

It is a privilege to continue to lead SunRice into the future. I thank all employees, growers, investors and our Board of Directors for your ongoing support as we look forward to our next phase of growth.

Rob Gordon

Rob Gordon
SunRice CEO

About SunRice

The SunRice Group is a major Australian branded food company with approximately 2000 employees across multiple businesses. With more than 30 major brands in around 50 countries across the world, our operations and assets span Australia, New Zealand, the Middle East, the United States, PNG, the Pacific Islands and Asia.

We're proud to have built a diversified business with direct access to Australia's key Riverina rice growing region, as well as multiple global supply sources serving a growing portfolio of products and consumers. In addition to our specialisation in branded rice and rice-based foods, we participate in gourmet Mediterranean foods; food service supply for military, mining and healthcare markets; stockfeed and companion animal nutrition; and are a food ingredients supplier to manufacturers of household brands across multiple sectors.

SunRice's Constitution, our business model and our growth journey throughout the past 70 years reflect the Group's heritage, as well as our focus on the future.

Our Vision and Values

With roots in Australia's food bowl, we're proud to nourish discerning consumers around the world, who trust the traceability and provenance of our premium branded products.

Our values drive our approach. We are Dynamic. We act with Integrity. We contribute to our Community. We are Collaborative. And we pursue Innovation in everything we do.

As set out in our Constitution, SunRice's objectives are to improve the prices we pay our A Class shareholders (growers) and to increase returns for our B Class shareholders (investors). However as a business, we strive to deliver value to all of our stakeholders, including the communities and environments in which we operate. See 'Our Approach to Sustainability' on pages 27 - 38 for this approach in action.

Our Business Model

In line with our evolution as a company, SunRice's structure protects the interests of our investors, who have the right to receive dividends; and our A Class shareholders, who must be Active Growers and who have control of the company. This separation is achieved through the division of SunRice into two broad business groups – the proceeds of SunRice's **Profit Businesses** benefit our B Class shareholders and the proceeds of the **Rice Pool Business** are paid out to A Class shareholders and growers following the sale of their rice. While separate, the two business groups complement each other, strengthening the alignment between our investors and growers.

Our objective is to optimise returns for both classes of shareholders through the complementary Rice Pool and Profit Businesses, which have mutually beneficial links and purposes

A		B
A Class shareholders Growers		**B Class shareholders** Investors
Rice Pool Business		**Profit Businesses**
Receival, milling & selling of Riverina Rice	Shared costs Asset Financing Charge Brand use charges	International Rice, Rice Food, Riviana Foods, CopRice & Corporate
Revenue – Expenses = Paddy Price		**Revenue – Expenses = Profit**
Payments for paddy rice to A Class shareholders and growers		Dividends to B Class shareholders

More information about our business model can be found at: www.sunrice.com.au/information-memorandum

Our Stakeholders

We are committed to providing our stakeholders with credible, transparent and timely information as we seek to create and sustain value in all we do. SunRice's Stakeholder Engagement Statement, including material topics, can be found at: www.sunrice.com.au/sustainability-reports

Government and regulators:

The governments and regulators that have jurisdiction over the regions in which we operate or intend to operate.

Shareholders:

Our A Class shareholders, who control SunRice, and our B Class shareholders, who have the right to receive a dividend if declared.

Community:

The local communities in which we operate.

Peers:

Peer companies which SunRice engages with on mutually beneficial initiatives.

All food and non-food suppliers, including growers:

The people and enterprises from which we purchase our rice and other food products, as well as other goods and services.

Media and analysts:

Analysts and local, national and international media outlets which cover SunRice, or our subsidiaries, and the rice industry.

Non-Government Organisations (NGOs):

Advocacy groups and other peak bodies of which SunRice is a member, or works closely with.

Employees:

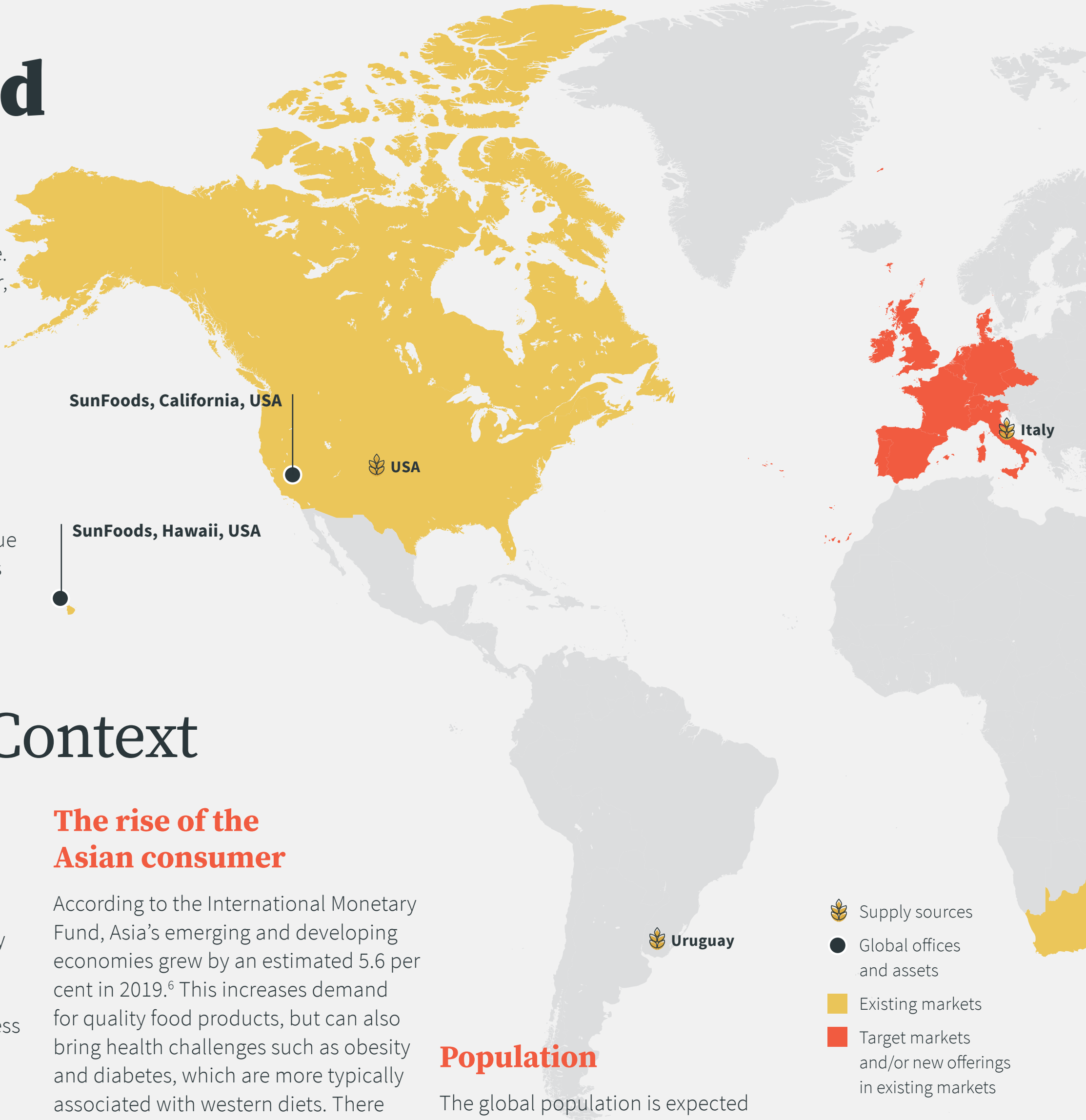
Our team of ~2000, who work in our businesses around the world.

Customers and consumers:

Groups which purchase our products for consumption or use in a value add product.

Our World

We are proud of our performance and our contribution to the global communities within which we operate. We aspire to be a leader in our sector, setting an example for our peers. This section outlines our global context – the challenges and opportunities we see as a global business group. This is the world within which we operate and these factors inform our decision-making and shape our strategy and risk management activities as we continue to strive to deliver positive outcomes for our stakeholders.



Our Global Context

Growing demand for health, wellness and nutrition

Natural, sustainable, organic, healthy food is experiencing rapid growth worldwide, part of a broader shift to health and wellness. Globally, wellness is now a $4.5T market.[2] If it were a country, this would make *Wellness* around the 4th largest economy in the world. The movement away from sugars, gluten and animal protein has led to growth in demand for rice flour, bran, plant proteins and syrups.

Trust, traceability and transparency

The rise of the internet and new technologies such as Blockchain have created growing expectations and a genuine search for food safety assurances among society. Food traceability is one of the major food trends for 2020, according to the International Food Information Council Foundation.[3]

Demographic shifts

Simplifying the business of life and taking personal control is demanding product that is functional, nutritious and natural, without compromising health goals, flavours or ingredients.[4] This trend is driving innovation in the development of premium globally-inspired ready-meals, pre-made tasting plates and deli snacks.[5]

The rise of the Asian consumer

According to the International Monetary Fund, Asia's emerging and developing economies grew by an estimated 5.6 per cent in 2019.[6] This increases demand for quality food products, but can also bring health challenges such as obesity and diabetes, which are more typically associated with western diets. There is growing evidence that low glycemic index (GI) diets have a variety of positive health outcomes[7]. SunRice exports its low GI rice Doongara to a number of countries in Asia.

Food security

According to the 2019 Report from the Food and Agriculture Organisation of the United Nations,[8] *9.2 percent of the world's population (or slightly more than 700 million people) were exposed to severe levels of food insecurity in 2018.* Consistent, quality supply of staples like rice have the power to improve this.

Habitat loss and biodiversity

Habitat loss is the main threat to 85 per cent of species designated as 'threatened' or 'endangered' by the International Union for Conservation of Nature's Red List.[9] According to the World Wide Fund for Nature[10], increasing food production is a major agent for the conversion of natural habitat into agricultural land.

Population

The global population is expected to reach 9.8 billion by 2050 and exceed 11.2 billion by 2100.[11] Global agriculture must meet this increased demand with the same amount of resources.

Climate change

Australia's Department of Agriculture, Water and Environment has stated, *'climate change poses challenges for all sectors of the Australian economy but particularly for those sectors dependent on natural resources, like agriculture, forestry and fisheries.'*[12] This is echoed by the Food and Agriculture Organisation of the United Nations.[13]

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2. www.globalwellnessinstitute.org/press-room/statistics-and-facts
3. www.foodinsight.org/2020-trends
4. www.playmr.com.au/blog/fmcg-trends-the-snacking-revolution
5. www.grandviewresearch.com/industry-analysis/chilled-deli-food-market
6. www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020
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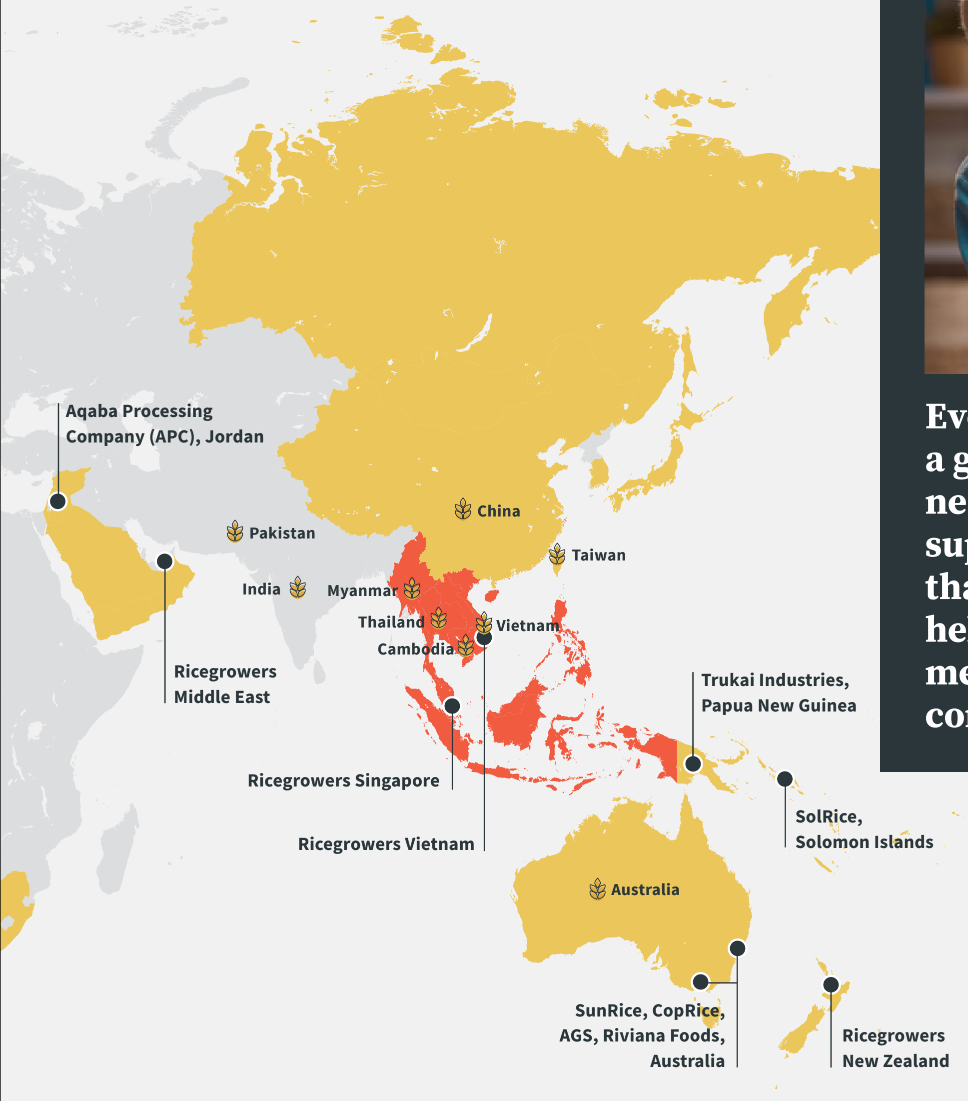
8. www.fao.org/state-of-food-security-nutrition
9. www.iucnredlist.org
10. wwf.panda.org/our_work/wildlife/problems/habitat_loss_degradation
11. www.un.org/sustainabledevelopment/blog/2017/06/world-population-projected-to-reach-9-8-billion-in-2050-and-11-2-billion-in-2100-says-un
12. www.agriculture.gov.au/ag-farm-food/climatechange
13. www.fao.org/climate-change/en



Every day, more than ever, a growing number of people need a stable, trustworthy supply of nutritious foods that are grown in ways that help regenerate the environment and support local communities.

A global waste crisis

The world produces more than 300 million tonnes of plastic every year, 50 per cent of which is for single-use purposes. More than 8 million tonnes of plastic is dumped into our oceans every year.[14] It has been estimated that, by 2050, there could be more plastic in the ocean than fish.[15]

Water scarcity

More than 1 of every 10 people on the planet lack basic drinking water access.[16] According to United Nations Water, *'water has to be treated as a scarce resource, with a far stronger focus on managing demand.'*[17]

Poverty, slavery, and inequality

The International Labour Organisation estimates that 24.9 million people worldwide are victims of forced labour[18] – around the population of Australia. While world poverty is in steady decline, the pace of poverty reduction is slowing[19]. In 2015, 736 million people were still living on less than US$1.90 per day[20] and in 2017, the global population suffering from hunger rose for the third consecutive year to 821 million.[21]

Supply chain stress

Ongoing shifts to global trade, tariffs and free trade agreements as well as visibility and labour supply are just some of the supply chain challenges that require ongoing consideration and response.

Chemicals and pesticides

According to the World Health Organization, *'there are more than 1000 pesticides used around the world... Pesticides are among the leading causes of death by self-poisoning, in particular in low- and middle-income countries.'* Agricultural workers are most at risk.[22]

Epidemics and pandemics

As COVID-19 is showing, a single pandemic has the power to infect large portions of our global population in a short period of time, significantly disrupt society and challenge even the most established businesses and supply chains.

14. www.plasticoceans.org/the-facts
15. www.ellenmacarthurfoundation.org/publications/the-new-plastics-economy-rethinking-the-future-of-plastics-catalysing-action
16. www.worldvision.org/clean-water-news-stories/global-water-crisis-facts
17. www.unwater.org/water-facts/scarcity
18. www.ilo.org/global/topics/forced-labour/lang--en/index.htm
19. www.worldbank.org/en/news/press-release/2019/10/17/poverty-continues-to-decline-but-pace-of-poverty-reduction-is-slowing-in-central-asia
20. www.worldbank.org/en/topic/poverty/overview
21. www.un.org/sustainabledevelopment/goal-of-the-month-archive/goal-of-the-month-october-2019
22. www.who.int/news-room/fact-sheets/detail/pesticide-residues-in-food

Our Strategy

Our 2022 Growth Strategy is designed to cement the SunRice Group's position as a truly international and diversified FMCG business to the benefit of our investors, our growers, our employees and the communities in which we operate.

We understand that our investment in sustainability is key to delivering our 2022 Growth Strategy. That's why our Sustainability Strategy, developed under our Sustainability Charter, focuses on supporting the strengths of our core business. This includes our ability to generate sustainable returns for key stakeholders and intersect with societal, community and global needs through our focus on the environment, community and nourishing products. This is described in more detail in 'Our Approach to Sustainability' on pages 27 - 38.

Details of SunRice's performance against strategy in FY2020 are reported in Our Financial Performance and Position on pages 19 - 20. More information about our 2022 Growth Strategy can be found in the Ricegrowers Ltd ASX-listing Information Memorandum www.sunrice.com.au/information-memorandum.

Our objectives are to

1. Improve the price we pay our growers and
2. Increase returns for our shareholders by...

Increasing profits and reducing earnings volatility

Adapting our product range to take advantage of changing food trends

Securing a sustainable and reliable global supply chain

How we're doing this

1 **Cementing a global supply chain in response to increased demand in branded products, ensuring quality and sustainability.**

2 **Repositioning Australia as the supply source of choice for premium branded rice markets.**

3 **Using our capabilities to meet evolving global food trends, especially in healthy eating and snacking, in particular through:**

- **Diversifying into new markets** to offer high-quality and convenient packaged rice of trusted provenance.
- **Playing a pioneering role** in addressing the obesity and diabetes epidemics with our unique Low GI rice.
- **Leveraging our unique position** to take advantage of the global fascination with sushi.
- **Being recognised as a leader in healthy snacking** through a range of innovative snacks.
- **Operating a strong food ingredients business** with diversified, high-value rice derivatives servicing global food companies.
- **Assurance of quality and sustainability** with traceability, no matter where we grow our rice.

4 **Being recognised for our high performance, delivered by a positive, inclusive and accountable culture.**

5 **Maintaining and growing a strong, cash-generative and diverse portfolio, including CopRice and Riviana.**

Challenges

- Medium grain rice profitability affected by increased foreign competition.
- Volatility of Australian supply.
- Alternative crops are competing for limited water and land.
- Market diversification and access.
- Foreign exchange volatility.
- Economic conditions.
- Increasing global competition.

Steven and Jackie Cremasco
Widgelli rice growers

What success looks like

Strong financials
Double our revenue by 2022[23] and maintain double digit returns on capital employed.

Premium branded player
Leverage our reputation for quality and innovation in premium varietals, healthy eating and snacking.

Asian presence
Expand sales in high-growth Asian consumer markets.

Diversified earnings
Expand our CopRice and Riviana Foods segments through strategic growth opportunities.

Food ingredients expansion
Build our tailored food ingredients offering to service industrial customers.

Resilient global supply chain
Secure a multi-varietal and resilient global supply chain with Australian growers at its centre.

23 As previously advised, we anticipate this revenue target will take longer to achieve (see Our Outlook section).

Our Brands and Products

With more than 30 major brands and a portfolio of more than 1100 products, the SunRice Group has been creating nutritious products for 70 years. Our business segments, product mix and markets are directly aligned to our 2022 Growth Strategy.

Profit Businesses

International Rice

A growing global supply chain, delivering quality and sustainability.

#1	rice brand in PNG and the Solomon Islands
#1	medium grain rice brand in the Middle East
#1	rice brand across 10 other Pacific Island markets

Rice Food

Innovation in healthy snacking and food ingredients aligned to global food trends.

#1	microwave rice brand in Australia
#1	rice cakes brand in Australia and New Zealand

Rice Pool Business

Supplying premium branded Australian rice, built on provenance and our heritage.

#1 rice brand in Australia & New Zealand grocery

#1 rice brand in Australian food service channels

Riviana Foods & CopRice

Expanding our strong, cash-generative diverse portfolio.

#1 olives brand in Australia

#1 pickled vegetables brand in Australia

2019 Australian Independent Rural Retailers National Supplier of the Year

A leading supplier of third party pet food products to grocery and pet specialty stores

For more information about our brands and products, see: www.sunrice.com.au/about-us/our-brands

Our Financial Performance and Position

SunRice Group Overview

In a year where SunRice celebrated 70 years of operation, our proud history of innovation and resilience were brought to bear in the face of significant challenges experienced across the Group, not least of which were the ongoing drought conditions in Australia and deteriorating conditions in key global markets.

In light of the challenging circumstances detailed in this section, SunRice's FY2020 Financial Results demonstrate the Group's continued focus on earnings diversification and resilience, as well as the agility developed in our people, supply chains and operations. Of particular note is the Group's performance against strategy (see pages 19 - 20), which delivered value in the form of new global supply chains, innovative product offerings across multiple segments and expanded production capabilities.

	2020	2019
Consolidated Group Revenue ($bn)	1.13	1.19
Profit Businesses Revenue ($m)	907.5	863.6
Rice Pool Business Revenue ($m)	223.2	325.9
Group Net Profit After Tax ($m)	22.7	32.8

Group financial performance

Revenue for the year ended 30 April 2020 (FY2020) was $1.13 billion, down 5 per cent on FY2019. Revenue from external customers attributable to our Profit Businesses was $907.5 million, up 5 per cent on FY2019. Revenue from external customers attributable to our Rice Pool Business was $223.2 million, down 32 per cent on FY2019. Net Profit After Tax (NPAT) was $22.7 million, down 31 per cent on FY2019.

Wide reaching drought impacts

Restricted water allocations and high water prices significantly impacted our Australian Rice Pool Business in FY2020, resulting in the 2019 crop (CY19) being the second smallest on record at the time, with a total of 54,000 paddy tonnes of Riverina rice harvested. Combined with the fixed price contracts offered to growers in CY19, this resulted in the Rice Pool being unable to absorb all of the overheads in the business and recording a loss of $4.1 million, which impacted the overall profitability of the Group. This is discussed further in the Rice Pool Business segment commentary on page 21.

To offset the lower Australian crop and meet growing global demand for SunRice's products in FY2020, the Group was required to further flex and expand our international sourcing capability, demonstrating our agility and adaptability to rapidly changing conditions. This is discussed further in the International Rice segment commentary on page 22.

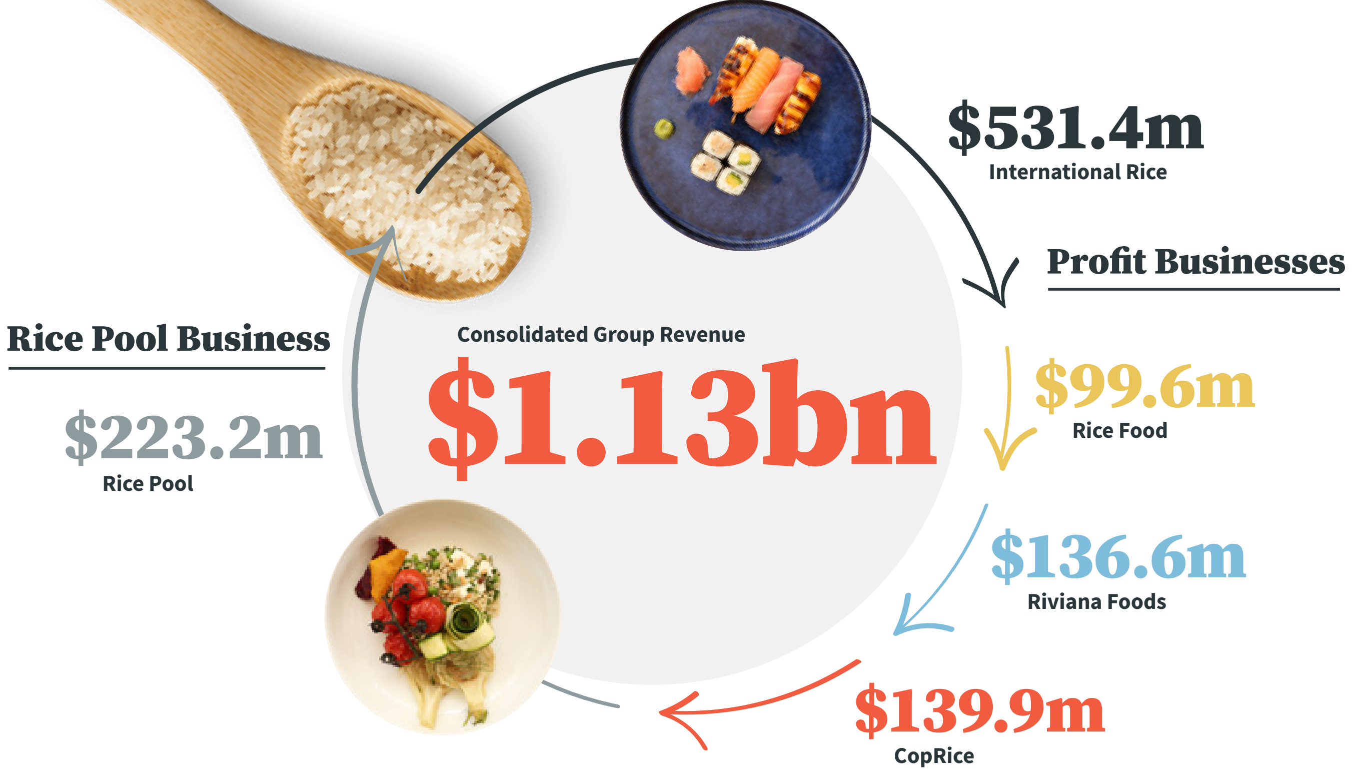
The lack of Australian crop also impacted the CopRice and Rice Food segments, which in part rely on products from the Rice Pool Business.

Deteriorating conditions in the Pacific

Difficult and deteriorating economic conditions in our Pacific markets, coupled with aggressive competitor pricing strategies significantly weighed against the performance of the Group (and more specifically our International Rice segment) in FY2020. This is discussed further on page 22.

Response to COVID-19

Like many businesses, SunRice was impacted by the COVID-19 pandemic in the last two months of FY2020. Changes in consumer shopping patterns led to a significant increase in demand for SunRice's products, which had a positive impact on sales across several of the Group's product categories and reduced the loss in the Rice Pool Business.



However, widespread lockdowns imposed by governments significantly impacted the food service industry in a number of our markets. There were also broader impacts to international rice supply chains, both from a supply and demand perspective. In Vietnam, which is a key SunRice supply market, the Vietnamese Government placed restrictions on rice exports from 23 March to 30 April 2020. Cambodia also introduced restrictions on exports of some rice varieties. As a Group, SunRice responded with a significant coordinated effort, further flexing our international supply chain capability to maintain continuity of supply and ensure demand continued to be met in key markets. The Group also successfully managed a range of operational challenges that varied across some of its key markets and included impacts to global shipping. This occurred at the same time as a significant portion of our non-operational office-based workforce was transitioned to remote working in line with Government advice.

In our global manufacturing facilities, we responded to COVID-19 restrictions by enacting our Business Continuity Plans, implementing new working arrangements to protect the health and wellbeing of our staff, while maintaining production at the highest levels possible. This included increasing levels of overtime, making changes to shift patterns to reduce contact between employees and the recruitment of additional staff. In Australia, low local rice production required SunRice to increasingly supplement supply with internationally-sourced rice to meet consumer demand, with foreign exchange impacting profitability. COVID-19 related financial market volatility also further exacerbated the foreign exchange pressures already impacting our Rice Food and Riviana Foods segments. The challenges and associated risks of COVID-19 resulted in non-recurring costs of approximately $4.5 million in FY2020, which partly offset the favourable impacts on consumer sales discussed previously.

SunRice's response to COVID-19 demonstrated the resilience and agility that exists across our portfolio of businesses, and highlighted the success of the Group's existing risk management and mitigation strategies. Our approach to managing COVID-19 in the coming year is discussed in Our Approach to Risk on pages 39 - 44.

Restructuring, foreign exchange and other non-recurring events

In line with the conditions experienced in the Rice Pool Business, a further reconfiguration of SunRice's Riverina operations was required in FY2020. This led to approximately $4.5 million in redundancy costs being incurred, which contributed to the Rice Pool's loss and therefore impacted the Group's profitability. This was in addition to approximately $2 million in redundancy costs incurred in FY2019, which, in that year, were able to be absorbed by the Rice Pool's final Paddy Price and therefore did not impact the Group's profit.

The continuous degradation of foreign exchange (mainly AUD and PGK against USD and EUR) also impacted the profitability of a number of our segments in FY2020. This included the Rice Food and Riviana segments and the Trukai, SolRice and Global Rice arms of our International Rice segment, all of which are net importers. However, at a Group level this was broadly offset by the positive impact this foreign exchange trend had on the Rice Pool's exports, despite the lower volume of Riverina rice available compared to FY2019.

Additionally, In FY2019, the devaluing Kina, for which no hedging opportunities currently exist, had exposed the Group to a foreign exchange loss of approximately $5 million, compared to a loss of approximately $1.5 million in FY2020. Other non-recurring items in FY2019 included gains from investment property revaluations (including from the Group's associate Pagini Holding), which were largely offset by costs incurred as part of the ASX listing and the provision for a bad debt in our Pacific markets.

Other operating expenses

In response to the challenging trading conditions experienced in FY2020, cost saving initiatives were implemented across the Group. Coupled with the impact of the smaller CY19 crop on the general activity levels in Australia, these drove reductions in most expense categories in the Group's consolidated income statement compared to FY2019.

Depreciation expense however increased by around $6 million compared to FY2019 due in part to increased strategic and expansionary capital expenditure activity in the past 24 months, including the commissioning of our Lap Vo Mill in Vietnam. The adoption of the new AASB 16 Leasing standard on 1 May 2019 also meant depreciation expense on the right of use assets and interest expense on the lease liabilities replaced costs previously classified as operating lease expenditure. The broader impacts of this new accounting standard on the Group's financial statements have been detailed in note 1 to the financial statements.

Effective tax rate

The Group's effective tax rate for FY2020 was 27 per cent, compared to 32 per cent for FY2019. This result was due to a combination of factors, including the continuing expansion of the Group's international footprint, the impact of the smaller CY19 crop and the mix of jurisdictions in which profit was generated.

Dividend declared

A fully franked dividend of 33 cents per B Class Share is payable for FY2020, matching FY2019's dividend. This delivered a dividend yield of 6.4% for our investor shareholders based on the applicable B Class Share price at 30 April 2020, despite the very challenging circumstances.

Progress Against our 2022 Growth Strategy

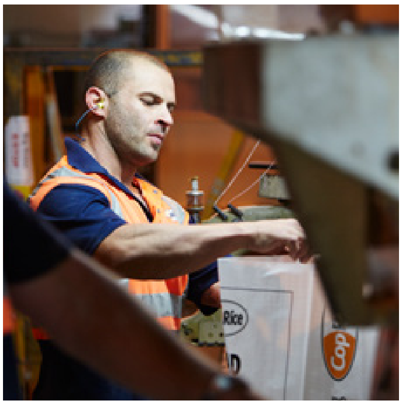
We continued to leverage SunRice's strong balance sheet to execute our 2022 Growth Strategy in FY2020.

We maintained an active capital investment program for much of the year with the pursuit of new merger and acquisition opportunities to further diversify and increase earnings, as well as a strong focus on embedding sustainability across our operations.

Across the Group, progress against strategy included the following initiatives:

Opening of our Lap Vo Mill in Vietnam and the grant of a related export licence,[24] achieving profitability in its first year of operation and further diversifying our global supply sources.

Opening a new $10 million stabilised bran plant in Leeton, improving efficiency and the use of valuable rice products for the Rice Food and CopRice segments.



Acquiring and upgrading for a combined $6 million the FeedRite assets to expand CopRice's pet food production capabilities.

Repurposing the Coleambally Mill into Australia's largest ruminant nutrition plant for less than $3 million.

Launching Low GI Instant Rice cups in China focussing on hospital and online channels as an option for diabetics.

24. Between 23 March 2020 and 30 April 2020, the Vietnam Government placed restrictions on rice exports due to COVID-19 related food security concerns.

Continuing to build sales for our Low GI table rice in Asian markets, including Singapore and Hong Kong, as well as building momentum in Australia and New Zealand.

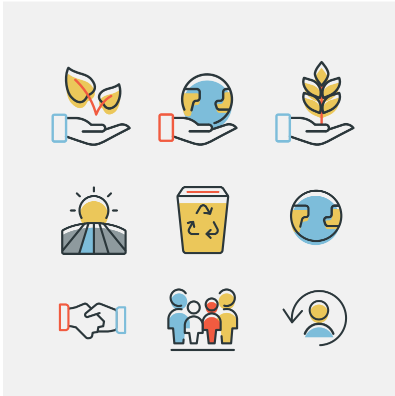
Extension of our healthier rice-based snacks range to Rice Puffs and Rice Cracker Chips, as well as expanding our geographic footprint to the Middle East and Asia.

Establishing production of Brown Rice Chips in Australia as the year closed, which will allow for greater product innovation and further export opportunities in FY2021.

Riviana Foods continued to benefit from diversification into the chilled segment, launching Roza's Gourmet olive range and hemp-based sauces.

Commencement of a $4.5 million upgrade to Leeton's microwave rice facilities to reduce operating costs and improve product innovation and quality.

Aligning our Sustainability Strategy across the business to ensure a robust and embedded approach to delivering on the promise of SunRice's Sustainability Charter.

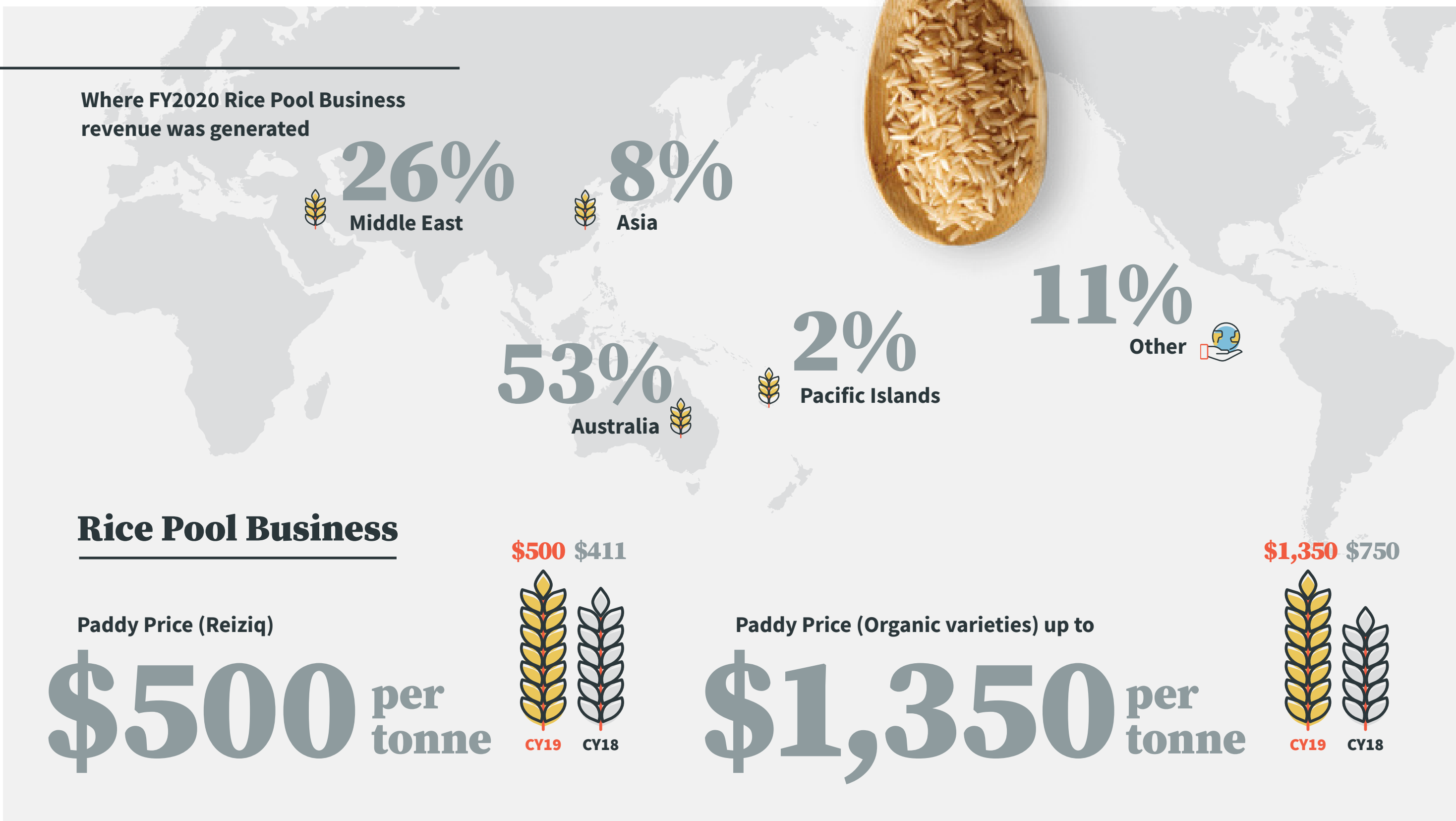


Development of SunRice's Sustainability Strategy and the Supplier Sustainability Program.

Creation of frameworks to capture and track sustainability data across the Group. This included establishing baselines for FY2021 and working to capture and communicate our strategy and performance in a more transparent and engaging way, including the launch of a new sustainability website.

Further details can be found in the relevant segment performance sections on pages 21 - 24, in the 'Our Approach to Sustainability' section of this report on pages 27 - 38 and on our Sustainability website www.sunrice.com.au/sustainability. Future strategic initiatives are discussed in 'Our Outlook' on pages 45 - 46.

Our Financial Performance and Position Continued



Rice Pool

Revenue from external customers attributable to the Australian Rice Pool Business for FY2020 was $223.2 million, down $102.8 million or 32 per cent on FY2019.

The severe drought conditions, low water availability and high water prices resulted in the CY19 crop being the second lowest on record at that time. In order to offer a commercially viable price for the rice and incentivise a minimum level of production to maintain baseline operations in the Riverina, our growers were offered fixed price contracts of $500 per paddy tonne for Reiziq and up to $1,350 per paddy tonne for organic varieties. Approximately 54,000 paddy tonnes were harvested, a reduction of 91 per cent on the 623,000 tonnes harvested in CY18.

In years of average production, all proceeds from the sale of Riverina rice, less costs, are payable to growers for the supply of their rice, resulting in a nil profit in the Rice Pool Business. However, in FY2020, due to the lower volume harvested and fixed price contracts offered, the Rice Pool was unable to absorb all of the overheads in the business and recorded a loss of $4.1 million, which impacted overall Group profitability.

This shortfall was however pleasingly contained due to the Rice Pool's focus on prioritising the supply of Australian rice into premium markets, reinforcing the value of its strong brands and product portfolio. We secured high prices in premium markets which demand Australian rice and benefited from a weakening AUD against the USD during FY2020 (which had a favourable impact on export sales) and the surge in demand associated with the COVID-19 pandemic in the final two months of the year. SunRice retained its leading market share for table rice in Australia and New Zealand in FY2020 and was ranked in the top 4 per cent of the most iconic Australian Grocery FMCG brands by Kantar TNS Brand Health Tracking. As noted in Progress against Strategy, we continued to build sales for the Pool's Low GI table rice in Asian markets, including Singapore and Hong Kong, as well as building momentum in domestic markets. Plans are well developed to enter additional new markets, especially where diabetes is commonplace.

In addition, approximately 300,000 paddy tonnes of carry over crop from CY18 was milled during FY2020, which supported sales, sustained baseline Riverina assets and operations and contributed positively in the absorption of manufacturing overheads. The reduced revenue and activity in FY2020 also resulted in the Rice Pool attracting lower brand and asset financing charges, as well as a smaller Group overhead allocation, providing further relief to the Rice Pool NPBT. As a result, the overhead cost allocation was further absorbed by International Rice, due to the higher volume of rice sold in that segment. See the International Rice segment for further details.

Despite the challenging conditions linked to water availability, SunRice continued to invest in key projects within the Riverina in FY2020 to ensure that both our core workforce and facilities are maintained so that when seasonal conditions improve and plantings increase, the business is in a position to ramp up as quickly and efficiently as possible. The reconfiguration of our Riverina operations (see Restructuring, foreign exchange and other non-recurring events on page 18) was a necessary but difficult decision given the low volumes of rice. We continue to do all we can to support our people and our regional Riverina communities in light of the impact of ongoing low water availability and high water prices (see Our Approach to Sustainability on pages 27 - 38).

Profit Businesses

International Rice

International Rice recorded revenues from external customers of $531.4 million in FY2020, up $49 million or 10 per cent on FY2019. A Net Loss Before Tax of $1.4 million was recorded for the year, compared to a FY2019 Net Profit Before Tax of $2 million.

In the Traded Rice business, our Ricegrowers Singapore operation rapidly flexed its international sourcing capabilities in response to the small Australian crop and growing global demand for our products, which now outpaces volumes of available Australian rice even in average years of production (see Fig. 1). Strong performance was achieved in this business unit and the depth of our global supply chain and diversity of sources meant the Group was able to match the required variety and quality of rice to each market. This strategic approach fulfilled and retained existing markets typically or historically supplied by Australian rice, which can only supply approximately 5 per cent of our global demand based on CY19 paddy volumes harvested. Incremental profits were therefore generated in the International Rice segment to compensate for the losses incurred in the Rice Pool Business, further demonstrating the complementary nature of SunRice's two business groups.

In FY2020, SunRice brands retained their market leading positions in the Middle East and 12 Pacific Island markets, including the Solomon Islands, and PNG where Trukai celebrated 50 years of operation in FY2020. During this time we have evolved from simply supplying PNG with imported rice, to proudly participating in the establishment of local rice production to support the PNG Government's food security efforts.

The Group also continued delivering upon our strategic objective of increasing our global presence. New supply sources were successfully activated across Asia and South America, bringing the total number of SunRice global supply sources to 11 countries. This included a significant volume of rice secured from China, Vietnam and Thailand to fulfil current and future demand, which is now supplying some of our key overseas markets, including PNG, the Solomon Islands and other countries throughout the Pacific. This demonstrated the benefits of the strong relationships forged by Ricegrowers Singapore with Asian rice producing nations.

In addition, varietal trials were commenced in Uruguay in order to satisfy the evolving demand of our customers and further reduce our exposure to Australian production volatility.

The successful first year of operation of SunRice Group's Lap Vo Mill in southern Vietnam and its granting of a rice export licence was also a key milestone in securing long term offshore sources of rice. Export licences are rarely issued to foreign entities in Vietnam, which further demonstrated our ability to develop strong relationships and partner with local communities and governments. We have invested significantly in both people and plant in Vietnam, installing world-class milling technology and we are working towards partnering with local growers to develop a fully integrated supply chain that aims to align with SunRice's high standards in rice breeding, farming practices, quality control and efficiencies. Prior to the Vietnamese Government's temporary restrictions on exports late in FY2020 (noted earlier), the mill had already commenced operating profitably, with additional benefits to the value chain that included shorter distance between Vietnamese growers and SunRice markets and stable demand to promote development of longer term supply relationships.

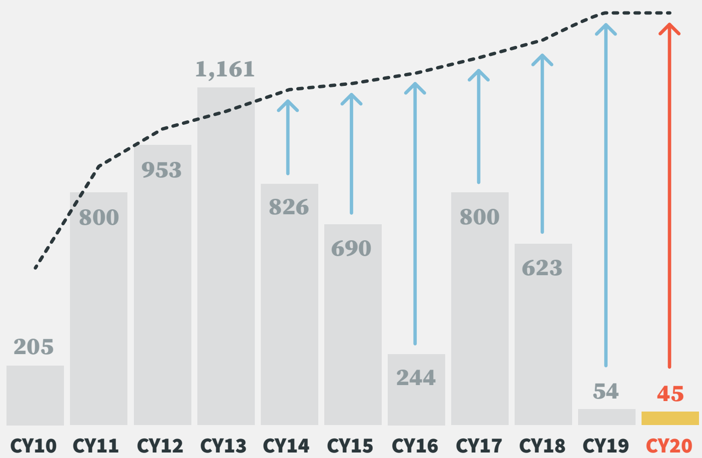
However, the gains in our Traded Rice business were diluted by rising global rice prices, unfavourable foreign exchange fluctuations placing pressure on margins and a higher proportion of brand charge and Group overhead allocation compared to FY2019 (as a result of increased revenue).

In addition, the Group continued to face deteriorating economic conditions in Pacific markets, which were further exacerbated by aggressive competitor pricing strategies. In response, the Group implemented a range of cost savings initiatives and developed a new low cost product offering, expanding the range of our portfolio in early 2020 to help maintain our positions. These challenging conditions however resulted in a loss in these markets, which significantly weighed against the improved year on year performance in the rest of our international operations and drove the entire segment into a loss position.

Where FY2020 International Rice revenue was generated

Pacific	**59%**
Middle East	**19%**
United States	**12%**
Australia	**7%**
Asia	**2%**
Other	**1%**

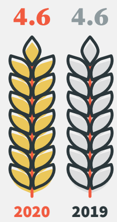
Fig I – Riverina supply vs. global demand for SunRice products (paddy tonne equivalent)



Our Financial Performance and Position Continued

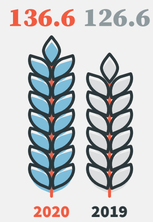
Revenue

$99.6m



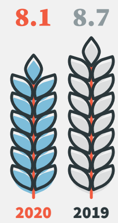
Net Profit Before Tax

$4.6m



Revenue

$136.6m



Net Profit Before Tax

$8.1m

Rice Food

Rice Food recorded revenues from external customers of $99.6 million in FY2020, largely on par with FY2019. Net Profit Before Tax was $4.6 million, also on par with FY2019.

Rice Food continued to experience aggressive pricing of competitor products in FY2020, which eroded both market position and margins in the ready-to-go meals and microwave rice categories. The lack of Australian crop also impacted the Rice Food segment, which in part relies on rice products from the Rice Pool Business, and the Australian dollar's decline against the USD impacted the cost of globally imported products, further affecting profitability.

Despite these impacts, SunRice retained its leading market position for microwave rice and rice cakes in Australia and New Zealand in FY2020 and COVID-19 purchasing late in the year helped the business maintain revenues and profits to FY2019 levels. As noted in Progress Against Strategy, we continued to innovate across our product portfolio. In particular, FY2020 saw the launch of Low GI Instant Rice cups in China focussing on hospital and on-line channels, where many of China's 100 million diabetics shop for specialty foods. We also reengineered our snacks portfolio to cater for consumers seeking healthier options with the extension of our range to include new Rice Puffs and Rice Cracker Chips, which were introduced in markets across the Middle East and Asia.

We continue to implement mitigating cost saving initiatives and strategies to improve efficiencies and further support innovation in this segment as discussed in Our Outlook on page 45. This includes the approval and commencement of the aforementioned $4.5 million investment in microwave rice capabilities within our Leeton rice food facilities.

Where FY2020 Rice Food revenue was generated

Australia	94%
New Zealand	5%
Other	1%

Riviana Foods

Riviana Foods recorded revenues from external customers of $136.6 million in FY2020, up $9.9 million or 8 per cent on FY2019. Net Profit Before Tax was $8.1 million, down $0.7 million or 8 per cent.

Riviana's results benefited from organic growth in most categories in FY2020, reflecting strong brand performance, particularly in Always Fresh and Fehlbergs. Core categories in supermarkets performed well, with strong growth across both the Pickled Vegetable and Premium Biscuits categories, which grew at more than 4 and 6 per cent respectively.

Riviana continued to benefit from diversification into the chilled segment via Roza's Gourmet, as well as further diversification in product mix through the launch of Roza's hemp-based sauces range and olives offering in FY2020. Revenue gains were also delivered via a full 12 months of trading across the Roza's business, compared with the seven months reported last year.

The tragic bushfire season however negatively impacted summer holiday spending – traditionally a peak trading period for Riviana – although this was partly offset by COVID-19 purchasing as the year closed. Conversely, the pandemic delivered a dramatic contraction in food service revenue, with sales halved in April 2020 after what had been a strong year of growth.

Gains in this segment were also offset by foreign exchange movements, especially the Australian dollar's decline against the USD and Euro in the last quarter, which increased the cost of globally imported products and affected margins.

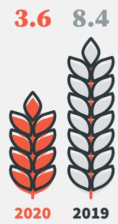
Where FY2020 Riviana revenue was generated

Australia	100%

(Note - Riviana's exports are carried out by Australian-based distributors)

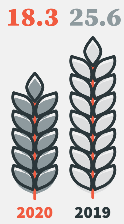
Revenue

$139.9m



Net Profit Before Tax

$3.6m



Net Profit Before Tax

$18.3m

CopRice

CopRice recorded revenues from external customers of $139.9 million in FY2020, down $14.7 million or 10 per cent on FY2019. Net Profit Before Tax was $3.6 million, down $4.9 million or 58 per cent.

Whilst CopRice managed its grain purchases and commodities closely, the lack of Australian rice products due to the small CY19 crop put pressure on margins compared to FY2019.

While early drought conditions in FY2019 had a positive impact on sales through increased demand for supplementary feed, ongoing drought conditions in FY2020 had the reverse effect, by way of lower volumes and higher input costs. In dairy, particularly in Northern Victoria, prolonged dry conditions and lack of water availability resulted in livestock numbers reducing, limiting the demand for supplementary feed.

The sheep and beef feed categories continued to perform well above historical averages, however were down on FY2019, largely due to destocking from prolonged drought. In the agricultural retail sector, CopRice experienced solid margin growth after relaunching both the Working Dog range and a revitalised stabilised rice bran premium equine offering. These initiatives culminated in CopRice being awarded Australian Independent Rural Retailers' 2019 National Supplier of the Year.

CopRice continues to pursue growth initiatives, such as the investments in the new rice bran stabilisation plant in Leeton, commissioned in September 2019 and the repurposing of the Coleambally rice mill to a ruminant feed plant, which will have the capability to use new horticultural by-products, such as almonds and grapes, for the first time. These initiatives realised incremental profit in the second half of FY2020 and will contribute to a greater extent in the future, in particular when larger crop volumes return. CopRice also acquired the FeedRite assets in northern Victoria at the beginning of FY2020, which included an extrusion plant that will be repurposed to expand our pet food production capability. The upgraded facility is expected to come online in the first half of FY2021.

Where FY2020 Coprice revenue was generated

Australia	93%
New Zealand	4%
Other	3%

Corporate

The Corporate segment's Net Profit Before Tax was $18.3 million for FY2020, down $7.2 million or 28 per cent on FY2019.

As in prior years, NPBT remains primarily driven by a range of intersegment charges, including:

- Asset financing charges, covering the costs of holding and financing the assets mainly used by the Rice Pool Business;
- Brand charges, primarily payable by the International Rice segment and Rice Pool Business and calculated on the basis of revenue from sales of branded products; and
- Items that are not allocated to other segments, such as costs associated with various corporate activities.

The decrease in profit for FY2020 was primarily driven by non-recurring costs associated with the increased level of risk due to COVID-19 (as previously discussed in the SunRice Group Overview). The low interest rate environment also drove down the cost of capital during the year. This reduced the asset financing charges normally payable by the Rice Pool Business, the offset of which positively contributed to the Pool, helping to reduce its loss.

For more information on our business model, refer to Section Three of the Ricegrowers Ltd ASX-listing Information Memorandum at www.sunrice.com.au/information-memorandum.

Gogeldrie rice storage facility

Our Financial Performance and Position Continued

Operating, investing and financing cash flows

The continuous financial discipline exercised by the Group resulted in the generation of a positive net cash inflow in FY2020 despite the challenging conditions experienced. In an environment in which COVID-19 further tested the resilience and liquidity of a number of companies, this strong achievement was particularly noteworthy considering the Group:

- Maintained the distribution of a fully franked dividend at 33 cents per B Class Share between FY2018 (paid in FY2019) and FY2019 (paid in FY2020); and
- Managed to reduce the level of debt from $132 million to $122 million whilst being impacted by the change in accounting standards on leasing.

The breakdown of this net cash inflow is as follows:

In FY2020, the Group generated net cash inflows from operating activities of $90 million compared to net cash outflows of $9 million in FY2019. This was primarily due to lower payments made to Riverina rice growers in FY2020 ($69 million compared to $267 million in the previous period) as a result of the smaller CY19 crop compared to CY18. Additionally, sales in FY2020 continued to be supported by the significant amount of inventory carried over from CY18, which had largely been paid in the prior period. Tight controls on overall working capital management also positively contributed to these inflows.

The net cash outflow from investing activities in FY2020 was $31 million compared to $47 million in FY2019. This amount, which is significantly higher than the historical amount prior to FY2019, primarily reflects the impact of previously discussed expansionary capital expenditure in line with the execution of our 2022 Growth Strategy.

Financing cash outflows were $38 million in FY2020, compared to of $59 million in FY2019, reflecting the reduction in net debt over the period primarily triggered by the reduction in grower payments discussed in the operating cash flows section above.

Balance sheet items

Impact of new accounting standards

On 1 May 2019, the Group adopted the new AASB 16 Leasing standard, the effects of which have been detailed in note 1 to the financial statements. In summary, on adoption, the new rules added right of use assets and lease liabilities of approximately $16 million to our balance sheet, which in turn increased net debt and gearing. However, this impact remains limited as the gearing ratio of 15 per cent at 30 April 2020 would have been 12 per cent under the previously applicable accounting rules.

Banking facilities and covenants

Under our banking facilities, the SunRice Group is subject to a set of covenants, which have been updated and revisited as part of our recent refinancing process. The Group complied with all of its covenants throughout FY2020 and expects to continue to do so in the future. Future covenants agreed as part of the updated banking facilities will exclude the impact of the new leasing accounting standard.

Refinancing

The successful refinancing of the Group's debt in April 2020, extending its average maturity for a further two years with facility tranches maturing now in 2023 and 2024, was a noteworthy achievement during FY2020 (see further details in note 4d to the financial statements).

In the current economic environment, the credit market has been severely disrupted by COVID-19 resulting in toughening conditions in accessing banking facilities. As a result, our ability to secure and refinance long term debt with favourable terms and conditions is a testament to SunRice's balance sheet resilience and strength. It also reinforces our position to continue pursuing growth opportunities in line with our 2022 Growth Strategy.

Net debt and gearing

With the continuous financial discipline exercised by the Group and a second consecutive small crop in CY20 resulting in the exhaustion of available inventory from prior years, net working capital requirements were significantly reduced at 30 April 2020 and triggered a related reduction in the net debt, gearing ratio and finance costs compared to 30 April 2019, despite the unfavourable impact the adoption of the new leasing standard had on these metrics. The current level of net debt ($83 million at 30 April 2020) and gearing (15% at 30 April 2020), highlights the strength of our balance sheet and the favourable position we are currently in to pursue further business expansion and merger and acquisition opportunities in the short term. Further detail can be found in Section 4.1 of the Ricegrowers Limited ASX-listing Information Memorandum www.sunrice.com.au/information-memorandum.

Capital management

In December 2019, the SunRice Board approved a proposal to conduct an on-market buyback of B Class Shares, funded via a combination of cash and existing, undrawn debt facilities. The buyback is part of our commitment to efficiently manage our capital, while maintaining balance sheet flexibility to pursue future growth and investment opportunities. At the time of making the decision, the SunRice Board believed that the current B Class Share price did not reflect the value of the SunRice business or its future growth prospects. The buyback may also provide additional liquidity which could facilitate the increase of B Class Share value over time.

SunRice's established Dividend Reinvestment Plan (DRP), which was active in FY2020 in relation to dividends paid for the year ended 30 April 2019, will be active again in relation to the FY2020 dividend, declared and payable in July 2020. The company's established Employee Share Scheme (ESS) was also active in FY2020. Details of both of these plans are available in note 4e to the financial statements. Combined, the DRP and ESS led to the issuance of 994,517 new B Class Shares in FY2020, raising $5.6 million in capital in the process.

Poh Ling Yeow
SunRice Ambassador

Our Approach to Sustainability

With such deep community roots, looking after the places we operate in and the environment we depend upon has never been a side business; it is our business and a huge part of SunRice's success in becoming a major global player in the FMCG sector.

Sustainability creates community resilience and gives us our social license to operate. It shores up our supply chains, makes us more attractive to investors and builds trust in our brands and businesses. It encourages long term decision making and drives transparency and good governance across all decisions and operations.

We have taken a strategic approach to ensure sustainability is an integrated part of our business and this year's Annual Report reflects this through integrating our financial and non-financial reporting.

This section provides a snapshot of SunRice's sustainability efforts as well as our commitment to public and transparent communication of our sustainability performance. It also serves as our Communication on Progress for the United Nations Global Compact.

For more information on our sustainability performance, please see our sustainability website at www.sunrice.com.au/sustainability.

Our Approach

Sustainability underpins SunRice's 2022 Growth Strategy and through our stakeholder engagement process we have identified and now report on seven focus areas beyond our financial performance. These focus areas have been grouped into three pillars outlining the bigger positive impact we seek to create: **to make a difference to our environment, to make a difference to our communities and to make a difference with nourishing products. (see Fig 2)**

We know that getting this balance right will support our growth ambitions, because the strategic objectives of a strong trusted portfolio and a sustainable and reliable global supply chain are aligned to a robust business with strong financials.

Our activities also contribute to eight of the UN's Sustainable Development Goals (SDGs).

Figure 2 -

Making a Difference to the Sustainability of Places and Lives

by

Making a Difference to Our Environment

Making a Difference to Our Communities

Making a Difference with Nourishing Products

through our focus areas

- Agricultural Research
- Wasting Nothing
- Sourcing Globally
- Thriving Communities
- Respecting People
- Employee Experiences
- Nourishing Products

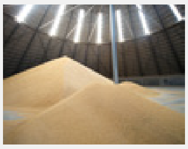
to address the material topics to our business


R&D and agronomics

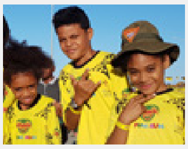

Water management


Energy efficiency & emissions reduction


Climate change

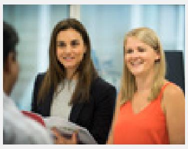

Secure rice supply


Labour practices


Role in local economies


Anti-bribery & corruption


Workplace health & safety


Our people


Product safety & quality

Financial challenges in the supply chain

all of which deliver on the following SDGs

As a member of the United Nations Global Compact Network Australia, SunRice is guided by the 10 principles of the UN Global Compact and our SunRice Sustainability Charter. We continue to focus on the role SunRice can play in making a meaningful contribution to the UN Sustainable Development Goals. We have identified eight SDGs in which we believe we can have the greatest impact:

THE GLOBAL GOALS For Sustainable Development

1 NO POVERTY · 2 ZERO HUNGER · 3 GOOD HEALTH AND WELL-BEING · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Our Approach to Sustainability
Continued

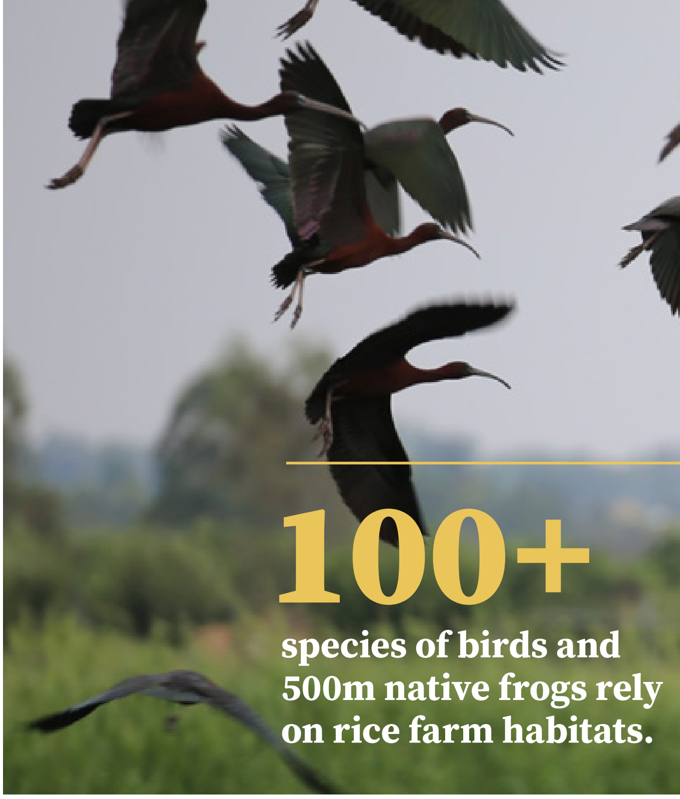
Making a Difference to Our Environment

We respect our environment and we commit to leaving it in better shape for future generations.

SunRice invests heavily in research, development and testing and is a leader in sustainable agronomics. Built on 70 years of investment, we are leaders in rice research, development and production. Our pure seed program, our best in class research facility and our commitment to rice research and innovation allows us to reduce our impact on the environment. We're committed to environmental sustainability, efficient resource use, water use efficiency and maintaining biodiversity.

Our Focus Areas

- **Agricultural Research**
- **Wasting Nothing**



100+

species of birds and 500m native frogs rely on rice farm habitats.

Helping create habitat

Australian rice farms provide habitat for more than 100 bird species, including the endangered Australasian Bittern. The Bitterns in Rice Project adapts practices to provide habitat for this endangered bird species.

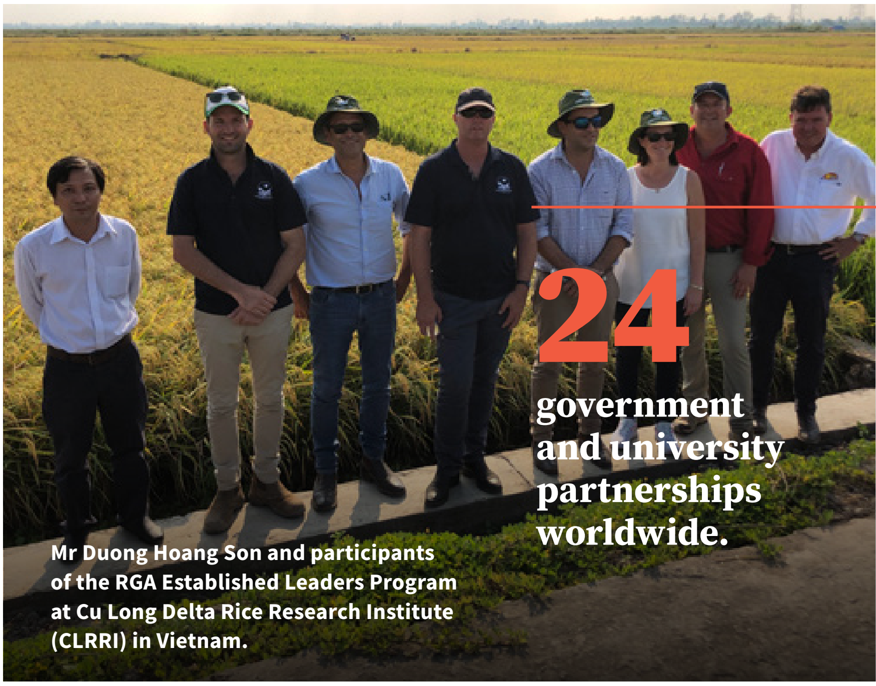
As well as birds, findings from The University of Canberra have shown around 500 million native frogs are found on rice farms, and we know that the endangered Southern Bell Frog utilises rice farm habitats.

SunRice growers are implementing measures to ensure that native plants and wildlife can live in harmony with the rice-growing environment, including noting and maintaining areas of native vegetation.

Research that creates results

In Australia, our research partnerships have led to new varieties of rice such as Viand, a short-season variety that grows faster and so uses less water and other inputs; and Doongara, a low GI variety perfect for growing in the Australian environment.

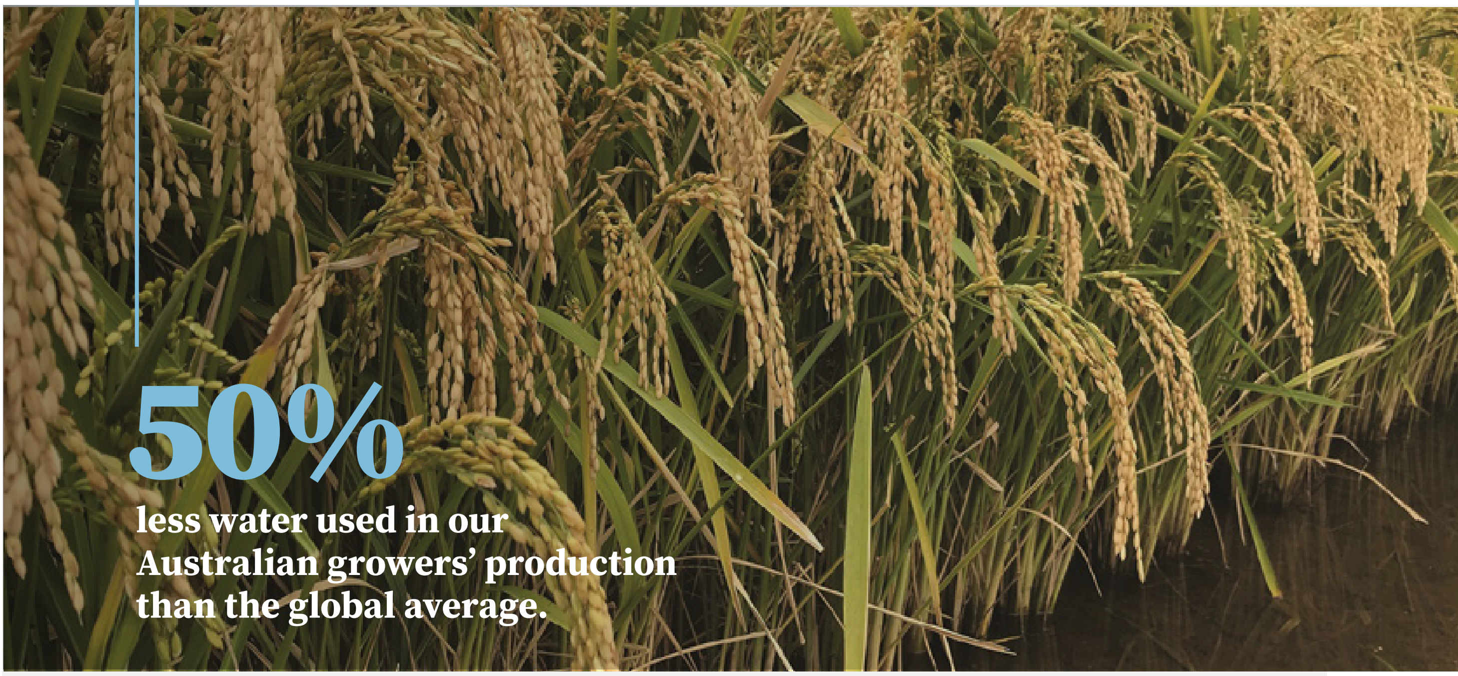
Internationally, we are working on breeding, pure seed and varietal evaluation projects with leading institutions such as Cuulong Delta Rice Research Institute in Vietnam, Instituto Nacional de Investigacion Agropecuaria in Uruguay and the National Agriculture Research Institute in PNG.



24

government and university partnerships worldwide.

Mr Duong Hoang Son and participants of the RGA Established Leaders Program at Cu Long Delta Rice Research Institute (CLRRI) in Vietnam.



50%

less water used in our Australian growers' production than the global average.

More rice, less water

Rice is better suited to the Australian climate than you might think. As an annual crop, it's one we can grow when there's water available, and leave out of our farming rotations when there's not. There's always plenty of sunshine in our part of the world, which creates higher yields than in many other countries.

With over 70 years' experience, our rice growers are world leaders in advanced practices that allow us to achieve some of the world's highest crop yields and use the least amount of water to achieve it.

Food from food waste

Since 1978, our Australian grown rice by-products have been used to make nutritious animal feed and sometimes, bedding. What's not used by our Australian Rice Pool Business – rice bran, hulls and brokens – is used by CopRice to create pet and livestock products and then sold to customers via both agriculture retail and direct to farm channels. Broken rice grains are also used by our Rice Food segment to make rice flour and ingredients that are on-sold to other food companies.

612MWh reduction in energy use.[25]

798.4 TCO2e reduction in greenhouse gases emitted.[25]

Leeton Mill's new bench seat was made from 98% recycled material and around 21,500 pieces of soft plastic packaging.

Improving the recycle cycle

Our long term goal is to have no single use packaging in SunRice operations. Right now we are making sure as much as possible stays out of landfill.

To date we have reduced materials in our packaging by rethinking materials and optimising pack sizes. More than 71 per cent of our Australian packaging is now recyclable in kerbside recycling systems, while almost everything else can be taken back to Coles or Woolworths to be recycled by our partner REDcycle, of which we are a founding member.

25. This metric is an estimated value relating to FY2019. Due to reporting cycles, FY2020's annual energy savings were not available at the time of publishing this report. Our focus in the coming year on improving our energy management systems is part of our program to continuously improve our ability to report this data.

Making a Difference to Our Communities

Our Focus Areas

- Respecting People
- Sourcing Globally
- Thriving Communities

We partner with communities to enrich lives socially and economically, leveraging our expertise wherever we operate. In some places this is about donating to support community organisations, in other places, our operations help grow entire local economies.

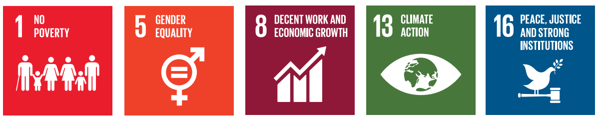
Harry Morshead, Widgelli rice grower.

150+

organisations supported in the communities we operate.

2,000+

SunRice suppliers to be enrolled in SunRice's Supplier Sustainability Code.



Stronger support for our suppliers

We are committed to industry best practice and actively seek to join the value chains of like-minded companies. In FY2020, the SunRice Board approved a new SunRice Supplier Sustainability Code, which will apply across the Group in FY2021. This code has been developed through a process of engagement with our internal supplier relationship owners to ensure the program is integrated in how we do business. We are now well placed to issue our first Australian Modern Slavery Statement in FY2021.

11

countries in our global rice supply chain

Taking Australian best practice to the world

Creating a traceable, sustainably grown supply chain is good for our growers, planet and our business. It creates supply certainty and maximises our export markets.

In the Riverina, SunRice has a strong tradition of grower-led supply with growers delivering high quality product for sale in Australia, New Zealand and around the world. This year's launch of our Vietnam operations has seen this approach exported to our international operations too. We are working with local Vietnamese growers to design a complete supply chain approach that partners with them to improve practices, reduce chemical use and increase yield. This work will continue in collaboration with local partners.

As a foreign-owned company that's been able to achieve a rice export licence in Vietnam, we play a lead role in working with local partners to build on and enhance the Vietnamese rice industry for the benefit of their communities, as well as the quality and traceability of exported product.

The SunRice Global Sourcing team is focused on a sustainable and reliable global supply chain that can source the best rice from the best suppliers from all around the world. This focus on a sustainable supply chain is also in response to the worldwide demand for clean, green produce, which is why it is a centrepiece of our 2022 Growth Strategy.

#1

rice brand in PNG and the Solomon Islands.

Bringing rice to remote islands

SunRice is the leading supplier of rice in PNG and the Solomon Islands. Our Trukai business in PNG and our SolRice business in the Solomon Islands employ approximately 1000 locals directly and support thousands more through family networks and indirect employment across the supply chain.

Trukai and SolRice also boast one of the most reliable and extensive distribution networks in the region, supporting food security, revitalising economic activity and ensuring supply support in case of disasters.

Supporting indigenous youth

SunRice partners with the Clontarf Foundation in Narrandera, near Leeton (home to our flagship mill), to support Aboriginal and Torres Strait Islander youth to improve education, life skills and employment prospects. This is one of the first academies in the region and we are proud to be a founding partner to help get it started successfully.

Our focus is on the communities where we operate

From 20 years' of sponsorship of the Trukai Fun Run, involving 80,000 participants across PNG every year, to our U.S. subsidiary SunFoods donating rice to help those in need during the COVID-19 pandemic, we help people gather to celebrate their local communities, improve health and wellbeing, sponsor sporting teams, support cultural and minority celebrations and donate to hospitals.

Our impacts are felt not just in Australia, but across the globe

While about 60 per cent of our community investment remains local, in Australia, we make significant contributions to the Solomon Islands and PNG too.

We have strong links to those supporting health and wellbeing

SunRice and Riviana Foods partners with Foodbank in Australia and others globally to support food security, health and wellbeing. In 2019 SunRice donated more than 168,000 meals through Foodbank to help people in need.

CopRice has an impact in animal nutrition and welfare

CopRice supports animal nutrition in a range of ways. CopRice helps volunteer-based organisations host local events that bring animal lovers together and provides product to farmers in need, including donating 1.6 tonnes of feed to a Quirindi cattle farmer in FY2020 in conjunction with Riverina rice growers, which enabled him to retain his breeding stock through the peak of the drought.

We support our communities during disasters

During the recent devastating bushfires in Australia, SunRice and CopRice contributed product and our people contributed their time, to support affected families and animals. Our extensive distribution networks in communities like PNG and the Solomon Islands means we are also well placed to support local disaster relief.

Making a Difference with Nourishing Products

2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We create nutritious products to improve the lives of consumers around the world.

Our Focus Areas

Nourishing Products

54%

of microwave pouch and cup sales are brown rice varieties.

50

all natural, gluten-free products in our Roza's Gourmet range.

Our Roza’s range

Established in 1991, Roza's Gourmet offers a premium range of condiments, pestos, dips, soups, crackers and olives. Proudly Australian made and owned, the brand was built on the pillars of nutrition, community and environment. Nearly 30 years later, these principles remain integral to the brand and business. The Roza’s Gourmet range contains products with ‘all natural’ ingredients, and caters for almost all dietary requirements, including gluten free, vegan, Low FODMAP, dairy free, soy free, nut free and egg free.

Help where it is needed

In partnership with Australian growers, any excess rice or SunRice products nearing their use-by date are donated to Foodbank to help those needing food support, whether due to financial stress or natural disaster.

Rethinking our range

Our SunRice brand in Australia offers a range of health and wellness products, as well as all our family favourites. Consumers are increasing their demand for brown rice, Low GI rice and emerging favourites such as Black Rice and rice and quinoa blends.

Over the past five years our fastest growing segment in Australia is the convenient microwave format, where our brown rice makes up more than half of our sales. SunRice has a wide range of brown rice options, including our super grain options with the addition of other interesting and tasty healthy grains. Perfect for a quick and easy healthy lunch or dinner.

Low GI is a go

In China, we have signed a ground-breaking partnership with a leading nutraceutical business that specialises in foods tailored to those visiting hospitals or require a regulated diet. We have commenced selling our Low GI rice cups through hospitals and online, helping to provide healthy alternatives to the Chinese population, in which there are 100 million diabetics.

Every year we bring the world

8 billion

serves of rice, feeding around 22 million people each day[26]

26. Based on a 75 gram serving size.

Health food for hospitals

Riviana Foods’ Pressed Pear Juice has been selling into hospitals and aged care facilities for two years. Cloudy Apple Pressed Juice and Pear and Prune Pressed Juice will soon be added to the range.

5 star

health rating achieved by Riviana Pear Juice.

~50 countries are supplied with quality SunRice product every year.

Feeding the Pacific

Our products provide the staple of rice to many Pacific nations, reaching some of the most remote communities. In the Solomon Islands and PNG we have partnered with government, health and other experts to establish rice vitamin fortification with the aim of working together to address the high incidence of infant stunting and birth defects.

Genetically pure rice seed forms the basis of our pioneering Australian Pure Seed Scheme.

Using blockchain technology to support traceability

Knowing where your food comes from and the journey it takes to get to your home is more important than ever before. SunRice products have always been trusted and traceable, but as our supply chains and our product offerings grow, we know we have to continue to explore new and improved ways to connect our stakeholders to our products. SunRice is at the forefront of innovation so it makes sense for us to explore how blockchain and other technology might support traceability for us and our customers. This year we partnered with KPMG to pilot blockchain technology for our products. We continue to explore how insights from that pilot can be brought into the supply chain to add value for our stakeholders and deliver even better visibility and confidence.

Supporting Australian growers

Did you know that in average crop years, Australian-grown SunRice brands are exported as a premium product to consumers all over the world, including in rice loving countries like Japan, Hong Kong and Singapore? It's by building trust and quality into all our products that we have been able to create this global market for Australian grown products.

Improving fertility in cattle

Our animal feed products are highly nutritious too, like CopRice's Lac Cycle Range, which has been formulated to support the long-term, sustainable success of farming customers by increasing bovine fertility.

Our Growers: Creating a sustainable industry for future generations

CY19 Rice Harvest

54,000
Paddy tonnes harvested

Close to 70%
of Reiziq and Doongara crops were drill sown

In FY2020 we collaborated with the Ricegrowers' Association of Australia and Local Land Services in a project jointly funded by the National Landcare Program to develop a farmer-led sustainability framework for rice growers in the Riverina. Building on our work in 2018 and using the United Nations Sustainable Rice Platform (SRP) as a base for globally accepted standards in sustainable rice growing, our pilots have shown us that our Australian growers are meeting and in many cases exceeding these standards.

The pilot culminated with our first ever Sustainability Academy, involving 20 growers sharing their insights on how a sustainability framework could add value to growers and support the rice industry. The vision as the project continues is a farmer-led sustainability framework that allows stakeholders to connect more deeply with how their rice is grown. Drawing on our 70 years of industry experience and SunRice's relationships with growers and other industry stakeholders, we look forward to a framework designed by growers that encourages broad industry uptake.

As our global supply chain expands and supports our strategic growth, we consciously work with suppliers who share our values and commitment to quality and community. This commitment will be strengthened by the roll out of our new Supplier Sustainability Code in FY2021.

Meet our Growers

Scott, Pam and Carl Williams
Murrami

The Williams family have been SunRice growers since 1989. Son Carl recently returned from Sydney to become a partner in the family farm business.

John Hawkins
Finley rice grower

Overall CY19 yields were above five-year industry averages:

Average yield of
10.75 tonnes
of paddy rice per hectare (all varieties, all locations)

Top Reiziq yield of
15.36 tonnes
of paddy rice per hectare

Top Doongara yield of
14 tonnes
of paddy rice per hectare (an industry record)

Overall CY19 tonnages achieved per megalitre (ML) were strong:

Average
0.87 tonnes
produced per ML (all varieties, all locations)

Top return of
1.42 tonnes
produced per ML (drill sown Reiziq crop)

Ian Payne
Coleambally

Ian has been a SunRice grower since 1984. When he's not farming, he's racing ski boats.

Peter and Renee Burke
Jerilderie

SunRice growers since 1998, the Burkes were awarded both The Weekly Times Coles 2019 Farmer of the Year and the inaugural 2019 SunRice Grower of the Year titles, thanks to excellence in yield and water savings.

Our People: Creating great employee experiences

SunRice's employee value proposition is 'Make a Difference'.

We have approximately 2,000 staff and believe our people really do 'make a difference' every day by ensuring the long-term sustainability of our business and helping create sustainable communities in the countries in which they operate.

In turn, we aim to make a difference for them.

Our Focus Areas

Employee Experiences

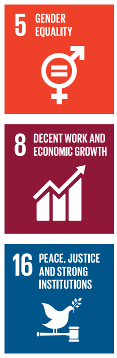
86% of our new employees know what our values are.

Listening to our people

We take the time to listen to our SunRice employees at every stage of their career journey. Our FY2020 onboarding survey results demonstrated a sense of belonging from the outset, with 94 per cent of those surveyed saying 'I am feeling welcome here' and 86 per cent reporting they know what our organisational values are and how their role contributes to SunRice's Growth Strategy. Our FY2020 'Say it as you see it!' engagement survey also showed high levels of autonomy and flexibility in our Australian workplaces. 85 per cent of our team said 'I am able to arrange time out from work when I need to' and 84 per cent said 'I know what I need to do to be successful in my role'.

Educating the next generation

The SunRice Jan Cathcart Scholarship assists in paying for the tertiary education of young women in the rice industry and offers internships across the business to gain practical experience. To date the scholarship has provided six recipients with numerous opportunities, from funding their studies, to work experience and employment placements with SunRice, and professional and personal growth. This commitment to creating employment pathways works in conjunction with our partnership with the Clontarf Foundation, with whom we provided our first work experience placement in FY2020.



Our focus on safety

In FY2020, AS/NZS 4801 Occupational Health and Safety Management System certification was achieved in all Australian business units for the first time. While both our Lost Time Injury Frequency and Lost Time Injury Severity Rates reduced year-on-year, we were concerned to see our Total Recordable Injury Frequency Rate increase by 8 per cent to 12.9 (per million hours worked). We continue to focus on constant improvement via root cause analysis of all serious and high potential incidents and implementation of corrective and preventative measures to reduce recurrence. Safety training and workshops are also conducted across all levels of the business, with a completion rate of 94.6 per cent for FY2020.

Supporting front line leaders

Our unique partnership with TAFE NSW entered its second year in FY2020. Fifteen future leaders are midway through a specially tailored TAFE NSW Certificate IV in Leadership and Management course, aimed at helping our front line leaders boost their leadership skills and better meet future workplace challenges, particularly in the Riverina.

Striving for equality and inclusion

SolRice, the trusted SunRice business in the Solomon Islands, and its partners the Australian High Commission, Solomon Islands Ministry of Women, Youth, Children and Family Affairs, and the Royal Solomon Islands Police Force, won the 2019 Australian Government Gender Equality Good Practice Award. We continue to focus on improving diversity at every level of our business.

Workplace Gender Equality Agency data for SunRice shows that in Australia we are ahead in the category of 'Senior Managers' with 43.2 per cent women compared with 31.1 per cent of women[27] in peer food manufacturing companies. However, we acknowledge we have more to do given our goal to reach 40 per cent women in all leadership roles by FY2022.

At SunRice, we are also proud of our centralised approach to remuneration, with multiple checks and balances, to ensure equality in how pay is determined. Ensuring there is no bias towards genders, reviewing internal relativities on a like for like basis, as well as including any employees who may be on extended leave of absences (e.g. parental leave) during remuneration reviews, are all part of the processes in place to maintain equal pay for equal work.

Further information about our diversity metrics is available at www.sunrice.com.au/corporate-governance.

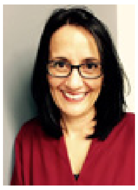
40%

of women in all leadership roles by FY2022 is our goal

Meet our Employees

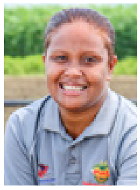
Dean Fraser,
Head of Manufacturing
Lap Vo Mill, Vietnam

"I think our Cultural Intelligence training is just as important as any other training – you could get by without it, but a lot of opportunities could be missed through lack of understanding and confusion."



Janice Hiskett-Jones,
Head of Rewards
SunRice Group, Sydney

"We use the same Australian legislated standards across our sites in all the countries we operate in to ensure men and women are paid equally.
It's a rigorous process that ensures there is no bias in how we remunerate our people, no matter where they are."



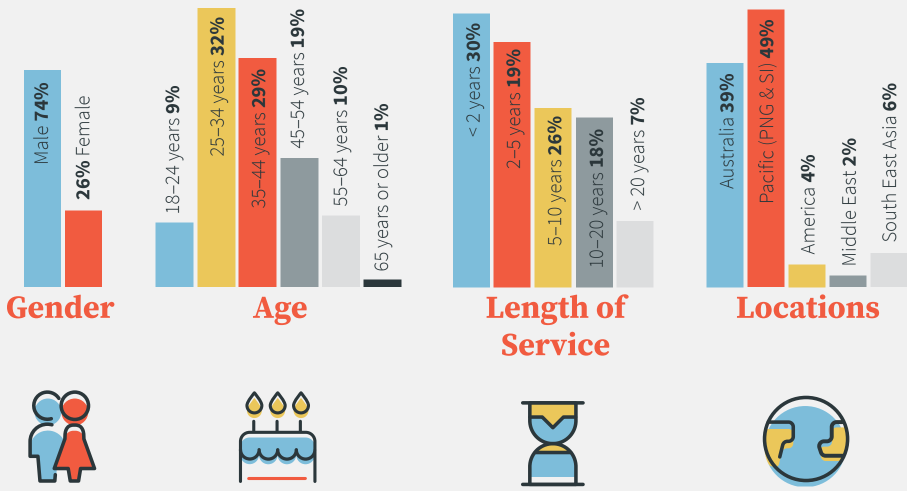
Aina Davis,
Rice Development Manager
Trukai Industries, PNG

"Rice was introduced to PNG hundreds of years ago and is consumed as a staple food, but it's not been widely cultivated. It's my aim to be part of the team who pioneer the development of rice varieties and commercialise local rice production for PNG."

Fig. 3: Our global employee base

~2,000

Total Number of Employees



27. Source: 2018-19 WGEA Competitor Benchmark Report (Food Manufacturing, All Sizes). Please note this metric relates to FY2019. Due to reporting cycles, comparable data was not available for FY2020 at the time of publishing this report.

Our Approach to Risk

Managing risk is critical for growing a sustainable and resilient business that can continue to deliver value to all of SunRice's stakeholders.

It ensures we're well placed to anticipate disruption that could prevent us from achieving our strategic objectives and helps us identify growth and diversification opportunities.

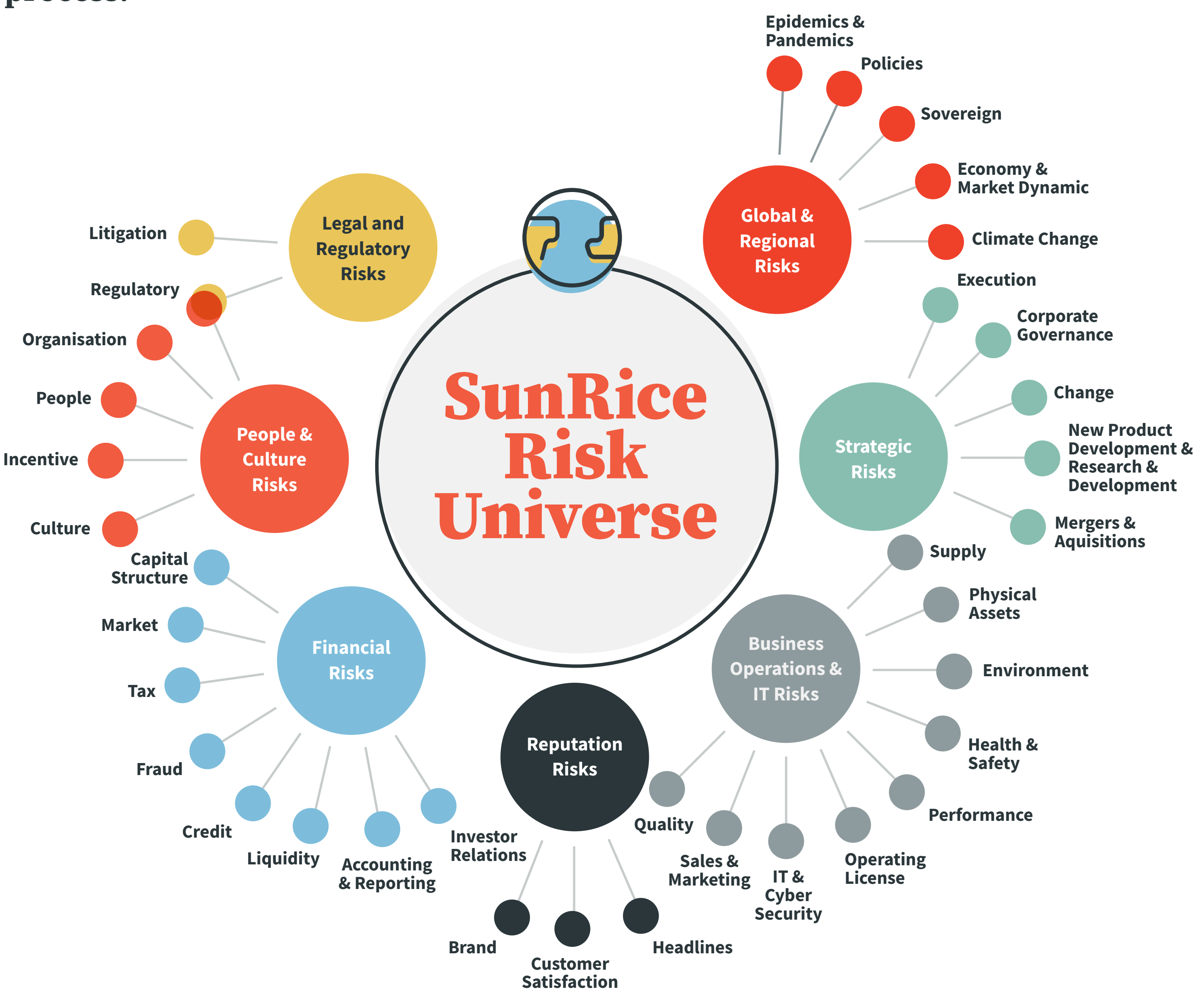
As such, risk management forms an entire part of our strategic and operational decision making process.

1. Risk management oversight

SunRice's Board oversees the establishment, implementation and review of the Group's risk management framework, which identifies, assesses, monitors and manages operational, financial and compliance risks across all business units. The responsibility for ongoing review of risk management has been delegated to our Finance, Risk and Audit Committee, which reports to the Board regularly. The management of health and safety risks and compliance, while included in the overall enterprise risk management framework, is the responsibility of our Safety, Health and Environment Committee. SunRice's management team is accountable for effective risk management processes and for the reinforcement of a risk management culture throughout our company.

Please see SunRice's Corporate Governance Statement for further detail: www.sunrice.com.au/corporate-governance.

Figure 4 – SunRice Risk Universe



2. SunRice's approach to identifying risks

SunRice has established frameworks, processes and risk assessment tools to enable the business to identify and assess risks and the effectiveness of mitigating controls in place. In particular, risks are categorised in a consistent manner to maintain reporting consistency across the Group (see Figure 4). This "bottom-up" approach focusing mainly on tactical risks is complemented by a "top-down" approach involving the executive team and Board, which focuses on risks in the external environment and within operations that might impact the delivery of the strategy (strategic risks). Our stakeholder engagement workshops contribute to this risk identification and assessment process, ensuring we also capture the material concerns of our stakeholders (see SunRice's Stakeholder Engagement Statement at www.sunrice.com.au/sustainability-reports).

Each risk identified in the business is measured against the Risk Appetite Statement approved by the Board and compliance is reported quarterly to the Finance, Risk and Audit Committee.

Feeding into the risk identification process is an understanding of the major external trends shaping our risk landscape. While our global context is shared on pages 11–12, the following trends are particularly relevant to SunRice's risk environment:

- **Climate change:** SunRice relies on the availability of natural resources in Australia and around the world to supply nutritious food products. Material changes in weather patterns and reduction in biodiversity, which are increasing with climate change, may negatively and durably influence arable lands currently used for rice production, crop yields, nutritional composition of rice, farming cost and deplete the number of farmers. In this context, water is increasingly becoming a resource of political and strategic importance that may result in tensions between communities, displacement of populations and drastic change in the current agricultural footprint of affected countries.

  In Australia, the availability of water to grow rice dictates our efforts to compensate for domestic shortages through global sourcing. This, in return, exposes the Group to more complex supply chain optimisation challenges and increases our inherent risks as a supplier of food products.

  The management of unpredictability in weather patterns and its consequence on our business has however long been embedded in both the Group's Strategy and its Risk Management activity; two core elements of the recommendations of the Task force on Climate-related Financial Disclosure ("TCFD") to manage risks and identify opportunities as follows:

  - A key element of our international growth strategy is the establishment of a secure, sustainable and reliable global supply chain which mitigates our exposure to isolated weather events in any one region. This diversification strategy was initiated more than 10 years ago by investing in direct access to Californian rice and more recently by the acquisition of a mill in Vietnam. SunRice has also established strategic relationships with key suppliers to access high quality rice from other countries such as Cambodia, China, Taiwan, India, Italy, Myanmar, Pakistan, Spain, Thailand and Uruguay.
  - The SunRice Group has also embraced opportunities for our business through multi-decade investment in research and development to enhance rice and farming systems to mitigate some of the impacts of climate change, increase yield and reduce the use of water, fertilisers and other inputs. It also provides the Group with an opportunity to share this expertise with different communities around the world and to contribute to the development of more sustainable local rice industries, producing better quality products.

  Following our commitment to working towards implementing the recommendations of the TCFD, we have taken the following initial steps in FY2020:

  - SunRice management conducted a high-level gap analysis against the requirements of the TCFD;
  - Climate has formally been incorporated as a specific cause of risk and opportunity in the SunRice enterprise risk management framework with periodic risk management reporting to the Finance, Risk and Audit Committee; and
  - An initial management steering committee has been established to oversee a more detailed TCFD implementation plan over the coming financial year.

  The SunRice Group acknowledges the existence of other short and long-term physical and transitional risks and opportunities induced by climate change, including severe weather events, carbon pricing mechanisms and changes in consumer expectations. Additional efforts will be required to mitigate their consequences and conduct scenario analysis on global warming. We expect this process could take up to three years to achieve the full extent of disclosure intended by the Financial Stability Board for greater transparency of the effect of climate change on our operations.

- **Geopolitical instability and protectionism:** the ongoing environment of hardening international trade restrictions and other protectionist measures such as tariffs and quotas has, and may continue to, impact the global economy and notably countries where SunRice operates, sources or trades rice. This is particularly relevant in countries where rice importation is regulated through 'single desk' government-controlled bodies in order to protect domestic rice industries.

  The humanitarian crisis caused by the COVID-19 pandemic is adding to this uncertainty and may result in further economic, social and political instability. Given rice is a staple of strategic importance from a food security perspective, this may also reduce SunRice's ability to source rice from countries affected by the virus.

- **Consumer preferences and stakeholders' expectations:** as an FMCG company, SunRice is both subject to the risk of misunderstanding or failing to meet consumer preferences and the opportunities to respond to this evolving demand.

  SunRice's 2022 Growth Strategy and new product development take into account current trends and consumer expectations. These include healthy and easy to cook meals and snacks, safe and nutritious sources of nutrients and socially responsible brands and packaging, especially as more countries are climbing up the wealth curve. For more detail, see Our Strategy on pages 13 - 14.

3. Key risks and responses

The SunRice Group is exposed to a number of specific risks that may have an adverse impact on our current and future operations, financial performance and, ultimately, our ability to achieve the Group's strategic objectives. Most of those risks are a direct consequence of the trends and broader forces defining the environment SunRice operates in, which were described on the preceding page.

As our operating environment is constantly changing, some other risks identified by the Group as being less key to our business today may rapidly become of importance in the future. The current humanitarian challenge of the COVID-19 pandemic is an illustration and a stark reminder that risk management needs to remain agile to adapt to multiple sources of business disruption and opportunity.

SunRice's key risks and our responses to them are noted below.

Key risks

Supply levels of rice from the Riverina, water availability, water affordability and competing crops

The variability of supply levels of Australian rice sourced from the Riverina region directly influences the intensity of our international supply chain operations and may impact the Group's overall financial performance and the maintenance of brands and markets if no equivalent quality of rice can be sourced on competitive terms.

The level of supply of Australian rice is itself a factor of available water at an affordable price and the competitiveness of rice compared to alternative crops. A single year of small Riverina crop may result in a loss-making position for the Australian Rice Pool Business that is required to be absorbed by the Profit Businesses. Multiple consecutive years of small Riverina crops may also include the recognition of material non-recurring charges, such as restructuring and asset impairments, and could durably affect the Group's business model and strategy.

Mitigating actions

This risk is managed through various streams of work including:

- Commitment to support the rice industry in the Riverina by continuously providing our growers with attractive prices for rice against other competing crops.
- In years where water availability is limited, offering fixed price contracts commensurate with the price of water.
- Strong capabilities of our global trading arm to source the missing volume from other acceptable markets.
- Sensory analysis database mapping consumer preferences in each market with varietals responding to the concept of "Good, Better, Best" so that multiple sources of rice can be substituted to suit consumers' preferences and price elasticity.
- Carry-over stock management to maintain our workforce and manufacturing footprint in their optimum utilisation configuration.
- Continuous engagement with state and federal government authorities to increase allocations against General Security water entitlements for annual irrigated agriculture in the Riverina.
- Actions to repurpose or diversify the use of our asset base in the Riverina to reduce dependence on annual crop size.

Global sourcing

With two small consecutive Australian crops in CY19 and CY20, the large majority of our demand will need to be filled through global sourcing in FY2021.

This multiplication of sourcing origins adds additional complexity in our supply chain with numerous associated risks, including sovereign risks, supplier quality validation and ongoing management, continuity of supply, logistics and shipping disruption, optimisation of supply chain to minimise costs and contract management.

In years of small Australian crops, our global sourcing arm becomes our primary response to mitigate this risk. This diversification strategy is supported by rigorous processes including:

- A strong and experienced local management team with the technical expertise and relationships to secure rice from various markets.
- Due diligence on supply chain partners and the risks associated with procuring out of a new country.
- Robust sensory testing process to map out consumer preferences with various rice qualities ("Good, Better, Best").
- Partnership with universities to test samples of rice qualities.
- Monitoring of market conditions, key drivers and continuous intelligence gathering to allow SunRice to take positions in market at the best possible outcome.
- Growth strategy to acquire or develop manufacturing capabilities offering geographical diversification, such as the U.S. and Vietnam.
- Strong relationship with ocean freight carriers, with multiple alternative options to manage potential logistics disruptions.

Key risks

Quality and food safety

As a food business, SunRice is inherently exposed to the risk of contamination or out-of-specification products that may result in a failure to deliver on the quality promises carried by the SunRice brands and possibly cause harm to our consumers.

Mitigating actions

The integrity and quality of our products is supported by robust processes and systems including:

- Food safety and quality management systems including constant product testing before release.
- Food defence protocol.
- External certifications of our facilities.
- Quality assessment of our suppliers.
- Contract management and supplier management process to maintain product within contractual specifications.
- Business continuity plan in place for any required product withdrawl or recall.
- Management and monitoring of customer and consumer feedback and complaints.

Reliance on key suppliers

The ability to engage in durable and strategic relationships with key suppliers is essential to maintain continuity of supply in our markets.

The reduction in supply or loss of our key suppliers may disrupt SunRice operations and result in increased costs and loss of profit and markets to competition.

This risk is more prominent when SunRice doesn't have access to Australian rice and is required to compete with other players internationally to secure high quality rice.

This risk is mitigated by constant interactions with our key suppliers and more specifically through:

- Our supplier relationship management process.
- Ongoing review of service level agreements and other contractual obligations to manage discussions.
- Establishing long-term and strong partnering relationships to deliver tangible and intangible mutual benefits.
- Consideration and assessment of alternative suppliers to diversify risks.
- Rigorous due diligence and contract approval processes to mitigate risks, including around continuity of supply and more particularly around continuity of supply, ethical business practices and protection of intellectual property.
- Long and short positions mitigated through the ability to substitute varietals and origins within our supply chain to continue to meet consumer preferences.

Our Approach to Risk
Continued

Key risks

Competition and pricing

Rice is a globally traded staple food subject to economic and geopolitical dynamics influencing its availability and pricing.

Without being an exhaustive list, multiple factors such as foreign exchange fluctuations, economic conditions in countries dictating affordability, weather conditions, levels of global stockpiles, tariffs and other trade barriers can influence prices and the intensity of competition the Group is facing.

This may result in loss of market, revenue, margins or even loss of opportunities impacting growth.

Mitigating actions

SunRice is continuously managing this risk to preserve margins and deliver on our 2022 Growth Strategy through:

- Investment to maintain and grow brand equity to differentiate from competition.
- Premiumisation of our products for sale to discerning consumers.
- Investment in research and development and new product development to remain current in our markets and meet evolving consumer expectations and preferences.
- Monitoring of industry activity on both the buy and sell sides of our business.
- Risk mitigation strategies to secure volumes of rice at fixed prices.
- Hedging strategies in place (refer to note 4g to the financial statements).
- Growth strategy to acquire or develop manufacturing capabilities offering geographical diversification, such as the U.S. and Vietnam.

Dual class share structure, limited voting rights and B Class Shareholding Limit

The SunRice Group's dual class share structure, the limited voting rights attached to B Class Shares, and the B Class Shareholding Limit of 10 per cent distinguish us from other ASX listed companies.

A Class shareholders must also, in accordance with the SunRice Constitution, be Active Growers producing a certain volume of rice over a set period of time, which can be challenging in periods of drought. A depletion in the number of growers would concentrate control between a smaller number of A Class shareholders.

These non-standard elements may make B Class Shares less attractive as an investment compared to an investment in shares in a typical ASX listed entity. As a result, B Class Shares may trade at a lower price than if these elements did not exist and or limit the ability of the Group to raise capital.

While SunRice has an unusual capital structure, the risk of not being able to raise capital is, to an extent, shared with any other listed company. We manage this risk by:

- Maintaining a sound and healthy balance sheet.
- Negotiating sufficient credit facilities to pursue accretive merger and acquisition activities, even if they were to be funded largely or exclusively by debt.
- Maintaining the delivery of our market guidance.
- Our established dividend policy.
- Continuing to build trust over time with both existing and potential investors, based on SunRice's strategy, resilience and established experience in successfully managing the interests of both A and B Class shareholders, including during times of adversity.
- The Board's discretion to defer redemption of any A Class Share, notwithstanding the criteria set by the Constitution, or revisit the criteria set by the Constitution for qualification as an Active Grower. Following the recommendation of a sub-committee comprising Non-Grower Directors, this right was exercised in FY2020. It enables the SunRice Board to defer redemption of A Class Shares of Members who have failed to deliver the minimum quantity of paddy rice to SunRice, if the Directors believe that the Member will resume being an Active Grower.

Our Outlook

The SunRice Group continues to deliver against our 2022 Growth Strategy and is focused on the further expansion and diversification of earnings.

Australian drought conditions are expected to continue impacting the Group through FY2021. As the year closed, a CY20 crop of approximately 45,000 paddy tonnes was harvested and delivered to our storage network. This outcome was only possible due to SunRice offering record fixed price contracts of $750 per tonne for medium grain Reiziq and up to $1,500 per tonne for specialty varieties. Given low water availability and high water prices, these incentives were required to attract the necessary rice production to ensure the Group was able to replenish vital seed stocks for the future and maintain key Riverina operations.

While the CY20 crop is lower than CY19, when coupled with crop carried over from prior years, this reduced volume of rice is expected to maintain a base milling program in the Riverina in the foreseeable future and allow key skills to be retained, which will enable the Australian Rice Pool Business to flex back up should seasonal conditions improve and crop sizes increase. While we are hopeful that these conditions will improve, we will continue to assess our operational footprint in the Riverina based on the actual conditions that will prevail in the future.

As previously announced, persistent low water availability and high water prices in Australia also mean the $2 billion revenue target for the Group under the 2022 Growth Strategy will now take longer to achieve.

We are closely monitoring a range of factors that have the potential to impact revenue and margins in the short term. These include rising international prices, a fluctuating Australian dollar, ongoing deteriorating economic conditions in PNG, aggressive pricing strategies from competitors and global uncertainty due to the COVID-19 pandemic. More detail on our approach to risk can be found on pages 39 – 44.

In parallel, as mentioned previously, our strategic focus on sourcing from existing and new supply chains remains a key focus to ensure that the SunRice Group has profitable options to service growing demand in global markets.

We will continue to actively manage the risks posed by the reduced Australian crop, and ensure any shortfalls are managed to meet that demand. We are also continuing to pursue commercial opportunities to utilise our AGS storage assets to store grains other than rice on a temporary basis.

In the Rice Food, Riviana Foods, CopRice and International Rice segments, the innovation pipeline remains strong, with the launch of several initiatives in FY2021 aligned with our 2022 Growth Strategy expected to deliver benefits across the coming year. These include:

- Launch of SunRice's new infant rice-based product range in Australia and China;
- Continued growth of our expanding rice snack portfolio through broader distribution channels internationally;
- Further strengthening and diversification of international supply chains and infrastructure to source quality rice during a period of high demand and macroeconomic instability;
- Maintaining SunRice as the leading supplier of rice flour to food manufacturers focused on meeting demand for 'free-from' foods;
- Increased product innovation and export opportunities following the establishment of Brown Rice Chip production in Australia; and
- The upgrade of our Leeton microwave rice facilities to reduce operating costs and improve product innovation and quality, which is due for completion in FY2021.

Strategic opportunities will continue to be explored in both our CopRice and Riviana Foods segments during FY2021.

In CopRice, strategic initiatives are planned to further scale the business across the ruminant, companion animal and equine sectors and to reduce its traditional dependence on Australian rice products. These include:

- Building our industry-leading animal nutrition business with initiatives spanning dairy, sheep, beef, equine and companion animals;
- Bringing 'FMCG thinking' to agricultural retail with products that cater to the whole life cycle of companion animals;
- Investment in our manufacturing processes to deliver further operational efficiencies; and
- Continuing to pursue and integrate value accretive merger and acquisition opportunities.

In Riviana Foods, strategic initiatives to be explored in FY2021 include:

- Further scaling to increase Riviana's share of the 'entertainment platter' and the premium food category in Australia;
- Growth of the Always Fresh, Fehlbergs and Roza's Gourmet brands through continual new offerings in retailers; and
- Continuing to pursue and integrate value accretive merger and acquisition opportunities.

All capital investments are made strategically to ensure SunRice delivers high-quality and efficiently produced products to compete effectively in key markets and increase earnings.

In line with our business strategy, our sustainability focus for FY2021 remains connected to the individual initiatives for each of our segments. However, as a Group, we are focused on:

- Continuing to improve the governance framework around sustainability measurement, supporting our move to articulate and share sustainability targets and goals for our key focus areas, including energy, packaging and climate related programs and disclosures;
- Supporting our Riverina growers to better capture and communicate their sustainability performance; and
- Implementation of our new Supplier Sustainability Program with a focus on Labour Standards in our supply chain. FY2021 will see the introduction of our first Modern Slavery Statement in response to the requirements of the Australian Modern Slavery Act 2018 (Cth).

As a business we are committed to enhancing our reliable sustainable supply chain partnerships and building on our trusted portfolio of products. We remain focused on maintaining markets and tightly managing costs, whilst making prudent commercial decisions and purposefully investing to leverage the Group's strong balance sheet and deliver the 2022 Growth Strategy.

In our 70th year, we have once again seen the resilience of the SunRice Group's business model in action, ensuring we continue to trade profitably and efficiently balance the objectives of both our A and B Class shareholders, as well as the broader stakeholder groups that we engage with.

Corporate Management Team

Rob Gordon

Chief Executive Officer

BSc (Hons) CEng MAICD

Rob joined SunRice in 2012 as CEO and Managing Director. Rob's career spans more than 35 years' of experience in the FMCG and agribusiness sectors, including over 20 years in CEO and Managing Director roles for companies including Viterra Inc, Dairy Farmers Ltd and Goodman Fielder (Meadow Lea and Consumer Goods divisions). He also held various senior executive roles with Unilever in Europe and Australia. For Directorships, please refer to page 53.

Dimitri Courtelis

Chief Financial Officer

BCompt (UNISA), CA (ICAA), CFE (ACFE)

Dimitri was appointed Group CFO of SunRice in 2018, following an extensive global career in accounting, finance and corporate roles. A qualified chartered accountant (ICANZ) and fraud examiner (ACFE), he spent 10 years in professional services in South Africa, Australia and Dubai in external audit, transaction advisory and forensic services for firms such as Ernst & Young and Deloitte. Prior to joining SunRice, Dimitri spent seven years in senior finance roles with the Etihad Airways Group in Abu Dhabi, Serbia and Germany, including as the Group CFO of AirSERBIA and Group CFO of Air Berlin PLC in transformation and restructuring roles.

Matt Alonso

Chief Executive Officer, SunFoods LLC

BSc (AgEngr), MBA

Matt joined SunFoods LLC in 2010 and is responsible for all aspects of the U.S. business, from raw material procurement and plant operations, to domestic sales and marketing. With over 20 years' experience in the U.S. agriculture and rice industries, Matt has previously worked for Pacific International Rice Mills and is a Board member of the California Rice Commission and the USA Rice Federation.

Mandy Del Gigante

Company Secretary

BComm, CPA, AGIA, ACIS, GAICD

Mandy first joined SunRice in 1990 as a Financial Accountant and held a range of positions within the business, including Financial Controller and Company Secretary. Following three years as Secretary of the Rice Marketing Board for the State of New South Wales, Mandy returned to SunRice in 2005. Prior to working in the rice industry, she worked in the commercial and chartered accounting fields for international firms.

Stephen Forde

Chief Executive Officer, Riviana Foods Pty Ltd

Stephen joined Riviana Foods in 2013 as CEO, bringing more than 24 years' of strategic sales, marketing and general management experience in the FMCG industry. During his 20-year career with Reckitt Benckiser, he was Global Customer Director, UK and General Manager, New Zealand. Before joining SunRice, Stephen spent four years as General Manager, New Zealand for Campbell Arnott's.

Tom Howard

General Manager, Global Operations and Agribusiness

BAg Ec, MBA

Tom joined SunRice in 2015 and is now responsible for the management and expansion of the Group's global manufacturing, supply chain, engineering, R&D, commercial sourcing (origination), sustainability, storage and handling, and grower services capabilities. Tom is also a Director of Ricegrowers Singapore and Ricegrowers Vietnam. A highly experienced agribusiness executive, Tom has over 25 years' experience in international business and the domestic and international grains industry. He has previously held senior positions with Emerald Grain (Sumitomo Corporation), the top 50 Irish company UniPhar and a leading Australian grains cooperative.

David Keldie

General Manager, Global Consumer Markets

BA

David joined SunRice in 2001 and is responsible for the Middle East, North and South East Asia, and the Pacific which includes the Solomon Islands, Australia and New Zealand markets. With 30 years' experience in the FMCG sector, David is a Director of Ricegrowers Singapore, SunFoods (USA), Trukai Industries (PNG), SolRice (Solomon Islands), Ricegrowers Middle East (UAE) and Aqaba Processing Company (Jordan).

Peter McKinney

General Manager, CopRice

BComm (Marketing), GAICD

Peter joined SunRice in 2017, bringing extensive senior marketing and general management experience from roles with blue-chip consumer companies YUM Brands and George Weston Foods, in both the Quick Serve Restaurant and FMCG industries. Peter also previously held a senior management position at ASX-listed company Pacific Smiles Group.

Paul T. Parker

General Manager, People and Culture

MBA

Paul joined SunRice as GM of People and Culture in 2019, bringing over 20 years' of experience working in human resources. Prior to joining SunRice, Paul was the Chief Human Resource Officer for Royal Caribbean. Paul led the design and implementation of a People Strategy focused on organisation-wide career enhancement, critical talent management, building strength from diversity and creating an environment of flexibility and choice.

Greg Worthington -Eyre

Chief Executive Officer, Trukai Industries Limited

Honorary Doctorate, MBA, MAICD

Greg joined Trukai Industries in 2013 as CEO and is responsible for all aspects of the PNG business, including management of sovereign risk, agricultural and food security projects and the development of PNG's first commercial rice industry. Prior to this role, Greg was Managing Director at Pink Hygiene Solutions and Ambius Australia, after time spent in Singapore as Senior Vice-President for Initial Asia Pacific. Greg started his career at Unilever and over the course of 30 years held numerous positions across Australia and Asia. In 2018, Greg was awarded an Honorary Doctorate in Technology from the University of Technology in PNG.

Corporate Governance Overview

Corporate governance is of vital importance to SunRice and our Board is committed to ensuring that its framework, policies and practices are of the highest standard. To deliver on this commitment requires the SunRice Board to have a sound understanding of current governance requirements and practices, as well as keeping abreast of emerging trends and changing stakeholder expectations.

In this section, we've outlined selected components of SunRice's corporate governance framework, highlighting the key governance matters and areas of focus in FY2020.

Throughout the period, SunRice's corporate governance approach was consistent with the ASX Corporate Governance Principles and Recommendations (third edition) published by the ASX Corporate Governance Council (ASX Recommendations). Consistent with prior years, the Board does not consider that all of the ASX Recommendations are appropriate for our company given the related provisions in our Constitution regarding Board composition and shareholding requirements. However, where SunRice has not followed an ASX Recommendation, this has been identified in the Corporate Governance Statement, together with the reasons why it has not been followed. Copies of the Corporate Governance Statement, key policies and practices and the charters for the Board and its current Board Committees are available at www.sunrice.com.au/corporate-governance.

SunRice is committed to continuous improvement and ensuring compliance against the ASX Recommendations (fourth edition), where appropriate given the related provisions in our Constitution, and we will formally report against these for FY2021.

Board composition, skills and areas of focus

In accordance with the Constitution, an election for four SunRice Non-executive Grower Directors was conducted in FY2020. Under Rule 11.19a(2), Grower Directors are required to hold an A Class Share. The Board took proactive steps to encourage a diverse range of suitable and appropriately skilled candidates, resulting in seven candidates, including one female.

On 22 August 2019 the following changes were made to the Non-executive Grower Directors on SunRice's Board:

- Glen Andreazza and Mark Robertson retired.
- Jeremy Morton and Julian Zanatta were elected.
- Laurie Arthur and Leigh Vial were re-elected.

During FY2020 the following changes were made to Board Committees:

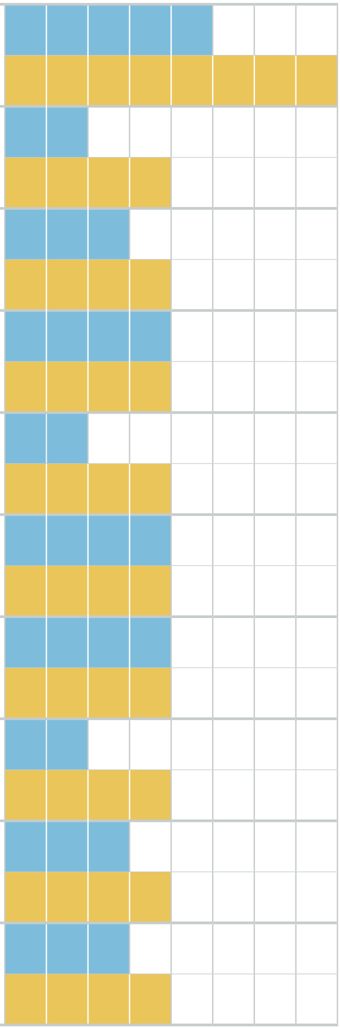
- Glen Andreazza and Mark Robertson retired from the Grower Services and Safety, Health and Environment Committees.
- Jeremy Morton and Julian Zanatta were appointed to the Grower Services and Safety, Health and Environment Committees.
- Dr Leigh Vial was appointed Chairman of the Safety, Health and Environment Committee and appointed to the Grower Services Committee. Leigh ceased to be a member of the Finance, Risk and Audit Committee.
- Ian Mason was appointed to the Finance Risk and Audit Committee and ceased to be a member of the Grower Services Committee.

The Board Skills Matrix (Table 1) summarises current Director skills and experience. The Board considers that its current members have an appropriate mix of skills and experience in order to discharge its responsibilities and deliver on SunRice's strategic imperatives.

The key areas of focus for the Board during FY2020, in addition to standing agenda items, are set out in Table 2. The focus areas for the Board Committees, in addition to standing agenda items, are set out in Table 3, and Director attendance is set out in Table 4.

Table 1 – Board Skills Matrix

Key Skill	Demonstrated by these attributes	Board Strength*
Rice industry experience	Good working knowledge of the structure, operations and opportunities in the Australian rice industry.	
Food Processing and Distribution and/or FMCG experience	Successful recent experience in a relevant part of the food or FMCG industry.	
Risk management expertise	Proven knowledge, background and experience with balancing commercial imperatives with agreed risk appetites.	
Financial management expertise	Successful executive experience with financial accounting, corporate finance, treasury, tax and internal controls.	
Research & Development (R & D)	Experience in, or commissioning of and evaluating R & D activities.	
Successful strategy, growth and business development experience, including with mergers and acquisitions (M & A)	Track record of creating long term value for shareholders and identifying suitable opportunities.	
ASX board and other relevant board experience	Exposure to relevant disclosure regimes, understanding of contemporary governance practices.	
International markets and trade	Experience with import/export practices, knowledge of relevant trade law and appreciation of market opportunities.	
Executive leadership	Experience with appointing and evaluating senior management, succession planning and monitoring corporate performance.	
Audit and compliance including responsibility for culture and ethical standards	Including large organisation experience, audit committee expertise, setting and monitoring appropriate standards.	



Importance for SunRice
(how many Directors the Board believe is the minimum number of Directors required to have that skill)

Current Board strength
(the number of Directors assessed as having that skill)

Board qualifications

The Board has qualifications in one or more of the following fields.

- 3 **Agricultural Science**
- 2 **Engineering**
- 2 **Commerce/Economics**

Industry experience

The Board views relevant skills and experience as adding strength to the Board.

- 4 **Food Processing & FMCG**
- 8 **Rice industry**
- 4 **ASX/Board**
- 4 **Financial management**

Directors' average tenure

The Board considers it has an appropriate mix of new, mid and longer tenured Directors. The average tenure of the Board is 5.3 years.

- 5 — **1-3 years**
- 3 — **4-6 years**
- 1 — **7-9 years**
- 2 — **10+ years**

Gender diversity

SunRice has not set a target for female representation on the Board however will continue to seek to improve the gender balance.

18.2% **Female**

81.8% **Male**

Corporate Governance Overview Continued

Table 2 – Board key focus areas for FY2020

	Focus areas
Board	• Overseeing the 2019 SunRice Grower Director Board elections and the subsequent induction of two new Directors to ensure they are well positioned to understand their responsibilities and add value to the Board. • Appointment of a Board sub-committee to oversee the implementation of the recommendations of the 2019 external Board evaluation. This has seen important changes proposed regarding Board composition, and changes to size, tenure and a comprehensive review of Board and Committee Charters that reflect the ASX Recommendations (fourth edition). • Overseeing an executive development program and succession planning, thereby strengthening key talent to deliver on the 2022 Growth Strategy. • Group performance in a challenging operating environment, including financial performance, health and safety performance and progression of the 2022 Growth Strategy. • Reviewing the risk management framework, including the Risk Appetite Statement, to refresh and strengthen the approach to identifying, reporting and managing risk. This work resulted in SunRice being well positioned to respond to challenges such as COVID-19 and able to ensure business continuity and the health and safety of our people, while meeting unprecedented consumer demand for our products. • Assessment and pursuit of strategic growth options for SunRice, which included leveraging our strong balance sheet to optimise and integrate existing and new assets, such as FeedRite and our new Vietnam Mill, and further develop international supply chains. • Identifying ways to strengthen company culture commenced and will continue in FY2021, including reviewing the Code of Conduct, ongoing cultural intelligence training, promoting our updated Whistle Blower Policy and reporting on cultural metrics to improve Board visibility. • Increased water advocacy with the NSW and Federal Governments on behalf of growers and the Riverina rice industry to increase availability of water for rice production. • Monitoring against our sustainability framework (see www.sunrice.com.au/sustainability-reports), including Group performance, actions of management and systems that deliver on the promise in the Board Sustainability Charter: to lead in environmental, social and ethical business performance.

Table 3 – Board Committees' key focus areas for FY2020

Committee	Focus areas
Finance, Risk & Audit	• Overseeing the financial information production process, and in particular SunRice's half-year and full year reports, to ensure their integrity and the appropriateness of accounting policies and principles applied and information disclosed. • Overseeing the successful refinancing process in FY2020 to update and secure banking facilities and covenants on favourable terms, including the extension of long term facilities until 2024. This extension ensures SunRice is positioned to pursue opportunities in line with our 2022 Growth Strategy. • Overseeing the delivery of the external audit, including considerations of the observations and recommendations issued by the external auditor. • Reviewing the effectiveness of SunRice's governance and risk management systems to identify, assess and mitigate existing or emerging risks (including cyber security, COVID-19, climate and foreign exchange rates). • Overseeing the Internal Audit function including the assessment of the independence, objectivity, performance and effectiveness of internal auditing practices. • Monitoring issues, incidents and risks identified in the Internal Audit Reports and ensuring clear accountability to close out relevant issues.

Committee	Focus areas
People & Remuneration	• Continued focus on increasing the representation of women in all leadership roles to 40 per cent by FY2022 in line with our 2022 Growth Strategy. Further details are available in the Corporate Governance Statement on the website. • Reviewing and monitoring progress with the Group's Diversity and Inclusion Policy, including ongoing improvement in the 'no gender pay gap' principle, which is a key part of the policy. • Setting senior management objectives, for fixed and variable remuneration, including incentive and equity plans. • Overseeing the remuneration strategy, framework and reporting. • Overseeing executive succession planning and talent development. • Developing and making recommendations to the Board regarding employee engagement and workplace culture.
Nominations	• Overseeing the process for external and internal Board, Board Committee and Non-executive Director reviews and evaluations. • Recommendations to the Board regarding Board composition, size, tenure and skills. This included reviewing Director training and development needs and considering succession plans. • Overseeing the selection of Non-Grower Director candidates for re-election in light of the skills, diversity and independence requirements of the Board. • Overseeing the election process for SunRice Grower Directors. This included holding information sessions and encouraging candidates with the required skills, diversity and independence to nominate as candidates, including greater female representation. • Ensuring Director training and development needs were taken into account in preparing and implementing induction programs.
Safety, Health & Environment	• Participating in reviews on safety, health and environment matters. • Reviewing and monitoring safety culture systems, capability and risk, including overseeing initiatives to improve safety, health and environment performance. • Monitoring health, safety and environment incidents and issues and ensuring effective resolution and process improvement by management.
Grower Services	• Reviewing and developing initiatives to produce Riverina rice. • Developing and implementing policies that relate to on-farm rice, including Pure Seed, planning, quality assurance and traceability. • Improving procedures that relate to harvest management receival and post-harvest reviews. • Reviewing and improving provision of payments to growers. • Managing relationships with growers and continuous improvement on services provided to growers.

Corporate Governance Overview Continued

Board of Directors

The names of the persons who have been Directors, or appointed as Directors, during the financial period and up to the date of this Annual Report are outlined as follows, together with their tenure, qualifications, directorships and previous appointments.

Laurie Arthur

Chairman
Non-executive Director
Grower

BAgSc GAICD

Moulamein Grower
Director since 2007
Chairman since 2014

Current appointments
Directors' Committees: Chairman, Nomination. Member, People and Remuneration. Director, Aqaba Processing Company Ltd (Jordan).

Previous appointments
President, Ricegrowers' Association of Australia Inc. Commissioner, National Water Commission.

Acknowledgements
Honorary Councillor, Ricegrowers' Association of Australia Inc.

Rob Gordon

Chief Executive Officer
Executive Director
Non-Grower

BSc (Hons) CEng MAICD

Director since 2012

Current appointments
Chairman, Ricegrowers Singapore Pte Ltd; Ricegrowers Vietnam LLC. Director, Aqaba Processing Company Ltd (Jordan); Trukai Industries Ltd (PNG); and various other non-operating subsidiaries of SunRice. Director, Ingham's Group Limited. Member, Agribusiness Advisory Board, Rabobank.

Previous appointments
Director, Bread Research Institute of Australia Ltd. Member, Advisory Board, Gresham Private Equity. Deputy Chair, Australian Food and Grocery Council.

For executive experience please refer to the Corporate Management Team profiles on page 47.

John Bradford

Non-executive Director
Grower

MAICD

Mayrung Grower
Director since 2015

Current appointments
Directors' Committees: Chair, Grower Services. Chairman, Trukai Industries Limited (PNG). Member, Rice Marketing Board for the State of NSW.

Previous appointments
Chairman, Southern Riverina Irrigators. Alternate Delegate, Deniliquin Branch, Ricegrowers' Association of Australia Inc.

Luisa Catanzaro

Non-executive
Independent Director
Non-Grower

BComm FCA GAICD

Director since 2018

Current appointments
Directors' Committees: Chair, Finance, Risk and Audit. Member, People and Remuneration; Nomination. Director, The BeCause Movement Foundation Ltd. Ex-Officio Member, Museum of Contemporary Art Australia Finance Committee.

Previous appointments
CFO, Lynas Corporation Limited. CFO and Company Secretary, Dairy Farmers; The Australian Agricultural Company Limited. Senior finance roles, Pioneer International Limited. Senior Audit Manager, Arthur Andersen.

Dr Andrew Crane

Non-executive Independent Director Non-Grower

BSc (Hons) PhD FAICD

Director since 2018

Current appointments

Directors' Committees: Member, Finance, Risk and Audit. Director, Viridis Ag Pty Ltd; Viridis Ag Services Pty Ltd. Chair, Lawson Grains Pty Ltd; RAC WA Holdings Ltd. Chancellor, Curtin University.

Previous appointments

CEO, CBH. Director, CBH Joint Venture, Interflour. General Manager, Strategy and Business Development, CBH; Marketing and Trading, CBH. Various manufacturing, purchasing and international sales roles in the European malting and brewing industry. Member, the Prime Minister's B20 Leadership Group (2014).

Ian Glasson

Non-executive Independent Director Non-Grower

BEng (Hons) MIE Aust GAICD

Director since 2016

Current appointments

Directors' Committees: Chair, People and Remuneration. Member, Finance, Risk and Audit; Nomination. Director, Clover Corporation Limited.

Previous appointments

CEO, PGG Wrightson Ltd; Gold Coin Group/Zuellig Agriculture; Sucrogen. Managing Director, Gresham Rabo Food and Agribusiness PE Fund; International Ingredients Division, Goodman Fielder. Various management and engineering positions in Esso Australia and its parent Exxon.

Gillian Kirkup

Non-executive Director Grower

MAICD

Yanco Grower
Director since 2005

Current appointments

Directors' Committees: Member, Finance, Audit and Risk; People and Remuneration; Nomination. Member, Rice Marketing Board for the State of NSW; Riverina Local Land Services. Representative, Irrigation Research Extension Committee.

Previous appointments

Chairman, Murrumbidgee Irrigation Limited. Member, NSW Agricultural Consultative Committee to the Bureau of Meteorology; Reference panel for the Prime Minister's Working Group on Soil, Water and Food. Director, Basin Community Association; NSW Irrigators' Council. Delegate, National Irrigators' Council.

Acknowledgements

Named one of the Top 100 Women in Australian Agribusiness (2014). Honorary Councillor, Ricegrowers' Association of Australia Inc.

Ian Mason

Non-executive Director Grower

MAICD

Finley Grower
Director since 2017

Current appointments

Directors' Committees: Member, Finance, Risk and Audit; Safety, Health and Environment. Director, Trukai Industries Limited (PNG). Member, Rice Marketing Board for the State of NSW; Southern Growers.

Previous appointments

Chairman, AgriFutures Australia Rice Advisory Panel.

Jeremy Morton

Non-executive Director
(appointed on 22 August 2019)
Grower

MAICD

Moulamein Grower
Director since 2019

Current appointments

Directors' Committees: Member, Grower Services; Safety, Health and Environment. Member, National Irrigators' Council; Ricegrowers' Association Water Committee. Ricegrowers' Association Delegate, National Farmers Federation Water Taskforce.

Previous appointments

President and Chairman, Ricegrowers' Association of Australia. Graduate, Rice Industry Emerging Leaders and Established Leaders Programs; Australian Rural Leaders Program.

Dr Leigh Vial

Non-executive Director
Grower

BAgrSc (Hons) MEc PhD GAICD

Moulamein Grower
Director since 2015

Current appointments
Directors' Committees: Chair, Safety, Health and Environment. Member, Grower Services. Director, Agripak Pty Ltd. Adjunct Fellow, University of Queensland.

Previous appointments
Head of Experiment Station, International Rice Research Institute (Philippines). Representative, AgriFutures Rice Research Committee.

Julian Zanatta

Non-executive Director
(appointed on 22 August 2019)

Grower

MAICD

Benerembah Grower
Director since 2019

Current appointments
Directors' Committees: Member, Grower Services; Safety, Health and Environment.

Previous appointments
Nil.

Glen Andreazza

Non-executive Director
(retired on 22 August 2019)

Grower

Adv Dip Agr FAICD

Willbriggie Grower
Director 2011 – 2019

Current appointments
Councillor, Griffith City Council.

Previous appointments
Mirrool Branch Alternate Delegate, Ricegrowers' Association of Australia Inc.

Mark Robertson

Non-executive Director
(retired on 22 August 2019)

Grower

MAICD

Berriquin Grower
Director 1996 – 2019

Current appointments:
Nil.

Previous appointments:
Director, Trukai Industries Limited (PNG).

Mandy Del Gigante

Company Secretary

Refer to the Corporate Management Team profiles on page 47.

Directors' interests in shares

Directors' interests in A and B Class Shares of Ricegrowers Limited are shown in the Remuneration Report on pages 59 - 73.

Directors' benefits

The Directors have direct dealings with the company on the same terms and conditions that apply to all members whether by contractual arrangements or otherwise. No Director has received or become entitled to receive a benefit by reason of a contract made by the company or a controlled entity with the Director or a firm of which the Director has a substantial financial interest other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the Remuneration Report. Several Directors sit on local boards which have dealings with the rice industry.

Independence of Directors

The Board regularly reviews the independence of each Director, having regard to the ASX Corporate Governance Principles and Recommendations. In accordance with those Principles and Recommendations, a Director will be considered independent if they are a Non-executive Director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the company and its shareholders generally as a whole, rather than in the interest of an individual shareholder or other party.

Each Non-executive Director is required to provide to the Board all information that may be relevant to the assessment of their independence status.

Directors who hold A Class Shares are also rice growers who supply rice to the Group. While these Directors supply rice on the same terms as all other rice growers, the Board recognises that there may be a perception that the rice supply relationship between the Group and these Directors may influence the decision making of these Directors. Accordingly, while they are able to bring an independent judgement to bear on Board decisions, Directors who supply rice to the Group have not been characterised as independent due to this potential perception concern.

Table 4 – Directors' meetings

	Board		Finance, Risk & Audit Committee		Grower Services Committee		People & Remuneration Committee		Nomination Committee		Safety, Health & Environment Committee	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
LJ Arthur*	9	9	5	5	4	4	5	5	5	5		
G Andreazza	3	3			2	2					1	1
J Bradford	9	9			4	4						
L Catanzaro	9	9	5	5			5	5	5	5		
A Crane	9	9	5	5								
I Glasson	9	9	5	5			5	5	5	5		
R Gordon**	9	9	5	5	4	4	5	5	5	5	3	3
G Kirkup	9	9	5	5			5	5	4	5		
I Mason	9	9	2	2	2	3					3	3
J Morton	6	6			2	2					2	2
M Robertson	3	3			1	2					1	1
L Vial	9	9	3	3							3	3
J Zanatta	6	6			2	2					2	2

In addition to the above meetings, Directors met regularly out of session, as required, and weekly during April 2020 in response to the COVID-19 pandemic.

* LJ Arthur is not a member of the Finance, Risk and Audit Committee or the Grower Services Committee however attends meetings
** R Gordon attends all Committee Meetings

G Andreazza and M Robertson retired on 22 August 2019
J Morton and J Zanatta commenced on 22 August 2019

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as SunRice or the Group) consisting of Ricegrowers Limited and the entities it controlled at the end of, or during the financial year ended 30 April 2020.

1. Information on Directors and Company Secretary

Details of the Directors, Company Secretary and their qualifications, including current and previous directorships, are available in the Corporate Governance Overview on pages 53 to 55.

2. Directors' independence, interests in shares, benefits and meetings

Details of the Directors' independence, interests in shares, benefits and attendance at the various meetings held during the year are available in the Corporate Governance Overview on page 56 and the remuneration section of this Director's report.

3. Principal activities

The principal activities of Ricegrowers Limited and its controlled entities consist of the receipt and storage of paddy rice, milling and processing of rice, manufacturing, procurement, distribution and marketing of rice and related products, animal feed and nutrition products and other grocery, gourmet and entertainment food products and the research and development into the growing of rice.

4. Dividends

Dividends distributed to members during the financial year were as follows:

	2020 $000's	2019 $000's
Final dividend for the year ended 30 April 2019 of 33 cents (2018: 33 cents) per outstanding ordinary B Class share	19,212	18,780
Total dividend distributed	19,212	18,780

Since the end of the financial year, the directors have recommended the distribution of a fully franked final dividend of 19,540,000 (33 cents per fully paid outstanding ordinary B Class Share) to be paid on 30 July 2020 out of retained profits at 30 April 2020.

5. Consolidated entity result

The profit before income tax of the Group for the period was $31,110,000 (2019: $48,411,000).

The net profit after income tax of the Group for the period was $22,680,000 (2019: $32,767,000).

The net profit of the Group for the period after income tax and after non-controlling interests was $27,013,000 (2019: $31,498,000).

6. Review of operations

A comprehensive review of operations is set out in the Our Financial Performance and Position section of this Annual Report on pages 17 to 25.

7. Response to COVID-19

As noted in the Corporate Governance Overview section of this annual report (page 56), in addition to regular meetings, the Directors met briefly on an ad hoc basis, as required, and weekly during April 2020, in response to the COVID-19 pandemic. Further details about the Group's response to this event are available in the Our Financial Performance and Position section of this Annual Report on pages 17 and 18.

8. Significant changes in the state of affairs

During the year, the SunRice Group's division, CopRice, completed the acquisition of 100% of the extrusion assets of FeedRite Pty Ltd (FeedRite).

On 8 July 2019, Ricegrowers New Zealand Ltd, a wholly owned subsidiary of Ricegrowers Limited, was incorporated in New Zealand.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial period under review, not otherwise disclosed in the annual report.

9. Events since the end of the financial year

Other than the declaration of a fully franked dividend of 33 cents per ordinary B Class Shares (refer to section 4 of this Directors' Report), the Directors are not aware of any matter or circumstance, since the end of the financial year, not otherwise dealt with in this annual report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

10. Likely developments and expected results of operations

Likely developments in the operations of the Group have been disclosed in the Our Outlook section on pages 45 and 46 of this Annual Report.

11. Environmental regulation

The Group is subject to environmental regulation in respect of its land development, construction and manufacturing activities in Australia and other international operations including:

- Land development planning approvals under the NSW Environmental Planning and Assessment Act 1979 and Development Victoria Act 2003; and
- Compliance with Protection of the NSW Environment Operations Act 1997, Victoria Environment Protection Act 2017, the NSW Environmentally Hazardous Chemicals Act 1985, the Waste Avoidance and NSW Resource Recovery Act 2001, QLD Environmental Protection Act 1994, California Environmental Quality Act (CEQA) 1970, PNG Environment Act 2000 and Jordan Environmental Protection Law No. 52 of 2006.

SunRice has 18 registered Environmental Protection Authority (EPA) licenses in NSW, one in California, USA and one Development Approval in Queensland requiring annual returns.

All Australian sites completed and submitted their annual returns during the financial year, and:

- Any complaints received in relation to environmental issues were and continue to be investigated and action plans were and continue to be implemented to reduce the impact of the SunRice Group's activities.
- Any non conformances were managed through the internal compliance management system
- Three pollution reduction programs have been completed at the licensed facilities, two at Leeton CopRice Mill and one at Leeton Mill (one at Leeton CopRice Mill and one at Leeton Mill were opened and closed in the same reporting year)

Greenhouse gas and energy data reporting requirements

The Group is subject to the reporting requirements of the Australian National Greenhouse and Energy Reporting (NGER) Act 2007.

SunRice assessed its Australian energy usage and submitted its Australian National Greenhouse and Energy Report to the Clean Energy Regulator during the year, reporting on scope 1 and 2 emissions within Australian Operations. The following table reports outcomes for the past five years.

Financial Year	AU Gigajoules of energy#	AU TCO2e Scope 1,2 Emissions#	Non AU SRG TCO2e Scope 1,2 Emissions*
2014-2015	543,226	99,274	N/A
2015-2016	424,349	68,461	N/A
2016-2017	422,923	71,152	N/A
2017-2018	487,956	84,547	25,099
2018-2019	385,456	60,021	35,845

#SunRice NGER Report for 2018-2019 taxation financial year
**SunRice Group (SRG) Sourced from SunRice Sustainability Data 2018-2019 crop year - non Australian Emissions may be subject to variations*
Note: at the time of publishing this report, 2019-2020 data is not yet available

12. Remuneration report (audited)

Message from the Chairman of the People and Remuneration Committee

Dear A and B Class Shareholders,

On behalf of the People and Remuneration Committee of the SunRice Board, I am pleased to present the Remuneration Report for the FY2020 Financial Year. As outlined earlier in this Annual Report, FY2020 was an extraordinary year for the Group. However, in the face of a range of challenges including deteriorating conditions in key global markets (particularly in the Pacific), continued small Riverina crops, and impacts of COVID-19, the Group's Management team achieved strong results against agreed objectives and targets and continued to deliver value for both A and B Class Shareholders.

The Board has carefully considered its remuneration arrangements and determined they are appropriate to drive performance of the business and delivery of value to A and B Class Shareholders into the future. We will be engaging with A and B Class Shareholders in the lead up to the 2020 AGM in relation to this report.

FY2020 remuneration outcomes

The outcomes set out below reflect the strong performance of the Management team in delivering against agreed objectives in the face of the difficult circumstances the Group encountered in FY2020.

Specifically, despite the significant headwinds discussed above, the Management team demonstrated enormous effort in achieving or exceeding most agreed objectives and targets. This included delivering Group Net Profit After Tax, declaring a fully franked dividend for our Shareholders in line with the prior year, and continuing to execute against the 2022 Growth Strategy. Examples included activating new global supply chains, developing new innovative product offerings across multiple segments and expanding production capabilities. The Group also offered high fixed price contracts to Riverina growers in FY2020, which ensured plantings for the 2019 crop year in the face of high water prices, low water allocations and continued drought. The Board was also pleased to see a recovery in the share price since mid-way through FY2020 and maintained throughout the global COVID-19 pandemic.

Whilst the Management team has been able to deliver strong overall Group performance through global initiatives, it has been a difficult year in some of the Australian and Pacific businesses. Accordingly, Short Term Incentive payments were below target in those areas.

Market-related increases on average were applied to Key Management Personnel (KMP) fixed remuneration during the reporting period, in line with our remuneration philosophy to reward high performance.

It is the first year of Long Term Incentive (LTI) vesting since the reintroduction of equity plans in FY2017. We are pleased to award the first participant group an LTI outcome reflective of the Group's strong performance over the past three years despite the drought and external challenges that SunRice has faced over this period. The Board remains committed to continuing to review the progress against the LTI performance conditions and the importance of retaining critical talent at SunRice.

New LTI Plan for the CEO

The Board considers equity incentive plans an important tool to attract, retain and motivate talented senior executives, particularly in the current challenging environment impacted by consecutive years of extremely small Riverina rice crops, COVID-19 and deteriorating conditions in key markets, particularly in the Pacific.

The Board has determined that with the conclusion of CEO Rob Gordon's current LTI performance period on 30 April 2021, it is imperative to put in place the next LTI Plan to retain and appropriately incentivise the CEO. Accordingly, the Board has invited Mr Gordon to participate in a new three-year LTI plan commencing on 1 May 2021. Since commencing as CEO in 2012, Mr Gordon has demonstrated strong leadership to SunRice through increases to paddy prices paid to Riverina growers and strong financial performance in both favorable and challenging market conditions. Mr Gordon also oversaw the successful listing of the SunRice Group on the Australian Securities Exchange in April 2019. Mr Gordon has also developed the 2022 Growth Strategy, to further diversify earnings and deliver increased value to both A and B Class Shareholders, and is now leading execution of that strategy. This includes leveraging SunRice's strong balance sheet to continue pursuing value-accretive merger and acquisition opportunities. He has also diversified SunRice's international rice sourcing capabilities to ensure growing global demand for branded products can be met across its approximately 50 international markets.

The Board will be seeking approval for the granting of B Class Share rights to Mr Gordon under the FY2022-FY2024 LTI Plan at a B Class Shareholder meeting to be held after the SunRice Group's 2020 AGM. On behalf of the SunRice Board and People and Remuneration Committee, I invite you to read the FY2020 Remuneration Report and welcome your feedback.

Ian Glasson
Chairman, People and Remuneration Committee

Executive Summary

At SunRice, our remuneration strategy is designed to create value for our shareholders by aligning the Total Rewards Strategy to the achievement of business goals determined in the context of our long term strategy.

Rewards Philosophy

At SunRice:

- We attract, motivate, engage and retain talented employees who deliver on our strategic goals and that of our shareholders, rice growers, and the communities in which we operate.
- We meaningfully differentiate rewards based on individual performance and behaviours, team and cross-functional contribution, business and grower mindset, company affordability and market positioning.
- We offer competitive Total Packages, aligned with a globally consistent framework, yet adapted to changing local business conditions.
- Our value proposition across our diverse workforce is unique with opportunities aligned with being an Australian owned, global organisation.
- Our strategy is underpinned by fairness and consistency in our approach and we aim to be at the forefront of our competitors.
- We care for our employees and provide opportunities to strengthen their health and well-being.
- We retain and develop key talents who deliver on our long-term strategy and demonstrate career potential in areas critical to our long-term strategy.
- We recognise employees who Make a Difference.

Outline of this Remuneration Report

The Remuneration Report has the following sections:

- Overview
- Key Management Personnel
- Remuneration Governance at SunRice
- Executive Remuneration Policy and Framework
- Remuneration Tables
- Remuneration of non-executive Directors
- Shareholdings and other mandatory disclosures
- Voting and comments made at Ricegrowers Limited's Annual General Meeting

This Remuneration Report has been audited and prepared in accordance with the requirements of the Corporations Act 2001.

Five-year financial performance

SunRice aims to align our executive remuneration to our strategic objectives and the creation of shareholder wealth. The table below sets out the measures that show the Group's financial performance over the past five years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to Key Management Personnel (KMP) as outlined in section 12.4. Therefore, there may not be a direct correlation between the statutory related key performance measures and the variable remuneration awarded.

	2020	2019	2018	2017	2016
Group NPBT ($000s)	31,110	48,411	62,862	40,289	73,172
Medium Grain Paddy Price ($/t)	500.00	411.19	378.66	415.00	403.60
Basic Earnings per B Class Share (cents)	45.8	54.5	75.9	61.3	88.0
Return on Capital employed (%) (1)	6.6%	9.9%	15.1%	10.3%	15.1%
Dividend (cents per B Class Share)	33.0	33.0	33.0	33.0	33.0
Increase / decrease in share price (%)	-20.8%	62.9%	-6.8%	1.9%	-8.7%
Average STI payment as a % of target STI opportunity for Key Management Personnel (2)	156.2%	113.1%	135.3%	26.7%	83.7%

1. Return On Capital Employed is defined as the ratio of Profit Before Income Tax and Interest to Net Assets excluding Cash and Borrowings.
2. SunRice Chief Executive Officer is excluded and participates under a separate STI plan.

12.1 Overview

The Directors are pleased to provide shareholders with this Remuneration Report for the year ended 30 April 2020, which outlines the Board's approach to remuneration for Non-executive Directors, the Executive Director and other KMP.

In accordance with the Constitution of Ricegrowers Limited, certain Directors are appointed as Directors of the Company based on their status as elected members of the Rice Marketing Board (RMB).

The information in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

12.2 Key Management Personnel

For the purpose of this Remuneration Report, the term 'Executive' is used to describe current and former Executives of the Group listed below (including the Executive Director). These Executives, in addition to the Non-Executive Directors represent the KMP of the Group for the 2020 financial year (FY2020), being persons who, during the year, had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly (as defined under Australian Accounting Standards). The KMP of the Group for the year ended 30 April 2020 were:

Name	Position
A. Current Directors (including the Executive Director)	
LJ Arthur	Non-executive Director and Chairman
RF Gordon	Executive Director and Chief Executive Officer
GA Andreazza (retired August 2019)	Non-executive Director
JMJ Bradford	Non-executive Director (RMB elected member)
L Catanzaro	Non-executive Director (Independent)
AJ Crane	Non-executive Director (Independent)
ID Glasson	Non-executive Director (Independent)
GL Kirkup	Non-executive Director (RMB elected member)
JJ Morton (appointed August 2019)	Non-executive Director
IR Mason	Non-executive Director (RMB elected member)
DM Robertson (retired August 2019)	Non-executive Director
LK Vial	Non-executive Director
JL Zanatta (appointed August 2019)	Non-executive Director
B. Current Executives	
DC Courtelis	Chief Financial Officer
DJP Keldie	General Manager, Global Consumer Markets

12.3 Remuneration Governance at SunRice

The People and Remuneration Committee conducts a regular review of the Company's remuneration policy and structure to ensure it remains aligned to business needs and meets our remuneration principles.

From time to time the Committee engages external remuneration consultants to assist with this review as outlined below. The Committee is responsible for making recommendations to the Board in respect of Directors' and Executives' remuneration, however makes no formal decisions on behalf of the Board. Committee members are outlined in the Corporate Governance Overview section of this report on pages 53 to 55 and the People and Remuneration Committee Charter is available on the Group's website.

Remuneration Consultants

In line with the Rewards strategy, Deloitte and Guerdon Associates were approved by the People and Remuneration Committee to provide market benchmarking on the Executive Remuneration Framework and in particular the incentive schemes and policies.

The information is being considered as part of reviewing the effectiveness of the incentive schemes and the upcoming Long Term Incentive Plan and Employee Share Scheme to ensure SunRice remains competitively positioned and able to attract and retain our Executive talent through what has been and continues to be a challenging period due to the ongoing drought conditions and worldwide COVID-19 pandemic.

For the purposes of the Corporations Act, it is noted that the consultants did not provide remuneration recommendations.

Corporate Governance

Further information on the Committee's responsibilities and the Group's governance practices can be found in our Corporate Governance Statement, as available on the Group's website.

12.4 Executive Remuneration Policy and Framework

The Remuneration Strategy, as approved by the Board for implementation during the FY2020 reporting period, provided guidance and parameters for governing Executive remuneration. The Board recognises that to deliver the Company's strategy for growth, the Group needs to attract, motivate and retain high-quality employees and Executives. The Remuneration Framework outlined below is designed to fit the objectives of the Group, having regard to the size and complexity of the Group's operations.

SunRice Business Strategic Goals – SunRice's 2022 Growth Strategy

The Remuneration Framework has been designed to support the SunRice 2022 Growth Strategy., an outline of which is available on pages 13 and 14 of this annual report.

Remuneration Framework for the FY2020 reporting period

Total Fixed Remuneration (TFR)	Variable 'at risk' remuneration	
Total Fixed Remuneration	**Short Term Incentive (STI)**	**Long Term Incentive (LTI)**
Set at a competitive level to attract, retain and maintain engagement at all levels, with superior offerings for our key talents and employees considered critical to the long-term growth of the company. Remuneration takes into consideration: ▪ Size and complexity of the role ▪ Skills and competencies needed to generate results ▪ Internal and external alignment ▪ Performance of the Company, and individual ▪ Succession planning and retention. In some circumstances, the local economic and market conditions may require further refined market positioning.	Aligned to the achievement of SunRice's business objectives measured over the short term. Details of the Chief Executive Officer's STI plan are outlined in section 12.4.4. For participants in the Group STI Plan, financial and non-financial KPIs based on performance goals consist of: ▪ Maximising Paddy Prices for growers, net profit after tax across the Group and net profit before tax within each Business Unit or Subsidiary ▪ Business Unit/Subsidiary specific targets that focus on functional KPIs, quality and conversions costs ▪ The achievement of Safety, Health and Environment targets ▪ Individual performance aligned with the performance management philosophy of measuring both the 'what' and 'how'.	The Chief Executive Officer, Executives and key individuals are eligible to participate in LTI plans that are focused on the achievement of targets set by the Board over a three-year period. It is reflective of building long-term value for the organisation and its shareholders.

Total Rewards Strategy

The Total Rewards Strategy supports the Business and People and Culture strategy to:

- Deliver on our Rewards Philosophy and Total Rewards Strategy whilst supporting the Group with achieving our SunRice strategic goals
- Build great foundations for leaders to have the knowledge, processes and tools to make informed rewards decisions
- Flex our strategic offer as required locally in our ever-changing global workforce
- Consider opportunities for thought leadership whilst aligning the financial interests of executives and shareholders
- Ensure our strategy balances risk and reward to deliver ongoing company sustainability and growth
- At all times, embed our values, in "what" we do and "how" we do it.

The strategy is delivered across all aspects of our SunRice Total Rewards offer including:

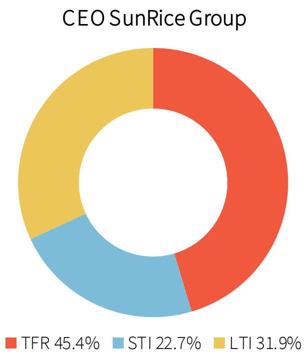
- Remuneration;
- Incentives;
- Benefits;
- Health and Well-being;
- Recognition; and
- Career Paths.

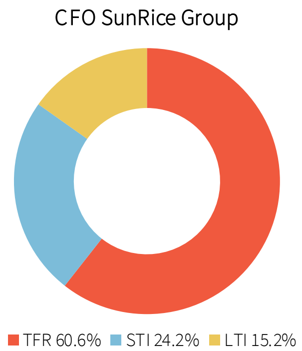
The Total Rewards offer aims to provide a competitive offer across all aspects of Total Rewards, inclusive of all life stages and accommodating of a diverse workforce.

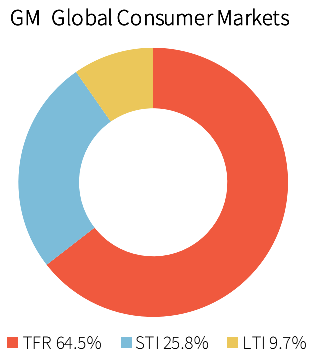
12.4.1 Remuneration mix

The Board believes it is appropriate to have a Remuneration Framework that comprises a fixed salary component as well as an at-risk component comprising short and long-term incentives.

The Group's mix of fixed and "at risk" components for the KMP as at the end of the FY2020 reporting period, expressed as a percentage of total target reward, are as follows:







12.4.2 Total Fixed Remuneration

Total Fixed Remuneration (TFR) includes base salary, superannuation plus other short-term benefits and/or allowances.

Executives may elect to take a range of benefits as part of their remuneration package, including novated leased vehicle, additional superannuation or remote housing subsidy (where applicable).

The Group's remuneration policy is to offer competitive Total Fixed Remuneration and utilise 'at risk' variable pay to reward outstanding performance and contribution.

The remuneration offer for employees targeted as our "talent group" is at a more attractive position as part of the Total Rewards philosophy, including LTI and career development opportunities where appropriate nationally and/or internationally.

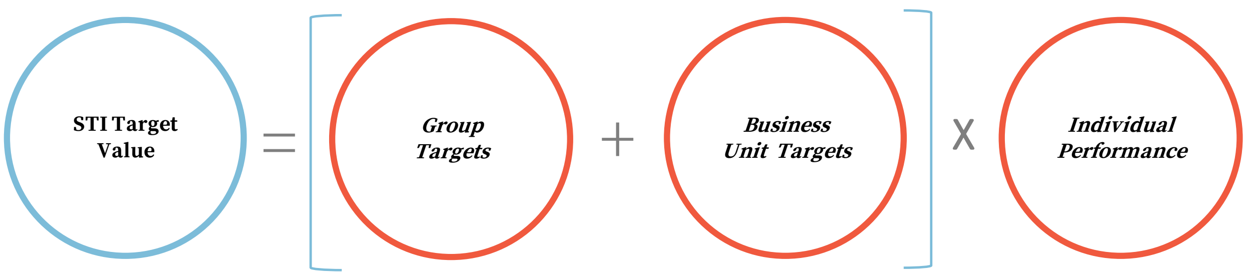
12.4.3 Short-Term Incentive (STI) plan

The STI component of remuneration is a cash plan focused on rewarding participants for the delivery of financial and non-financial measures required to achieve the Group's critical business objectives.

The Directors rigorously test the annual STI performance measures to ensure the performance required to achieve "on target" results is appropriately stretching.

To continue the key focus on driving a safe working culture, the Directors approved additional Safety metrics as part of the FY2020 STI plan.

The overall structure of the FY2020 STI plan is illustrated below:



The Chief Executive Officer participates in a separate STI plan, the details of which are outlined at section 12.4.4.

Executives STI Plan

Objectives	1. Support SunRice's annual strategic goals by rewarding Executives for the achievement of objectives directly linked to the business strategy. 2. Drive short-term Company performance with acceptable risk and appropriate governance. 3. Be market competitive, ensuring SunRice is able to compete to attract and retain high quality talent to continue to improve the Group's performance.
Eligibility	KMP (excluding the Chief Executive Officer), Executives and Leaders
Instrument	Cash
Opportunity	Target: 40% of TFR for the Chief Financial Officer, and 40% of TFR for the General Manager Global Consumer Markets, with a stretch component for outperformance applicable. Target opportunity for other eligible employees varies based on job level.
Performance period	1 May 2019 to 30 April 2020
Assessment of performance	Each period, KPIs are selected for both Group and business unit measures and sub-measures of performance. The weighting of KPIs reflects the individual Executive roles and responsibilities. KPIs are focused on the improvement in profit, maximisation of return to growers and strategic and operational goals. Executive KMP KPIs for FY2020 were:

	Weighting	Link to strategy	Detail
Adjusted Group Net Profit After Tax (NPAT)	40%–50%	Strong financial growth will lead to sustainable returns to shareholders.	Awarded on a straight-line performance approach between 95% of target (at which point 50% is awarded) and 110% of target (at which point stretch is applicable).
Business Unit specific KPIs	40%–50%	Strong financial and/or non-financial performance in each Business Unit leads to strong overall results and greater returns for shareholders.	Each Executive is set targets for their respective Business Unit and key drivers for success. Stretch is applicable.
Business Unit – Safety, Health & Environment (SHE)	10%	SunRice is committed to achieving Zero Harm. Achieving this goal is important in ensuring the sustainable success of our business.	SHE targets for each Business Unit, vary based on key priorities, including measuring a decrease in Total Recordable Injury Frequency Rate and/or the focus on lead indicators. Leaders also have leadership safety activities to proactively drive a safety focused culture. Stretch is applicable.
Total	**100%**	**At target – excluding stretch**	
Individual Performance (as a Multiplier)	0%-150%	The continuous development of our leadership team is imperative to ensuring the Group continues to adapt to strategic challenges.	Each Executive is set individual performance measures relating to their role as an individual contributor. The final performance rating correlates to a percentage of between 0% and 150% (100% equivalent to achieving performance). This percentage is then multiplied with the overall total achievement (including stretch) of adjusted Group NPAT, Business Unit KPIs and SHE KPIs to determine a final outcome.

Assessment	The People and Remuneration Committee reviews the performance assessment of each Executive, and recommends the STI payments to the Board committee for approval.

12.4.4 FY2020 Chief Executive Officer STI Plan

The Chief Executive Officer participates in a cash settled STI plan. The Chief Executive Officer's target STI opportunity is 50% of TFR and may increase to 150% of TFR where stretch performance outcomes for the year have been achieved.

The People and Remuneration Committee reviews and approves the Chief Executive Officer's annual performance assessment and STI payments at the end of the performance period. Details of the Chief Executive Officer's KPIs, relative weighting and key achievement outcomes for FY2020 are outlined below:

Objective	Rationale link to strategy	STI measurement	Total Value (excluding stretch) Percentage	FY2020 CEO STI Achievement
#1 Maximise Grower Returns	Developing a plan for a sustainable Riverina cost base that maximises Grower returns	An approved plan and progress on identifiable steps to maximise the crop	25%	Achieved stretch performance
#2 Maximise Group Net Profit After Tax (NPAT)	Strong financial growth will lead to sustainable returns to B Class Shareholders	Group NPAT	25%	Achieved stretch performance
#3 Ensure the Welfare and Safety of our People	Creating a safe workplace is essential to ensure sustainable business performance	Completion of proactive Safety measures including Leadership activities, Action Register Closure rates, and Compliance Activity Completion rates	10%	Achieved 91% outcome
#4 Successful launch, profile and investor relations with ASX listing	Successful ASX listing with appropriate investor relations program	Various KPIs determined by the Board	15%	Achieved Target
#5 Successful delivery of the M&A agenda	Achieving successful acquisition, expansion and operational set up to deliver on growth agenda	Various KPIs determined by the Board	25%	Achieved Target
			100%	1,044,613

12.4.5 FY2020 STI Outcomes

The outcomes of the STI plan reflect a strong delivery against targets in FY2020, resulting in stretch achievements on NPAT. Business Unit specific KPI results, as well as Safety outcomes for both the CFO and GM, Global Consumer Markets also resulted in stretch payouts. Taking into consideration the Individual Performance element that impacts the overall STI results for the KMP (excluding the CEO), the payouts outlined below were achieved from a potential 187.5% maximum opportunity:

KMP	Target STI opportunity $	As a % of TFR	STI Outcome $	% Achieved	% Forfeited
Chief Executive Officer	$700,613	50%	$1,044,613	149%	-
Chief Financial Officer	$270,000	40%	$421,875	156%	-
General Manager - Global Consumer Markets	$200,200	40%	$312,812	156%	-

12.4.6 Long-Term Incentive (LTI) plan

The LTI plan is an equity-based plan, whereby eligible participants are invited to accept B Class Share rights that will vest over a three-year term, subject to the achievement of performance hurdles and service criteria.

LTI plans are expected to be granted annually to reward superior performance and the achievement of long-term goals and encourage retention of critical key talent. LTI components are consistent across all Executive plans.

Executive LTI Component

Eligibility	Executives and other employees invited to participate.
Instrument	Equity.
Performance period	Three-year performance period commencing 1 May of the first year of the performance period.
Performance hurdles	The Board selected relevant performance measures to align with increased shareholder value and growers' interest applicable for each plan. B Class share rights will lapse if performance conditions are not met.
Vesting schedule	Performance is assessed over the three-year period and vests at the end of the performance period (with shares issued immediately following release of the audited financial results).
Termination	The Board retains discretion to cancel any unpaid, unvested or deferred LTI in part or in full in the event of financial misstatements. B Class Share rights will be forfeited on cessation of employment unless the Board determines otherwise.

12.4.7 Details of Executive (and other eligible employees) LTI Plans

	FY2018-FY2020 LTI plan	FY2019-FY2021 LTI plan	FY2020-FY2022 LTI plan
Quantum	Quantum is determined based on a target percentage of Total Fixed Remuneration and the B Class Share price applicable to the 2018 Grower Share Purchase Plan ($3.92). Total plan participants (including KMP): 155,350 B Class share rights granted. Chief Financial Officer (KMP): not eligible General Manager Global Consumer Markets (KMP): 24,400 B Class Share rights granted.	Quantum is determined based on a target percentage of Total Fixed Remuneration, and the volume weighted average price (VWAP) of B Class Shares traded on the NSX over the last five days prior to 1 May 2018, being the commencement of the performance period ($3.99). Total plan participants (including KMP): 204,890 B Class Share rights granted. Chief Financial Officer (KMP): 40,730 B Class Share rights granted. General Manager Global Consumer Markets (KMP): 19,000 B Class Share rights granted.	Quantum is determined based on a target percentage of Total Fixed Remuneration, and the VWAP of B Class Shares traded on the ASX over the last five days prior to 1 May 2019, being the commencement of the performance period ($6.58). Total plan participants (including KMP): 175,050 B Class Share rights granted. Chief Financial Officer (KMP): 25,660 B Class Share rights granted. General Manager Global Consumer Markets (KMP): 11,410 B Class Share rights granted.
Grant date	16 March 2018	1 October 2018	1 August 2019
Performance period	1 May 2017 to 30 April 2020	1 May 2018 to 30 April 2021	1 May 2019 to 30 April 2022
Fair Value of B Class Share rights granted	The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class Shares on that date ($4.00) less the present value of expected dividends that will not be received by the participants on their B Class Share rights during the three year vesting period, resulting in the fair value (for accounting purposes) of $3.15.	The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class Shares on that date ($7.20) less the present value of expected dividends that will not be received by the participants on their B Class Share rights during the three year vesting period, resulting in the fair value (for accounting purposes) of $6.33.	The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class Shares on that date ($4.80) less the present value of expected dividends that will not be received by the participants on their B Class Share rights during the three year vesting period, resulting in the fair value (for accounting purposes) of $3.93.
KPIs included in Performance hurdles	50% financial measures: • Total Net Profit Before Tax • Return on Capital Employed (ROCE) 50% strategic measures determined in line with the Group's strategic initiatives and long-term objectives.	50% financial measures: • Return on Capital Employed (ROCE) • Maximising Grower Return over time. 50% strategic measures determined in line with the Group's strategic initiatives and long-term objectives.	20% Achievement of the progress on the 2022 Growth Strategy, including International and Riverina priorities or M&A long term growth strategy (as applicable) 20% Realisation of unadjusted Earnings Per Share (EPS) growth 20% Maximisation of Grower Return over time or launch of products in new markets (as applicable) 20% Strategic review refresh 20% People and High performance culture objectives
Vesting schedule	Performance is assessed over the three-year period from 1 May 2017 to 30 April 2020 and vests on 30 April 2020 (with B Class Shares issued immediately following release of the audited financial results).	Performance is assessed over the three-year period from 1 May 2018 to 30 April 2021 and vests on 30 April 2021 (with B Class Shares issued immediately following release of the audited financial results).	Performance is assessed over the three-year period from 1 May 2019 to 30 April 2022 and vests on 30 April 2020 (with B Class Shares issued immediately following release of the audited financial results).
Forecasted/Actual vesting	Based on the achievement of the performance hurdles for the overall plan and participating KMP, the LTI B Class Share rights vested at 99.8%, resulting in a 0.2% forfeiture.	The vesting for KMP based on the current status of the performance hurdles for the overall plan, is anticipated to be 75%, resulting in an expected 25% forfeiture.	The vesting for KMP based on the current status of the performance hurdles for the overall plan, is anticipated to be 100%, resulting in an expected 0% forfeiture.

12.4.8 FY2019-FY2021 Chief Executive Officer LTI Plan

In accordance with the Chief Executive Officer's employment contract, the Board invited the Chief Executive Officer to participate in the FY2019-FY2021 LTI in the form of B Class Share rights.

Chief Executive Officer LTI Component

Eligibility	Group Chief Executive Officer only.
Instrument	Equity.
Quantum	Quantum is determined based on a maximum incentive opportunity expressed as a percentage of Total Fixed Remuneration. The target percentage was 72.9% of the CEO's fixed remuneration on 1 May 2018. 507,932 B Class Share rights were granted. The Board at the time, also issued 507,932 unallocated B Class Shares to the Ricegrowers Employee Share Trust in anticipation of the expected B Class Share requirements at the end of the performance period, assuming 100% of the B Class Share rights will vest. Any B Class share rights that do not vest may be used for future allocations as required (the decision to apply this approach for the CEO was based on the large quantity of B Class Shares that may vest at the end of the performance period, unlike the Executives and other eligible employees' plan, where the quantum was significantly less and likely to see increased forfeiture due to employees who may terminate prior to the B Class Shares vesting).
Performance period	Three-year performance period from 1 May 2018 to 30 April 2021.
Grant date	11 January 2019.
Fair Value of B Class Share rights granted	The fair value of the B Class Share rights at grant date was estimated by taking the market price of the Company's B Class Shares on that date ($5.70) less the present value of expected dividends that will not be received by the Chief Executive Officer on his B Class Share rights during the three-year vesting period, resulting in the fair value (for accounting purposes) of $4.83.
Vesting schedule	Performance is assessed over the three-year period from 1 May 2018 to 30 April 2021 and vests on 30 April 2021 (with shares issued immediately following the release of the audited financial results for the FY2021 financial year).
Termination	The Board retains discretion to cancel any unpaid, unvested or deferred LTI in part or in full in the event an act of fraud, misconduct, or where there has been deliberate and material financial misstatement in the Company's accounts. B Class Share rights will be forfeited on cessation of employment unless the Board determines otherwise.
Performance hurdles	The Board has selected the following performance measures to ensure that the Chief Executive Officer's remuneration is aligned with increased shareholder value and growers' interests: • 40% Achievement of the progress on the five-year strategic plan from 2017 to 2022. • 15% Realised Adjusted Earnings Per Share (EPS) growth • 15% Maximise Grower Return over time to achieve budgeted price per paddy tonne • 10% Strategic Growth – measured by the refresh of the SunRice Group's strategic direction post 2022 • 20% People and Culture - KPIs include culture and Executive development and succession planning B Class Share rights will lapse if performance conditions are not met.
Forecasted vesting	Based on the current status of the performance hurdles, it is anticipated that the LTI B Class Share rights will vest at 100%. 0% forfeiture is anticipated at present.

12.4.9 FY2022-FY2024 Chief Executive Officer LTI Plan

With the CEO's current LTI performance period ending on 30 April 2021 (with vesting to occur on 30 April 2021 and shares issued immediately after the release of the FY2021 audited financial results), it is imperative that the Board puts in place the next LTI Plan to retain and appropriately incentivise the CEO.

The Company considers equity incentive plans an important tool to attract, retain and motivate talented senior executives, particularly in the current challenging environment impacted by consecutive years of drought and the global COVID-19 pandemic.

In line with previous LTI Plans, the Board has invited the CEO to participate in a new three year LTI plan commencing on 1 May 2021. Under the new plan, B Class Share rights will vest in two stages subject to service and performance criteria, to ensure continued focus and alignment with increased shareholder value and grower's interests, similar to the current LTI plan.

Approval for the grant of B Class Share rights to the CEO under the FY2022-FY2024 LTI plan will be sought at the 2020 B Class Shareholder Meeting to be held after the Ricegrowers Limited 2020 Annual General Meeting. Details of the proposed LTI plan will be included in the Notice of B Class Meeting.

12.4.10 Employee Share Scheme (ESS) (myShare Plan)

Following the Board's approval in September 2017, the following offers under the Employee Share Scheme (ESS) to eligible employees who are Australian Tax Residents have been made:

Employee Share Scheme (ESS)

Instrument	The plan operates by way of either an after-tax employee payroll contribution with a company matching arrangement for either $250, $500, $750 or $1,000, and /or employees having the option to salary sacrifice between $1,000 and $5,000 (in specified increments), to purchase B Class Shares from their pre-tax salary. A $7,000 limit per employee applies including the company matching portion.	
Offer	September 2018 Offer	September 2019 Offer
Grant Date	24 September 2018	16 September 2019
Issue Price	$5.82, based on the Volume Weighted Average Price of B Class Shares traded on the NSX over the last five days on which B Class Shares were traded prior to 28 June 2018. Due to the matching offer in the plan, no discount was applied.	$5.72, based on the Volume Weighted Average Price of B Class Shares traded on the ASX over the last five days on which B Class Shares were traded prior to 3 July 2019. Due to the matching offer in the plan, no discount was applied.
B Class Shares issued	136,418 B Class Shares including the following B Class Shares for KMP who elected to participate in the ESS: 1,201 B Class Shares issued to the Chief Executive Officer, 1,201 B Class Shares issued to the Chief Financial Officer and 1,201 B Class Shares issued to the General Manager - Global Consumer Markets. This also included 33,337 B Class Shares issued under the matching arrangement of the plan, of which: 171 were issued to the Chief Executive Officer, 171 were issued to the Chief Financial Officer and 171 were issued to the General Manager - Global Consumer Markets.	53,300 B Class Shares including the following B Class Shares for KMP who elected to participate in the ESS: 348 B Class Shares were issued to the Chief Financial Officer and 348 B Class Shares were issued to the General Manager - Global Consumer Markets. This also included 20,534 B Class Shares issued under the matching arrangement of the plan, of which: 174 were issued to the Chief Financial Officer and 174 were issued to the General Manager - Global Consumer Markets. 1,222 B Class Shares were purchased on market for the Chief Executive Officer. This included 174 B Class Shares under the company matching arrangement.

12.5 Remuneration tables

	Short term benefits				Post-employment benefits (4)	Long term benefits			
Name	**Cash Salary and Fees $**	**Cash Bonus (2) $**	**Non-Monetary Benefits (1) $**	**Annual and Long Service Leave (3) $**	**Super-annuation $**	**Share-based Payments (2) $**	**Other Long-Term Benefits (2) $**	**Total Paid and Payable $**	**Performance related %**
R Gordon									
2020	1,380,301	1,044,613	9,486	69,156	20,924	818,766	-	3,343,246	**56%**
2019	1,329,650	659,451	9,223	16,812	21,450	818,766	-	2,855,352	52%
D Courtelis									
2020	654,076	421,875	9,486	37,722	20,924	99,065	-	1,243,148	**42%**
2019	629,549	398,505	9,223	24,212	20,451	65,450	-	1,147,390	40%
D Keldie									
2020	479,576	312,812	9,486	4,372	20,924	75,568	-	902,738	**43%**
2019	470,227	222,340	9,223 -	8,485	20,451	52,584	-	766,340	36%

1. Non-monetary benefits include benefits such as car parking and fringe benefits tax. In some cases, these are at the election of the Executives (salary sacrifice).
2. Cash bonus, Share based payments and other long term benefits are impacted by performance.
3. Annual and Long Service Leave represents the change in provisions during the reporting period.
4. There were no Termination benefits to be reported on.

12.6 Remuneration of Non-executive Directors

The Board sets Non-executive Director remuneration at a level that enables the attraction and retention of Directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

The remuneration of the Non-executive Directors is determined by the Board on recommendation from the People and Remuneration Committee within a maximum fee pool.

Non-executive Directors receive a base fee and statutory superannuation contributions. Non-executive Directors do not receive any performance based pay.

Non-executive Director (NEDs) Remuneration Fees

In setting remuneration, the People and Remuneration Committee undertakes an annual process to ensure:

- Remuneration is reflective of the market and historically has taken into consideration comparator companies and peers within the FMCG, agribusiness and rural sector; and
- Financial interests of non-executive Directors and shareholders are aligned.

Fee pool

The maximum amount of fees that can be paid to Non-executive Directors is capped by a pool approved by shareholders.

At the 2019 Annual General Meeting, shareholders approved the current fee pool of $1,500,000 per annum.

The total fees paid in the reporting period (including superannuation contributions in respect of Directors' remuneration and excluding payments made by Trukai Industries Limited which are excluded from the pool) was $1,082,787 (utilising 72% of the total fee pool).

Directors attending to the business of the Group are reimbursed for the reasonable cost of travel and reasonable out of pocket expenses. These costs are excluded from the Director Fee Pool.

Directors FY2020 fee structure

The Directors' fees (excluding superannuation) for FY2020 are set out in the table below.

	Chair fee $	Member fee $
Board	180,547	77,367
Finance, Risk and Audit Committee	16,166	8,083
People & Remuneration Committee	13,105	7,489
Grower Services Committee	8,083	4,042
Safety Health and Environment Committee	8,083	4,042
Nomination Committee	-	-

Non-executive Directors of the SunRice Group who are Directors of Trukai Industries Limited also received annual Director Fees for their roles in recognition of the additional workload associated with travel to and management of an operation based in Papua New Guinea. The Chairman is entitled to an annualised fee of $10,660 (PGK 25,000) and the Member an annualised fee of $8,528 (PGK 20,000).

Non-executive Director Statutory Remuneration

The table on the next page outlines the aggregate of all Directors' fees received by a Director in respect of the SunRice Group and any of its subsidiaries (including Trukai Industries Limited) during the current and previous reporting periods.

Current Directors	Short term benefits Cash Salary and Fees $	Cash Salary and Fees Other Controlled Entities $	Post-employment benefits Superannuation $	Total $
LJ Arthur				
2020	180,547	-	17,152	197,699
2019	176,143	-	16,734	192,877
L Catanzaro				
2020	101,022	-	9,597	110,619
2019	59,182	-	5,622	64,804
A Crane				
2020	85,450	-	8,118	93,568
2019	48,860	-	4,642	53,502
I Mason (1)				
2020	86,798	3,146	8,246	98,190
2019	88,625	-	8,419	97,044
GL Kirkup				
2020	92,939	-	8,829	101,768
2019	90,672	-	8,614	99,286
JM Bradford (2)				
2020	85,450	10,660	8,118	104,228
2019	83,367	6,845	7,920	98,132
LK Vial				
2020	88,851	-	8,441	97,292
2019	91,254	-	8,669	99,923
I Glasson				
2020	98,555	-	9,363	107,918
2019	96,152	-	9,134	105,286
JJ Morton (3)				
2020	57,671	-	4,989	62,660
2019	-	-	-	-
JL Zanatta				
2020	57,671	-	5,479	63,150
2019	-	-	-	-
Former Directors				
GA Andreazza				
2020	27,797	-	2,641	30,438
2019	87,310	-	8,294	95,604
DM Robertson (4)				
2020	26,542	3,565	2,521	32,628
2019	85,609	7,492	8,133	101,234
GF Latta AM				
2020	-	-	-	-
2019	37,781	-	3,589	41,370

1. Pro rated Fees paid reflect time as Member of the Directors of the Trukai Industries Limited Board.
2. Fees paid as Chairman of the Directors of the Trukai Industries Limited Board for the full year.
3. JJ Morton superannuation reflects the impact of a novated vehicle.
4. DM Robertson also received a Retirement Benefit of $117,412 based on a historical Directors Retirement Benefit Scheme that was terminated following shareholder approval at the Annual General Meeting held on 27 August 2010.

12.7 Shareholdings and other mandatory disclosures

Service Agreements

The remuneration arrangements for the SunRice Chief Executive Officer and the Executives are formalised in Service Agreements, as set out below:

Name and Role	Term of Agreement	Notice Periods
R Gordon, Group Chief Executive Officer	Rolling contract with no fixed end date	6 months
D Courtelis, Group Chief Financial Officer	Rolling contract with no fixed end date	6 months
D Keldie, General Manager – Global Consumer Markets	Rolling contract with no fixed end date	3 months

The Chief Executive Officer's ongoing contract was issued dated 8 September 2016 with a termination period of six months if initiated by the Chief Executive Officer. The employment contract is capable of termination by the Company on 12 months' written notice.

Share holdings

It is the Company's guideline that each non-executive Independent Director has control over B Class Shares in the Company that are worth at least the equivalent of one year's fixed remuneration.

This guideline is expected to be met over a reasonable period (approximately five years). This guideline however will be considered in line with a review of the vehicles available to Non-executive Independent Directors to purchase B Class shares in the company.

Directors' and other KMP interests in A and B Class Shares of the SunRice Group

	Held at 30 April 2020			Held at 1 May 2019	
Director	A Class Shares	B Class Shares	Net change in period	A Class Shares	B Class Shares
L Arthur	1	266,861	12,199	1	254,662
J Bradford	1	35,191	1,955	1	33,236
L Catanzaro	-	-	-	-	-
A Crane	-	-	-	-	-
I Glasson	-	22,400	1,245	-	21,155
R Gordon	-	116,428	7,622	-	108,806
G Kirkup	1	77,778	4,321	1	73,457
I Mason	1	151,489	8,416	1	143,073
J Morton	1	144,348	1,276	1	143,072
L Vial	1	122,796	3,768	1	119,028
J Zanatta	1	25,511	10,804	1	14,707

	Held at 30 April 2020			Held at 1 May 2019	
Former Director	A Class Shares	B Class Shares	Net change in period	A Class Shares	B Class Shares
G Andreazza	1	84,525	-	1	84,525
DM Robertson	1	227,725	-	1	227,725

Other Key Management Personnel	2020 B Class Shares	2019 B Class Shares
D Keldie	21,189	19,845
D Courtelis	3,552	3,026

The aggregate number of B Class Shares held by current Directors (including those having retired during the current reporting period) of the SunRice Group, their related entities and other Key Management Personnel at balance date was:

Issuing entity	2020	2019
Ricegrowers Limited	1,299,793	1,246,317

Details of B Class Shares issued to Directors and their related entities pursuant to the Grower Share Purchase Plan (GSPP)

Related party name	Nature of relationship	B Class Shares issued pursuant to GSPP
Mr Lawrence John Arthur	Chairman and Director	5,216
Andrew Arthur and Amy Lolicato	Andrew Arthur is the son of a Director (Laurie Arthur)	819
John Neil Arthur	Director's son (Laurie Arthur)	482
DJ Mason & IR Mason & PD Mason trading as DJ Mason & Sons	Director, Director's mother and Director's brother (Ian Mason)	1,363
North Dale Pty Ltd	Director's company (Leigh Vial)	1,613
JA Zanatta & I Zanatta	Director (Julian Zanatta)	5,530
Former Directors		
GA & JA Andreazza Enterprises Pty Limited (trustee of the GA and JA Andreazza Family Trust) trading as GJA Farming	Director's company (Glen Andreazza)	2,742
Daniel Paul Andreazza	Director's son (Glen Andreazza)	318

Movement in B Class Share rights held during the reporting period

Details of the movement in B Class Share rights in the Company, during the reporting period for each Executive KMP are detailed below.

	Balance at the start of the year		Vested		Forfeited			Balance at the end of the year
Movement in B Class Share Rights during FY2020	Unvested	Granted as remuneration	Number	%	Number	%	Other Changes	Unvested
R Gordon	507,932	-	-	-	-	-	-	507,932
D Courtelis	40,730	25,660	-	-	-	-	-	66,390
D Keldie	43,400	11,410	24,348	99.8	52	0.2	-	30,410

Number and Value of B Class Share rights granted, vested and forfeited under the LTI awards

Details of the B Class Share rights granted as remuneration and held, and vesting profile as at 30 April 2020 for each Executive KMP is presented in the table below. B Class Share rights are granted for nil consideration (i.e. zero exercise price) and vest following performance testing.

							Vested in FY2020		
Current Executive KMP	Plan	Number of B Class Share Rights	Grant Date	Fair value at grant date ($)	Financial year in which B Class Share Rights may vest	Maximum fair value yet to vest ($)	Vested in the year (%)	Forfeited in the year (%)	Number of ordinary B Class Shares
R Gordon	FY19	507,932	11-Jan-19	4.83	FY21	817,771	-	-	-
D Courtelis	FY19	40,730	1-Oct-18	6.33	FY21	128,910	-	-	-
	FY20	25,660	1-Aug-19	3.93	FY22	67,229	-	-	-
D Keldie	FY18	24,400	16-Mar-18	3.15	FY20	-	99.8	0.2	24,348
	FY19	19,000	1-Oct-18	6.33	FY21	60,135	-	-	-
	FY20	11,410	1-Aug-19	3.93	FY22	29,894	-	-	-

Transactions with Directors and other Key Management Personnel

	2020 $	2019 $
Purchases of rice from Directors	1,374,555	728,012
Sale of inputs to Directors	19,940	13,117
Sale of stockfeed to Directors	-	66,233
Fees paid to Directors for participation on Irrigated Research and Extension Committee	10,499	-
Consulting fees paid to Directors prior to their appointment	-	48,794
Total transactions with Directors and other Key Management Personnel	1,404,994	856,156

There were no transactions or loans provided to other KMP or their related parties as at the date of this report.

Purchases of rice from Directors were made on identical terms to purchases of rice from other growers.

12.8 Voting and comments made at Ricegrowers Limited's Annual General Meeting

It t is noted that at the 2019 AGM held on 22 August 2019, of the votes cast, the Company received 80.33% 'for' vote on the Remuneration Report. Consequently, no additional disclosures have been triggered.

13. Insurance of officers and indemnities

During the year, Directors and Executive Officers of Ricegrowers Limited were insured as part of an insurance policy undertaken against a liability of a nature that is required to be disclosed under the Corporations Act 2001.

In accordance with the Corporations Act 2001, further details have not been disclosed due to confidentiality provisions included in the insurance contract.

14. Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

15. Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor (PwC Australia) for audit and non-audit services provided during the financial year are set out in note 6c to the financial statements.

The board of directors has considered the position and, in accordance with advice received from the Finance, Risk and Audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out in note 6c to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Finance, Risk and Audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

16. Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 75.

17. Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the Directors’ report.

Amounts in the Directors’ report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Board.

L Arthur
Chairman

R Gordon
Director

25 June 2020

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of Ricegrowers Limited for the year ended 30 April 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Ricegrowers Limited and the entities it controlled during the period.

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
25 June 2020

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Financial Report

The following financial statements are consolidated financial statements for the Group consisting of Ricegrowers Limited and its subsidiaries. A list of subsidiaries is included in note 5a.

The financial statements are presented in the Australian currency.

Ricegrowers Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ricegrowers Limited
57 Yanco Avenue
LEETON NSW 2705

Ricegrowers limited has a dual class share structure, with B Class Shares being able to be held by investors generally and A Class Shares being limited to Active Growers. Details of this structure are available in the Shareholder Information section of this Annual Report.

B Class Shares of Ricegrowers Limited are publicly traded on the Australian Securities Exchange (ASX) – code SGLLV.

A description of the nature of the Group's operations and its principal activities is included within the directors' report , which is not part of the financial statements.

The financial statements were authorised for issue by the directors on 25 June 2020.

The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available at our Investors' Centre on our website: https://investors.sunrice.com.au/Investors

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2020

	Note	2020 $000's	2019 $000's
Sales revenue	2b	1,130,629	1,189,545
Other revenue	2b	4,189	3,518
Revenue from continuing operations		1,134,818	1,193,063
Other income	2c	191	1,750
Changes in inventories of finished goods		591	12,658
Raw materials and consumables used		(706,976)	(736,296)
Freight and distribution expenses		(106,303)	(110,182)
Employee benefits expenses		(142,990)	(143,506)
Depreciation and amortisation expenses		(27,620)	(21,681)
Finance costs		(6,662)	(8,805)
Other expenses	2d	(113,939)	(139,858)
Share of net profit / (loss) of associate accounted for using the equity method		-	1,268
Profit before income tax		31,110	48,411
Income tax expense	2f	(8,430)	(15,644)
Profit for the year		22,680	32,767
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges	4f	(634)	1,492
Exchange differences on translation of foreign operations	4f	8,868	5,158
Income tax relating to items of other comprehensive income	4f	261	(377)
Other comprehensive income for the year, net of tax		8,495	6,273
Total comprehensive income for the year		31,175	39,040
Profit for the year is attributable to:			
Ricegrowers Limited shareholders		27,013	31,498
Non-controlling interests		(4,333)	1,269
		22,680	32,767
Total comprehensive income for the year is attributable to:			
Ricegrowers Limited shareholders		34,255	37,031
Non-controlling interests		(3,080)	2,009
		31,175	39,040
Earnings per share for profit attributable to B Class Shareholders			
Basic and diluted earnings (cents per B Class Share)	2e	45.8	54.5

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 30 April 2020

	Note	2020 $000's	2019 $000's
Current assets			
Cash and cash equivalents	4b	39,837	22,441
Receivables	3a	196,986	168,251
Inventories	3b	277,338	361,392
Current tax receivable		699	1,981
Derivative financial instruments	3i	1,123	1,370
Total current assets		515,983	555,435
Non-current assets			
Other financial assets		37	37
Property, plant and equipment	3f	264,393	239,677
Investment properties	3g	2,900	2,900
Intangibles	3h	14,449	14,145
Deferred tax assets	2f	17,566	14,872
Investments accounted for using the equity method	5b	2,978	2,821
Total non-current assets		302,323	274,452
Total assets		818,306	829,887
Current liabilities			
Payables	3c	159,925	134,064
Amounts payable to Riverina Rice Growers	3c	18,423	66,220
Borrowings	4d	63,637	39,465
Current tax liabilities		5,141	5,719
Provisions	3d	23,303	22,507
Derivative financial instruments	3i	1,702	899
Total current liabilities		272,131	268,874
Non current liabilities			
Payables	3c	1,830	1,707
Borrowings	4d	58,801	92,529
Provisions	3d	4,185	3,873
Total non-current liabilities		64,816	98,109
Total liabilities		336,947	366,983
Net assets		481,359	462,904
Equity			
Contributed equity	4e	128,440	122,852
Reserves	4f	16,101	7,355
Retained profits	4f	313,844	306,643
Capital & resources attributable to Ricegrowers Limited shareholders		458,385	436,850
Non-controlling interests		22,974	26,054
Total equity		481,359	462,904

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes In Equity

For the year ended 30 April 2020

	Note	Attributable to Ricegrowers Limited shareholders: Contributed equity $000's	Reserves $000's	Retained Profits $000's	Total $000's	Non-controlling interests $000's	Total Equity $000's
Balance as at 1 May 2018		111,855	3,978	293,925	409,758	24,375	434,133
Profit for the year		-	-	31,498	31,498	1,269	32,767
Other comprehensive income		-	5,533	-	5,533	740	6,273
Total comprehensive income for the year		-	5,533	31,498	37,031	2,009	39,040
Transactions with owners in their capacity as owners:							
Contribution of equity, net of transaction costs	4e	7,455	-	-	7,455	-	7,455
Share-based payments - issue of shares to employees	4f	586	(586)	-	-	-	-
Share-based payments - value of employee services	4f	-	1,273	-	1,273	-	1,273
Issue of treasury shares	4f	2,956	(2,956)	-	-	-	-
Allocation of treasury shares to employees	4f	-	113	-	113	-	113
Dividends distributed	4a	-	-	(18,780)	(18,780)	(330)	(19,110)
		10,997	(2,156)	(18,780)	(9,939)	(330)	(10,269)
Balance as at 30 April 2019		122,852	7,355	306,643	436,850	26,054	462,904
Change in accounting policy	1	-	-	(600)	(600)	-	(600)
Restated balance as at 1 May 2019		122,852	7,355	306,043	436,250	26,054	462,304
Profit for the year		-	-	27,013	27,013	(4,333)	22,680
Other comprehensive income		-	7,242	-	7,242	1,253	8,495
Total comprehensive income for the year		-	7,242	27,013	34,255	(3,080)	31,175
Transactions with owners in their capacity as owners:							
Contribution of equity, net of transaction costs	4e	5,471	-	-	5,471	-	5,471
Share-based payments - issue of shares to employees	4f	117	(117)	-	-	-	-
Share-based payments - value of employee services	4f	-	1,621	-	1,621	-	1,621
Dividends distributed	4a	-	-	(19,212)	(19,212)	-	(19,212)
		5,588	1,504	(19,212)	(12,120)	-	(12,120)
Balance as at 30 April 2020		128,440	16,101	313,844	458,385	22,974	481,359

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the year ended 30 April 2020

	Note	2020 $000's	2019 $000's
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,140,584	1,219,830
Payments to suppliers (inclusive of goods and services tax)		(824,813)	(805,844)
Payments to Riverina Rice Growers		(68,821)	(266,784)
Payments of wages, salaries and on-costs		(140,334)	(142,709)
Interest received		295	421
Interest paid		(6,780)	(8,627)
Income taxes paid		(10,598)	(5,392)
Net cash inflow / (outflow) from operating activities	4c	89,533	(9,105)
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(31,294)	(40,809)
Proceeds from sale of property, plant and equipment		604	123
Payment for acquisition of business	5f	-	(5,855)
Net cash outflow from investing activities		(30,690)	(46,541)
Cash flows from financing activities			
Proceeds from borrowings		530,579	356,680
Repayment of borrowings		(551,604)	(402,450)
Principal element of lease (2019 – finance lease) payments		(3,064)	(188)
Proceeds from issue of shares		-	686
Dividends paid to Non Controlling Interests		-	(330)
Dividends paid to the company's B Class shareholders		(13,932)	(13,357)
Net cash outflow from financing activities		(38,021)	(58,959)
Net increase / (decrease) in cash and cash equivalents		20,822	(114,605)
Cash and cash equivalents at the beginning of the financial year		10,440	122,902
Effect of exchange rate changes on cash and cash equivalents		252	2,143
Cash and cash equivalents at the end of the financial year	4b	31,514	10,440

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 April 2020

1. Basis of preparation

Ricegrowers Limited (the Company) is a for-profit entity for the purpose of preparing financial statements.

The consolidated financial statements of the Company for the year ended 30 April 2020 comprise the Company and its subsidiaries (together referred to as the Group).

Amounts in the financial statements have been rounded off to the nearest thousand dollar, or in certain cases, to the nearest dollar, in accordance with ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191.

The general purpose financial statements included in this consolidated financial report:

- have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001;
- comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); and
- have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and investment property, which are measured at fair value.

There are no new standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Significant accounting policies have been:

- included in the relevant note to which each policy relates, other than the accounting policy for foreign currency, set out below; and
- except for the adoption of AASB 16 – Leases, noted on the next page, consistently applied to all periods presented in these financial statements.

Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions. This may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 2f: Income taxes – Deferred tax assets not recognised for capital and ordinary losses available for future use
- Note 3a: Receivables – determination of loss allowances
- Note 3b and 3c: Inventories and amounts payable to Riverina Rice growers – Estimation of raw materials inventory and amounts payable to Riverina rice growers
- Note 3f and 3h: Property, plant and equipment and intangibles – Impairment of non-current assets (including goodwill)
- Note 3d and 4j: Provisions and contingent liabilities – recognition and measurement of provisions and contingent liabilities

In addition, the known and potential impacts of the COVID-19 pandemic in the near future have been taken into consideration when determining significant estimates and judgements. Further details about the Group's response to this event are available in the Our Financial Performance and Position section of this Annual Report on pages 17 and 18.

Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Australian dollar ($), which is Ricegrowers Limited's functional and presentation currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income and presented in a foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Changes in significant accounting policies

The Group has applied all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the Group's operations and effective for the current reporting period.

The Group had to change its accounting policies as a result of adopting AASB 16 – Leases. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 May 2019. This is disclosed below.

The application of all other new and revised Standards and Interpretations has not had any material impact on the Group's assets, profits or earnings per B Class Share for the year ended 30 April 2020.

Adoption of AASB 16 – Leases (effective from 1 May 2019 as a replacement for AASB 117 – Leases)

This note explains the impact of the adoption of AASB 16 – Leases on the Group's financial statements.

The Group has adopted AASB 16 applying a modified retrospective approach from 1 May 2019, but has not restated comparatives for the previous reporting period, as permitted under the specific transitional provisions in the standard.

Amounts recognised on adoption of AASB 16

In the previous reporting period, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under AASB 117 – Leases. The assets were presented in property, plant and equipment and the liabilities as part of the group's borrowings.

On adoption of AASB 16, the Group recognised additional lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 – Leases.

These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 May 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 May 2019 was 3.0%.

	$000's
Operating lease commitments disclosed as at 30 April 2019	19,338
Discounted using the Group's incremental borrowing rate at the date of initial application	(1,003)
Add: finance lease liabilities recognised as at 30 April 2019	1,194
(Less): short-term leases recognised on a straight-line basis as expense	(1,577)
(Less): low-value leases recognised on a straight-line basis as expense	(23)
(Less): contracts reassessed as service agreements	(7,670)
Add: adjustments as a result of a different treatment of extension and termination options	7,192
Lease liabilities recognised as at 1 May 2019 (included in borrowings)	17,451
Of which are:	
Current lease liabilities	4,099
Non-current lease liabilities	13,352
	17,451

The associated right-of-use assets for Land & Buildings leases were measured on a retrospective basis as if the new rules had always been applied.

The associated right-of-use assets for Plant & Equipment leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 April 2019.

The change in accounting policy affected the following items in the balance sheet on 1 May 2019:

	Increase / Decrease	Amount $000's
Right-of-use assets (included in property, plant and equipment)	Increase	15,744
Net deferred tax assets	Increase	253
Lease liabilities (included in borrowings)	Increase	16,257
Payables	Increase	340
Retained profits	Decrease	600

Profit before income tax for the year ended 30 April 2020 decreased and assets and liabilities at 30 April 2020 increased as a result of the change in accounting policy. These impacts, as they relate to the Group's segments, have been disclosed in note 2a.

Amounts relating to leases recognised in the Consolidated Balance Sheet

	Notes	30 Apr 2020 $000's	1 May 2019 $000's
Right-of-use assets (included in property, plant and equipment)			
Land & Buildings	3f	12,341	12,998
Plant & Equipment	3f	3,116	3,913
		15,457	16,911

	Notes	30 Apr 2020 $000's	1 May 2019 $000's
Lease liabilities (included in borrowings)			
Current	4d	3,653	4,099
Non-current	4d	12,806	13,352
		16,459	17,451

Amounts relating to leases recognised in the Consolidated Statement of Comprehensive Income

	Notes	2020 $000's	2019 $000's
Depreciation charge of right-of-use assets (2019 - finance leases)			
Land & Buildings		2,176	-
Plant & Equipment		2,173	591
		4,349	591

	Notes	2020 $000's	2019 $000's
Other expense items			
Interest expense on lease liabilities (included in finance costs)		523	110
Expense relating to short-term leases (included in equipment hire and other rental expense)	2d	3,336	-
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in equipment hire and other rental expense)	2d	111	-

Amounts relating to leases recognised in the consolidated Cash Flow Statement

The total cash outflow for leases in cash flows from financing activities during the year was $3,064,000 (2019: $188,000).

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 May 2019 as short term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 3 to 7 years but may have extension options as described in (i) on the next page.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor, but leased assets may not be used as security for borrowing purposes.

Until the 2019 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. From 1 May 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate; and,
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using an incremental borrowing rate, being the rate that the respective subsidiary of the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and,
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

(i) Extension and termination options
Extension and termination options are included in a number of Land & Buildings leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

(ii) Judgements in determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). For leases of Land & Buildings, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the cost and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $853,000. Potential future cash outflows of $1,098,000 have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

Judgements in determining whether a contract contains a lease using the new definition in AASB 16

In determining whether a contract contains a lease under AASB 16, management has reviewed existing contracts and applied judgement based on the new standard. The right to control and the right of use of the asset for the period of the lease has been assessed by applying significant judgements on some of the following areas:

- determining as a lessee, whether there is reasonable certainty to extend or terminate a contract;
- assessing the economic incentives that are exclusive to the Group from the contract; and
- evaluating whether a contract contains substantive service elements.

2. Group Performance

This section explains the results and performance of the Group for the year, including segment information, earnings per B Class Share and taxation.

The Corporate Management Team evaluates results based on contributed NPBT, which is defined as net profit before tax and intersegment eliminations. Further information and analysis of performance is available in the Our Financial Performance and Position section of this Annual Report on pages 17 to 25.

2a. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Team.

The Corporate Management Team examines the Group's financial performance from a product and service perspective under 6 reportable segments of its business. In aggregating operating segments into reportable segments, the Group has considered the requirements of the accounting standards and notably the existence of similarities in economic characteristics, nature of products, market and customers.

Rice Pool

The receival, milling, marketing and distribution of Riverina rice, directly to customers across many channels. This includes supplying Australian markets and exporting Riverina rice to global markets across the Middle East, Asia Pacific, the U.S and Europe. The Rice Pool also supplies the Group's global subsidiaries, which can purchase rice from the Rice Pool at commercial prices to sell in their local markets, depending on availability.

The Rice Pool is only available to Growers and A Class Shareholders. The net proceeds from the Rice Pool are not available to the Group's B Class Shareholders.

International Rice

The purchasing (whether from international sources - primarily the U.S or Asia - or the Rice Pool segment), processing, manufacturing, marketing and distribution of bulk or branded rice through intermediaries to consumers, food service and processing customers in world markets (including tender markets) and the Australian market where the varieties cannot be grown in Australia, including during times of low water availability.

International Rice is an aggregation of the main following operating segments:

- Global Rice and Ricegrowers Singapore, the global trading arms of the Group, sourcing and selling bulk or branded rice products in Australia or overseas and in tender markets.
- Trukai, SolRice, SunFoods, Ricegrowers Vietnam, Ricegrowers New Zealand and Ricegrowers Middle East, which are separate legal entities that distribute rice either in their respective local markets or internationally. SunFoods, Ricegrowers Vietnam and Trukai also mill locally sourced rice.

The nature of products manufactured, the distribution process and the type of customers are comparable between these segments. The economic characteristics of the larger operating segments, measured by their gross margin, is also largely comparable when considering past and expected performance.

International rice also includes Aqaba Processing Company (a packing facility in Jordan), the Group's research and development Company (RRAPL) and the Brandon business in North Queensland. These operating segments present different performance profiles, but it is the Group's assessment that this does not materially impact the aggregated reportable segment due to the small contribution of these operating segments to International Rice.

Rice Food

The manufacturing, marketing and distribution of value-added rice-based products, including snacks, ingredients and pre-prepared meals, both in domestic and global markets.

This reportable segment is an aggregation of the Rice Cakes, Rice Flour, Rice Chips, Microwave Rice and Microwave Meals operating segments. These operating segments have similar economic characteristics, including their gross margin.

Riviana Foods (Riviana)

The distribution and sale of both imported and locally manufactured specialty gourmet and entertainment food products to retail and food service customers in Australia and select export markets.

CopRice

The manufacture, distribution and sale of bulk stockfeed to primary producers and branded packaged stockfeed and companion animal feed products through retail and wholesale channels to customers across Australia and select export markets.

Corporate

The Corporate segment captures the income and cost of holding and financing assets (property, plant and equipment and brands) that it owns and are utilised by both the Rice Pool and the other segments. This includes intersegment charges for the use of SunRice brands and access to milling, packing, storage and warehousing assets.

It also captures income and costs that are not allocated to other business segments, such as legal fees and costs associated with other corporate activity.

From time to time, the Corporate segment receives dividends from the Group's subsidiaries. Because these transactions (which can be material and distort the segment's contributed NPBT) are eliminated in consolidation (but would represent an intersegment elimination), the reported contributed NPBT for the Corporate segment is presented after dividend elimination, in order to provide a more representative view of the underlying activities of this segment.

AGS is aggregated into the Corporate segment.

Recognition and measurement

Sales between segments are eliminated on consolidation.

The revenue from external customers, assets and liabilities are measured in a manner consistent with that of the financial statements.

Revenue from external customers is entirely recognised at a point in time.

Australian cash and borrowing balances are not allocated to operating segments, as the treasury and financing of Australian operations is centrally managed. This creates an asymmetry in information because fixed assets and working capital that are financed by borrowings are allocated to each operating segment.

Current and deferred tax balances are also not allocated to the operating segment's assets and liabilities.

Items of property, plant and equipment are allocated to the segment that owns the assets as opposed to the segment that uses those assets. As a result, items of property, plant and equipment used by the Rice Pool segment are allocated to the Corporate segment.

The following table sets forth the segment results for the year ended 30 April 2020.

2020	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Corporate $000's	Total $000's
Total segment revenue	265,871	531,607	102,792	136,577	144,899	16,095	1,197,841
Inter-segment revenue	(42,720)	(173)	(3,229)	-	(4,995)	(16,095)	(67,212)
Revenue from external customers	223,151	531,434	99,563	136,577	139,904	-	1,130,629
Other revenue							4,189
Total revenue from continuing operations							1,134,818
Contributed Net Profit Before Tax	(4,072)	(1,365)	4,626	8,055	3,594	18,320	29,158
Intersegment eliminations							1,952
Profit before income tax							31,110
Depreciation and amortisation	-	(7,944)	(1,995)	(784)	(2,211)	(14,686)	(27,620)
Impairment	-	-	-	-	-	(600)	(600)
Acquisitions of non-current assets*	-	12,887	2,193	446	12,082	6,357	33,965
Segment assets	123,336	386,861	41,091	71,844	78,201	253,491	954,824
Intersegment eliminations							(166,970)
Cash and cash equivalents							12,187
Current tax asset							699
Deferred tax assets							17,566
Total assets							818,306
Segment liabilities	69,726	178,446	7,870	31,503	21,677	28,567	337,789
Intersegment eliminations							(128,421)
Current tax liability							5,141
Borrowings							122,438
Total liabilities							336,947

**Other than financial assets and deferred tax*

The following table sets forth the impact of adopting AASB 16 (refer to note 1 for details) on the relevant segments for the year ended 30 April 2020.

	Profit before income tax $000's	Assets $000's	Liabilities $000's
Rice Pool	-	-	-
International Rice	(152)	5,222	5,089
Rice Food	-	-	-
Riviana	(6)	679	699
Coprice	-	-	-
Corporate	(323)	9,556	10,671
	(481)	15,457	16,459

The following table sets forth the segment results for the year ended 30 April 2019.

2019	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Corporate $000's	Total $000's
Total segment revenue	410,482	482,613	100,439	126,628	159,195	36,215	1,315,572
Inter-segment revenue	(84,556)	(196)	(658)	-	(4,573)	(36,044)	(126,027)
Revenue from external customers	325,926	482,417	99,781	126,628	154,622	171	1,189,545
Other revenue							3,518
Total revenue from continuing operations							1,193,063
Contributed Net Profit Before Tax	-	1,975	4,602	8,749	8,500	25,566	49,392
Intersegment eliminations							(981)
Profit before income tax							48,411
Depreciation and amortisation	-	(5,170)	(1,838)	(434)	(1,460)	(12,779)	(21,681)
Impairment	-	-	(123)	-	-	(165)	(288)
Acquisitions of non-current assets*	-	20,482	924	6,152	5,833	14,011	47,402
Segment assets	252,779	275,628	40,391	66,770	65,951	221,280	922,799
Intersegment eliminations							(119,891)
Cash and cash equivalents							10,126
Current tax asset							1,981
Deferred tax assets							14,872
Total assets							829,887
Segment liabilities	116,283	137,804	6,213	29,528	19,362	33,625	342,815
Intersegment eliminations							(113,545)
Current tax liability							5,719
Borrowings							131,994
Total liabilities							366,983

Other than financial assets and deferred tax

Geographical areas

The table below sets forth segment information for the key geographical areas the Group operates in.

	Australia $000's	PNG $000's	Other $000's	Total $000's
2020				
Revenue from external customers	516,541	237,222	376,866	1,130,629
2019				
Revenue from external customers	517,027	264,131	408,387	1,189,545

Segment revenues are allocated based on the country in which the customer is located.

No single external customer represents more than 10% of revenues in either the 2020 or 2019 financial reporting period.

The total of non-current assets other than deferred tax assets located in Australia is $214,248,000 (2019: $201,757,000) and the total of these non-current assets located in other countries is $70,508,000 (2019: $57,786,000). Segment assets are allocated to countries based on where the assets are located.

2b. Revenue

	2020 $000's	2019 $000's
Sales revenue		
Sale of goods - recognised at a point in time	1,130,629	1,189,545
Other revenue		
Interest received	295	421
Other sundry items	3,894	3,097
	4,189	3,518
Total revenue from continuing operations	1,134,818	1,193,063

Recognition and measurement

Sale of goods

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and the customer has full discretion over the channel and price to on-sell the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Goods are often sold with discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are generally made with a credit term of 30 to 60 days.

A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional, because only the passage of time is required before the payment is due.

Interest income

Interest income on financial assets at amortised cost is calculated using the effective interest method.

Revenue from other sundry items

Revenue from other sundry items is derived from grants received from the government and other ad-hoc services provided by the Group.

Grants from the government are recognised at their fair value, where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised as income over the period necessary to match them with the costs that they are intended to compensate.

Revenue from the provision of other ad-hoc services is recognised in the accounting period in which the services are performed.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

2c. Other income

	2020 $000's	2019 $000's
Net gain on disposal of property, plant and equipment	191	-
Fair value adjustment to investment properties	-	1,750
Total other income	191	1,750

2d. Expenses

Profit before income tax includes the following specific expenses.

	2020 $000's	2019 $000's
Contributions to employee superannuation plans	(7,329)	(7,937)
Other expenses		
Energy	(14,448)	(18,861)
Contracted services	(24,939)	(24,535)
Equipment hire and other rental expense (not qualifying as leases) (2019 - operating lease expenditure and equipment hire)	(10,909)	(13,737)
Advertising and artwork	(16,880)	(24,710)
Repairs and maintenance	(8,985)	(10,433)
Insurance	(5,684)	(4,455)
Training	(809)	(2,156)
Internet, telephone and fax	(2,582)	(2,809)
Motor vehicle and travelling expenses	(7,419)	(8,313)
Research and development	(1,293)	(617)
Net loss on disposal of property, plant and equipment	-	(477)
Impairment of assets	(600)	(288)
Net foreign exchange losses	(676)	(7,850)
ASX Listing costs	-	(2,031)
Other	(18,715)	(18,586)
Total other expenses	(113,939)	(139,858)

2e. Earnings per B Class Share

	2020 Cents	2019 Cents
Basic and diluted earnings per B Class share	45.8	54.5

Reconciliation of earnings per B Class Share

	2020 $000's	2019 $000's
Profit for the year	27,013	31,498
Weighted average number of B Class shares outstanding - for basic and diluted earnings per share	58,959	57,809

Recognition and measurement

Basic earnings per B Class share

Basic earnings per B Class share is calculated by dividing:

- the profit attributable to B Class shareholders of the company, excluding any costs of servicing equity other than B Class Shares
- by the weighted average number of B Class Shares outstanding during the financial year, adjusted for bonus elements in B Class Shares issued during the year and excluding treasury shares

Diluted earnings per B Class Share

Diluted earnings per B Class Share adjusts the figures used in the determination of basic earnings per B Class Share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential B Class Shares, and;
- the weighted average number of additional B Class Shares that would have been outstanding assuming the conversion of all dilutive potential B Class Shares

2f. Income taxes

Income tax expense

	2020 $000's	2019 $000's
Current tax expense	(10,369)	(11,341)
Deferred tax benefit / (expense)	2,068	(4,397)
Adjustments for income tax of prior periods	(129)	94
Income tax expense attributable to profit from continuing operations	(8,430)	(15,644)
Deferred income tax benefit / (expense) included in income tax expense comprises:		
Increase / (decrease) in deferred tax assets	1,338	(1,942)
Decrease / (increase) in deferred tax liabilities	730	(2,455)
	2,068	(4,397)

Numerical reconciliation of income tax expense to prima facie tax payable

	2020 $000's	2019 $000's
Profit from continuing operations before related income tax	31,110	48,411
Income tax expense calculated at the Australian rate of tax of 30% (2019: 30%)	(9,333)	(14,523)
Tax effect of amounts which are not taxable / (deductible) in calculating taxable income:		
Entertainment	(57)	(70)
Research & development	75	69
Overseas attributable income	(517)	(1,436)
Difference in overseas tax rates	4,785	1,439
Sundry items	(642)	(207)
	3,644	(205)
Tax effect of tax losses and temporary differences not recognised	(2,612)	(1,010)
Adjustments for income tax of prior periods	(129)	94
Income tax expense	(8,430)	(15,644)

Tax relating to items of other comprehensive income

	2020 $000's	2019 $000's
Cash flow hedges	261	(377)

Notes to the Financial Statements
Continued

Deferred tax assets

	2020 $000's	2019 $000's
The balance comprises temporary differences attributable to:		
Provisions	9,160	8,026
Accruals	5,328	4,016
Depreciation	2,984	2,871
Lease Liabilities	4,405	-
Foreign exchange	378	278
Inventories	3,452	3,411
Tax losses	-	141
Other	665	1,103
	26,372	19,846
Derivatives - cash flow hedges	367	234
Total deferred tax assets	26,739	20,080
Set-off of deferred tax liabilities pursuant to set-off provisions	(9,173)	(5,208)
Net deferred tax assets	17,566	14,872

	2020 $000's	2019 $000's
Deferred tax assets expected to be recovered within 12 months	19,296	15,846
Deferred tax assets expected to be recovered after more than 12 months	7,443	4,234
Total deferred tax assets	26,739	20,080

Movements	2020 $000's	2019 $000's
Opening balance at 1 May	20,080	22,101
Adjustment on adoption of AASB 16	4,961	-
Restated balance at 1 May	25,041	22,101
Credited / (charged) to income statement	1,338	(1,942)
Foreign exchange differences on translation	227	78
Credited / (charged) to other comprehensive income	133	(239)
Business combination	-	82
Closing balance at 30 April	26,739	20,080

Deferred tax liabilities

	2020 $000's	2019 $000's
The balance comprises temporary differences attributable to:		
Prepayments	120	170
Inventories	2,307	2,514
Depreciation	41	142
Right-of-use-assets	4,025	-
Investment property	525	525
Foreign exchange	1,477	1,104
Brands acquired through business combination	488	518
Other	126	43
	9,109	5,016
Derivatives - cash flow hedges	64	192
Total deferred tax liabilities	9,173	5,208
Set-off of deferred tax liabilities pursuant to set-off provisions	(9,173)	(5,208)
Net deferred tax liabilities	-	-

	2020 $000's	2019 $000's
Deferred tax liabilities expected to be settled within 12 months	5,244	4,023
Deferred tax liabilities expected to be settled after more than 12 months	3,929	1,185
Total deferred tax liabilities	9,173	5,208

Movements	2020 $000's	2019 $000's
Opening balance at 1 May	5,208	2,219
Adjustment on adoption of AASB 16	4,708	-
Restated balance at 1 May	9,916	2,219
(Charged) / credited to income statement	(730)	2,455
Foreign exchange difference on translation	115	21
(Credited) / charged to other comprehensive income	(128)	138
Business combination	-	375
Closing balance at 30 April	9,173	5,208

Significant estimates and judgements

Deferred tax assets not recognised for capital and ordinary losses

The Group does not recognise deferred tax assets for capital losses, as the Group does not believe it is probable that taxable capital gains will generally arise against which capital losses can be utilised.

The Group has not recognised deferred tax assets of $6,654,000 (2019: $4,546,000) for ordinary tax losses available in some of the jurisdictions in which it operates, as the Group considers there remains uncertainty in the ability of the subsidiaries located in these jurisdictions to generate enough future taxable profits against which these losses can be utilised. The Group will continuously reassess this position should conditions in these jurisdictions improve in a sustainable manner.

Recognition and measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable tax rate for each jurisdiction, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses, where they are recognised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset, the balances relate to the same taxation authority and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Tax consolidation legislation

Ricegrowers Limited and its wholly owned Australian controlled entities have adopted the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Both the head entity and the subsidiaries will continue to recognise deferred tax balances. All current tax balances will be assumed by the head entity. Any deferred tax assets arising from unused tax losses and unused tax credits will also be recognised in the head entity.

Investment allowances and similar incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

3. Operating assets and liabilities

This section provides details of the Group's operating assets used and liabilities incurred in generating the Group's trading activities and performance.

3a. Receivables

	2020 $000's	2019 $000's
Current		
Trade receivables	196,092	165,110
Loss allowance	(6,773)	(3,596)
	189,319	161,514
Other receivables	1,384	935
GST receivable	2,350	2,294
Prepayments	3,933	3,508
Total receivables	196,986	168,251

Significant estimates and judgements

Loss allowance

Trade receivables for sales of goods are subject to the expected credit loss model. The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 to 36 months (depending on the country in which the sales are made) prior to the balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Additional allowances are also taken where specific and known risks have been identified for some customers. As a result, the loss allowance for trade receivables was determined as follows:

30 April 2020	Current	0 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Greater than 90 days past due	Total
Expected loss rate (inclusive of specific known risks)	0.3%	1.5%	3.4%	16.5%	57.3%	
Gross carrying amount of trade receivables - $000's	142,007	29,782	10,817	5,287	8,199	196,092
Loss allowance - $000's	400	435	370	873	4,695	6,773

30 April 2019	Current	0 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Greater than 90 days past due	Total
Expected loss rate (inclusive of specific known risks)	0.0%	0.0%	0.0%	0.1%	60.1%	
Gross carrying amount of trade receivables - $000's	121,089	22,085	13,335	2,634	5,967	165,110
Loss allowance - $000's	8	1	1	2	3,584	3,596

The directors are satisfied that debtors are fairly valued with respect to credit risk. Of the total trade receivables outstanding at 30 April 2020, 72% (2019: 73%) are current and 28% (2019: 27%) are overdue. The directors have no reason to believe that amounts not provided for will not be collected in full in a subsequent period.

The closing loss allowances for trade receivables at the balance sheet date reconcile to the opening loss allowances as follows:

	2020 $000's	2019 $000's
At 1 May	3,596	1,055
Loss allowance recognised during the year	3,205	2,579
Receivables written off during the year as uncollectible	(198)	(17)
Amounts subsequently collected	(16)	(95)
Foreign currency differences on translation	186	74
At 30 April	6,773	3,596

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a customer to engage in a repayment plan with the Group, a significant amount of days past due (generally more than 6 months), or information about the customer entering bankruptcy or financial reorganisation.

Loss allowances on trade receivables are presented within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Recognition and measurement

Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. They are generally due for settlement within 30 to 60 days from the date of recognition and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Goods and Services Tax (GST)

Receivables are stated inclusive of the amount of GST receivable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables.

Risk exposure

Information about the Group's exposure to foreign exchange risk and credit risk is provided in note 4g, with further details around the loss allowance available below.

3b. Inventories

	2020 $000's	2019 $000's
Raw materials	121,152	209,618
Finished goods	134,490	133,899
Packaging materials	10,068	8,057
Engineering and consumable stores	11,628	9,818
Total inventories	277,338	361,392

Significant estimates and judgements

Raw materials inventory and associated amounts payable to Riverina Rice Growers

The valuation of paddy rice included in raw materials inventory and the associated amounts payable to Riverina Rice Growers generally require an assumption of the paddy price for the relevant pool. This assumption is based on the Directors' most recent estimate of the performance of the Rice Pool business and the relevant fixed price contracts that may be applicable to any given crop year.

Recognition and measurement

Raw materials, finished goods, packaging materials and engineering and consumables stores have been valued on the basis of the lower of cost or net realisable value.

Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventory but excludes borrowing costs. Cost in relation to processed inventories comprises direct materials, direct labour and an appropriate allowance for milling, fixed and variable overheads less by-products with recovery on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Raw materials, finished goods, packaging materials and engineering and consumable stores inventory are determined from a combination of weighted average purchase price and standard costs and after deducting rebates and discounts.

3c. Payables and amounts payable to Riverina Rice Growers

	2020 $000's	2019 $000's
Current		
Trade and other payables	159,925	134,064
Amounts payable to Riverina Rice Growers	18,423	66,220
	178,348	200,284
Non-current		
Trade and other payables	1,830	1,707
	1,830	1,707

Recognition and measurement

Trade payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Amounts payable to Riverina rice growers

Amounts payable to Riverina rice growers comprise the balance of pool and fixed price contracts payments owed to growers. They also comprise the next financial year's pool or fixed price contracts payments where paddy rice for the next crop year is received before the end of the financial year.

The portion of the payable in respect of the current financial year is based on the final paddy price for the year (or applicable fixed price). The portion in respect of paddy rice received for the next financial year is based on that year's budgeted paddy price (or applicable fixed price).

Amounts payable to Riverina rice growers are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in note 4g.

3d. Provisions

	2020			2019		
	Current $000's	Non-current $000's	Total $000's	Current $000's	Non-current $000's	Total $000's
Employee benefits (note 3e)	23,021	3,833	26,854	22,210	3,873	26,083
Employee allowances	89	-	89	104	-	104
Directors' retirement benefits	193	-	193	193	-	193
Make good	-	352	352	-	-	-
Total provisions	23,303	4,185	27,488	22,507	3,873	26,380

	Employee benefits $000's	Employee allowances $000's	Directors' retirement benefits $000's	Make good $000's	Total $000's
Carrying amount at 1 May 2019	26,083	104	193	-	26,380
Additional provision recognised	771	-	-	352	1,123
Amount used during the year	-	(15)	-	-	(15)
Carrying amount at 30 April 2020	26,854	89	193	352	27,488
Carrying amount at 1 May 2018	26,257	172	325	-	26,754
Amount used during the year	(9)	(68)	(132)	-	(209)
Business combination	(165)	-	-	-	(165)
Carrying amount at 30 April 2019	26,083	104	193	-	26,380

Significant estimates and judgements

Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities.

Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions.

Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and any change in the underlying provision amount is recognised in profit or loss.

3e. Employee benefits

Leave obligations

Employee benefits include leave obligations which cover the Group's liabilities for long service leave and annual leave, which are classified as either other long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. These amounts are presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months but for which the obligation is presented as current:

	2020 $000's	2019 $000's
Current leave obligations expected to be settled after 12 months	4,389	4,338

Recognition and measurement

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations.

Long term obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience, adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented as current employee benefit obligations if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Superannuation plan contributions

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

Incentive plans

The Group recognises a liability and an expense for short and long term cash incentives based on a formula that takes into consideration financial performance metrics for the Group and the eligible employees' personal performance indicators. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation. For share based payments incentive plans, refer to note 6b.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3f. Property, plant and equipment

2020	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Assets under Construction $000's	Right of Use Assets $000's	Totals $000's
Cost	249,547	13,397	308,760	17,129	23,245	612,078
Accumulated depreciation and impairment	(129,513)	(5,098)	(205,286)	-	(7,788)	(347,685)
Carrying amount	120,034	8,299	103,474	17,129	15,457	264,393
Carrying amount at 30 April 2019	117,993	7,920	85,871	27,893	-	239,677
Adjustment on adoption of AASB 16	-	-	(1,167)	-	16,911	15,744
Restated carrying amount at 1 May 2019	117,993	7,920	84,704	27,893	16,911	255,421
Additions	-	-	-	30,873	-	30,873
Recognition of right-of-use-asset	-	-	-	-	2,671	2,671
Capital works in progress reclassifications	8,846	577	31,445	(40,868)	-	-
Transfers (including to intangible assets) / disposals / scrapping	(6)	(1)	(293)	(1,435)	-	(1,735)
Depreciation expense	(7,942)	(578)	(13,112)	-	(4,349)	(25,981)
Impairment	-	-	(600)	-	-	(600)
Foreign exchange difference on translation	1,143	381	1,330	666	224	3,744
Carrying amount at 30 April 2020	120,034	8,299	103,474	17,129	15,457	264,393

In the 2020 reporting period, the Group's division, CopRice, completed the acquisition of the extrusion assets of FeedRite Pty Ltd (FeedRite). Due to its nature, this acquisition did not qualify as a business combination. Accordingly, assets acquired were included in property, plant and equipment and no goodwill arose as a result of this transaction.

2019	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Assets under Construction $000's	Right of Use Assets $000's	Totals $000's
Cost	238,855	12,370	281,114	27,893	-	560,232
Accumulated depreciation and impairment	(120,862)	(4,450)	(195,243)	-	-	(320,555)
Carrying amount	117,993	7,920	85,871	27,893	-	239,677
Carrying amount at 1 May 2018	121,319	6,695	81,739	7,959	-	217,712
Additions	-	-	-	40,564	-	40,564
Recognition of finance leases	-	-	833	-	-	833
Additions through business combination	-	-	-	681	-	681
Capital works in progress reclassifications	3,789	1,574	15,031	(20,394)	-	-
Transfers (including to intangible assets) / disposals / scrapping	(25)	-	(496)	(1,335)	-	(1,856)
Depreciation expense	(7,783)	(540)	(11,721)	-	-	(20,044)
Impairment	(92)	-	(196)	-	-	(288)
Foreign exchange difference on translation	785	191	681	418	-	2,075
Carrying amount at 30 April 2019	117,993	7,920	85,871	27,893	-	239,677

In the 2019 reporting period, Ricegrowers Singapore Pte Ltd (a wholly owned subsidiary of Ricegrowers Limited) acquired a rice processing mill in Dong Thap Province, Vietnam. Due to its nature, this acquisition did not qualify as a business combination. Accordingly, assets acquired were included in property, plant and equipment and no goodwill arose as a result of this transaction.

Significant estimates and judgements

Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Specific circumstances impacting individual assets within those cash generating units are also considered.

The recoverability of the Group's assets is generally dependent on the Group's ability to continuously innovate, improve manufacturing efficiency, increase the volume of throughput and improve product mix in order to meet targets. It is also subject to long term weather patterns in the Riverina and could be impacted by a prolonged period of drought conditions. Any fair value less cost of disposal estimates are based on market-available data and various other assumptions. Changes in economic and operating conditions impacting these judgmental assumptions could result in the recognition of impairment charges in future periods. The Group will continue to closely monitor the performance of the cash generating units.

Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Recognition and measurement

Freehold land is held at cost and is not depreciated. In some countries, the Group also holds land use rights. These rights are stated at historical cost less depreciation and are depreciated over the period of time that they have been granted by the local authorities using the straight line method.

Right-of-use assets are recognised and measured based on the principles detailed in note 1.

Other items of property, plant and equipment are stated at historical cost less depreciation and are depreciated over their estimated useful lives using the straight line method.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Government grants relating to the purchase of property, plant and equipment are presented by deducting the grant in arriving at the carrying amount of the asset. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The expected useful lives are as follows:

Buildings	25 to 50 years
Leasehold improvements	Shorter of 7 to 15 years or lease term
Plant and equipment	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other income or other expenses.

Assets pledged as security

There is a fixed and floating charge over fixed assets as disclosed in note 4d.

3g. Investment property

At fair value	2020 $000's	2019 $000's
Opening balance at 1 May	2,900	1,150
Net gain from fair value adjustment	-	1,750
Closing balance at 30 April	2,900	2,900

Recognition and measurement

Investment property comprises freehold land and buildings that were previously owner occupied. Owner occupation ceased and these properties are now classified as "Investment properties" as they are held for long term capital appreciation.

These properties are carried at fair value, representing the open-market value as determined by external valuers. Changes in fair value are recorded in other income or other expenses.

3h. Intangibles

2020	Goodwill $000's	Brands $000's	Software $000's	Other $000's	Total $000's
Cost	8,658	11,730	10,088	1,304	31,780
Accumulated amortisation and impairment	-	(8,527)	(8,045)	(759)	(17,331)
Carrying amount	8,658	3,203	2,043	545	14,449
Carrying amount at 1 May 2019	8,658	3,599	1,086	802	14,145
Additions	-	-	421	-	421
Transfers (including from property, plant and equipment) / disposals / scrapping	-	-	1,435	-	1,435
Amortisation charge	-	(483)	(899)	(257)	(1,639)
Foreign exchange difference on translation	-	87	-	-	87
Carrying amount at 30 April 2020	8,658	3,203	2,043	545	14,449

2019	Goodwill $000's	Brands $000's	Software $000's	Other $000's	Total $000's
Cost	8,658	11,241	8,179	1,301	29,379
Accumulated amortisation and impairment	-	(7,642)	(7,093)	(499)	(15,234)
Carrying amount	8,658	3,599	1,086	802	14,145
Carrying amount at 1 May 2018	4,829	2,448	685	1,062	9,024
Additions	-	234	11	-	245
Additions through business combination	3,829	1,250	-	-	5,079
Transfers (including from property, plant and equipment) / disposals / scrapping	-	-	1,335	-	1,335
Amortisation charge	-	(432)	(945)	(260)	(1,637)
Foreign exchange difference on translation	-	99	-	-	99
Carrying amount at 30 April 2019	8,658	3,599	1,086	802	14,145

Details of the business combination are provided in note 5f.

Goodwill

Goodwill is specific to each cash generating unit (CGU) and is allocated as follows:

	2020 $000's	2019 $000's
Global Rice	34	34
Riviana Foods	8,439	8,439
CopRice	185	185
Total Goodwill	8,658	8,658

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use 5 year cash flow projections based on financial budgets approved by the Board for the forthcoming year and management forecasts for the years thereafter. Cash flows beyond the explicit period of projection are extrapolated using the estimated growth rates stated below, which are generally aligned with current inflation rates in the country of the CGU.

Significant judgement and assumptions used for value in use calculations

	Long-term Growth Rate		Pre Tax Discount Rate	
CGU	2020 %	2019 %	2020 %	2019 %
Global Rice	2.2	1.8	9.3	11.6
Riviana Foods	2,2	1.8	10.7	13.0
CopRice	2.2	1.8	10.7	13.0

The discount rates reflect the risks relating to each CGU to the extent that the risk components are not already included in the cash flow forecasts.

Sensitivity to changes in assumptions

The recoverability of the Group's assets (including goodwill) is generally dependent on the Group's ability to continuously innovate, improve manufacturing efficiency, increase the volume of throughput and improve product mix in order to meet growth targets.

The directors and management have considered and assessed reasonably possible changes to the key assumptions detailed above and all other key assumptions included in the budgets and forecasts used as a basis for the value in use calculations and have not identified any instances that could cause the carrying amount of the Riviana, CopRice and Global Rice CGUs to exceed their recoverable amount.

Recognition and measurement

Goodwill

Goodwill represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired assets and acquisition date fair value of any previous equity interest in the acquired entity, over the fair value of the identifiable net assets acquired.

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Goodwill is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

Acquired patents and brands

Separately acquired patents and brands are shown at historical cost. Patents and brands acquired in a business combination are recognised at fair value at the acquisition date.

All patents and brands have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Capitalised software

Costs associated with maintaining software programmes are recognised as expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when relevant criteria are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are amortised from the point at which the asset is ready for use.

Amortisation methods and periods

Intangible assets are amortised on a straight line basis over the periods of their expected benefit:

Acquired patents and brands	5 to 20 years
Capitalised software	3 years

Research and development costs

Research expenditure and development expenditure that do not meet the relevant criteria for recognition as intangible assets are recognised as expense as incurred. Development costs previously recognised as expense are not recognised as intangible asset in a subsequent period.

3i. Derivative financial instruments

	2020 $000's	2019 $000's
Current assets		
Forward foreign exchange contracts (cash flow hedges)	1,123	1,370
	1,123	1,370
Current liabilities		
Interest rate swaps (cash flow hedges)	1,177	899
Forward foreign exchange contracts (cash flow hedges)	525	-
	1,702	899

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged items and the hedging instruments.

For hedges of foreign currency sales and purchases, the Group enters into hedge relationships where the critical terms of the hedging instruments match exactly with the terms of the hedged items. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged items such that the critical terms no longer match exactly with the critical terms of the hedging instruments, the Group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency sales and purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of SunRice or the derivative counterparty.

The Group also enters into interest rate swaps that have similar critical terms as the hedged items, such as reference rate, reset dates, payment dates, maturities and notional amounts. The Group does not hedge 100% of its bank loans, therefore the hedged items are identified as a proportion of the outstanding bank loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective. Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency sales and purchases. It may occur due to the credit or debit value adjustment on the interest rate swaps which is not matched by the loan, and differences in critical terms between the interest rate swaps and underlying bank loans. There was no ineffectiveness during 2020 or 2019 in relation to the interest rate swaps.

Recognition and measurement

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The Group also documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income/expenses. When forward contracts are used to hedge forecast transactions, the Group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (inventory or fixed assets), the deferred hedging gains or losses and the deferred time value of the deferred forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through the use of inventory or depreciation of fixed assets).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income and expenses.

Risk exposure

Information about the Group's exposure to foreign exchange risk and interest rate risk is provided in note 4g.

4. Capital and financial risk management

This section outlines how the Group manages its capital structure and its exposure to financial risk and provides details of its balance sheet liquidity and access to financing facilities.

4a. Capital risk management

The Group's and Company's objectives when managing capital are to safeguard their ability to continue as a going concern, continue to grow the business, provide returns for A and B Class shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to B Class shareholders, return capital to B Class shareholders, issue new B Class shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by net debt plus total equity. Net debt is calculated as total borrowings less cash and cash equivalents. Total equity is calculated as 'equity' as shown in the consolidated balance sheet (including non-controlling interests). The gearing ratios at 30 April 2020 and 30 April 2019 were as follows:

	Notes	2020 $000's	2019 $000's
Net debt	4c	82,601	109,553
Total equity		481,359	462,904
Gearing ratio		15%	19%

When considering the Group's gearing, it is important to note that the Papua New Guinea Kina (PGK) is a restricted currency not freely traded on currency markets. As a result, the cash balance accumulated by Trukai Industries (see further details in note 4g – liquidity risk) may not always be repatriated on demand. This may result in additional borrowing cost to finance the Group's working capital in the future and, if this amount of cash was to become unavailable for the Group, the Group's gearing ratio would materially increase compared to its current level.

Franked dividends

	2020 $000's	2019 $000's
Final dividend for the year ended 30 April 2019 of 33 cents (2018: 33 cents) per outstanding ordinary B Class share	19,212	18,780
Total dividend distributed	19,212	18,780

Subsequent to year end, the directors have recommended the payment of a final dividend of 33 cents per outstanding ordinary B Class share for the year ended 30 April 2020. The aggregated amount of the proposed dividend not recognised as a liability at 30 April 2020 is $19,540,000. The franked portion of the final dividend recommended after 30 April 2020 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 April 2021.

	2020 $000's	2019 $000's
Franking credits available for subsequent financial years based on a tax rate of 30% (2019 - 30%)	76,235	80,146

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax. The amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends. The impact on the franking account of the dividend recommended by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of $8,446,000 (2019 – $8,305,000).

Dividend Reinvestment Plan

The company's dividend reinvestment plan (see note 2e) was in operation in 2020 with regards to the distribution of the 2019 dividend. The plan will remain operation in 2021 with regards to the distribution of the 2020 dividend.

Share buy-back

In December 2019, the SunRice Board approved a proposal to conduct an on-market buy-back of B Class Shares, funded via a combination of cash and existing undrawn debt facilities. The buy-back is part of the Group's commitment to efficiently manage its capital, while maintaining balance sheet flexibility to pursue future growth and investment opportunities. At the time of making the decision, the SunRice Board believed that the current B Class Share price did not reflect the value of the SunRice business or its future growth prospects. The buyback may also provide additional liquidity which could facilitate the increase of B Class Share value over time.

At 30 April 2020, no B Class Shares were yet to be bought back under the scheme.

4b. Cash and cash equivalents

	2020 $000's	2019 $000's
Cash at bank and on hand	39,837	22,441
Total cash and cash equivalents	39,837	22,441

Reconciliation to cash at the end of the year

The figures above are reconciled to cash at the end of the financial year as shown in the consolidated cash flow statement as follows:

	2020 $000's	2019 $000's
Cash and cash equivalents	39,837	22,441
Less: Bank overdraft (note 4d)	(8,323)	(12,001)
Balances per consolidated cash flow statement	31,514	10,440

Recognition and measurement

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Goods and Services Tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Risk exposure

The Group may be exposed to liquidity risk in relation to the availability of the USD currency in PNG. Details are presented in note 4g.

4c. Cash flow information and net debt reconciliation

Reconciliation of profit after income tax to net cash inflow / (outflow) from operating activities

	2020 $000's	2019 $000's
Profit for the year	22,680	32,767
Depreciation and amortisation	27,620	21,681
(Gain) / loss on sale / disposal of property, plant and equipment	(191)	477
Net exchange differences (including changes in the fair value of derivatives)	3,674	352
Impairment of non-current assets	600	288
Share-based payment expense	1,621	1,273
Deductions under Employee Share Plan and Grower Share Purchase Plan	279	1,755
Share of associate's net profit	-	(1,268)
Net operating assets acquired through business combination	-	12
Fair value gain on investment property	-	(1,750)
Changes in operating assets and liabilities		
Increase in trade and other receivables	(27,861)	(19,147)
(Increase) / decrease in other operating assets	(874)	2,053
Decrease in inventories	84,054	145,401
Decrease in amounts payable to Riverina Rice Growers	(47,797)	(207,969)
Increase in trade and other payables and employee entitlements	27,092	4,718
Decrease in current tax receivable and liability	704	5,855
(Increase) / decrease in deferred tax balances	(2,068)	4,397
Net cash inflows / (outflows) from operating activities	89,533	(9,105)

Net debt reconciliation

Net debt	2020 $000's	2019 $000's
Cash and cash equivalents	39,837	22,441
Borrowings - repayable within one year (including overdraft)	(63,637)	(39,465)
Borrowings - repayable after one year	(58,801)	(92,529)
Net Debt	(82,601)	(109,553)
Cash and cash equivalents	39,837	22,441
Gross debt - fixed interest rates	(46,000)	(46,000)
Gross debt - variable interest rates	(76,438)	(85,994)
Net debt	(82,601)	(109,553)

	Other Assets	Liabilities from financing activities				
	Cash / bank overdrafts $000's	Lease liabilities due within one year $000's	Lease liabilities due after one year $000's	Borrowings due within one year $000's	Borrowings due after one year $000's	Total $000's
Net debt at 1 May 2018	122,902	(522)	(483)	(85,670)	(78,721)	(42,494)
Cash flows	(114,605)	188	-	59,000	(13,230)	(68,647)
Acquisition - finance leases	-	-	(833)	-	-	(833)
Foreign exchange adjustments	2,143	-	-	-	-	2,143
Interests on lease liabilities (included in operating cash flows) and other non cash movements	-	(302)	758	(158)	(20)	278
Net debt at 30 April 2019	10,440	(636)	(558)	(26,828)	(91,971)	(109,553)
Adjustment on adoption of AASB 16	-	(3,463)	(12,794)	-	-	(16,257)
Restated net debt at 1 May 2019	10,440	(4,099)	(13,352)	(26,828)	(91,971)	(125,810)
Cash flows	20,822	3,064	-	(25,205)	46,230	44,911
Acquisition - right-of-use-assets	-	-	(2,671)	-	-	(2,671)
Foreign exchange adjustments	252	-	-	-	-	252
Interests on lease liabilities (included in operating cash flows) and other non cash movements	-	(2,618)	3,217	372	(254)	717
Net debt at 30 April 2020	31,514	(3,653)	(12,806)	(51,661)	(45,995)	(82,601)

4d. Borrowings

	2020 $000's	2019 $000's
Current - Secured		
Bank overdrafts	8,323	12,001
Bank loans	52,205	27,000
Net accrued interest and capitalised borrowing costs	(544)	(172)
Lease liabilities (note 1)	3,653	636
Total borrowings	63,637	39,465
Non current - Secured		
Bank loans	46,000	92,230
Net accrued interest and capitalised borrowing costs	(5)	(259)
Lease liabilities (note 1)	12,806	558
Total borrowings	58,801	92,529

Significant terms and conditions of bank facilities

The Seasonal bank facility (including a trade finance and transactional banking facility) was renegotiated in 2020. The Seasonal bank facility limit of $222,400,000 increased by $42,400,000 compared to the prior year ($180,000,000) and the maturity date was extended to April 2021. The trade finance and transactional banking component of the facility ($120,000,000) remained as an uncommitted facility.

The Core bank facility of $220,000,000 was renegotiated in 2020 and the facility limit of $220,000,000 remained unchanged. The April 2021 ($120,000,000) maturity date was extended to April 2024, while the April 2023 ($100,000,000) maturity date remained unchanged.

The Group's Seasonal and Core bank borrowings are secured by registered equitable mortgages over all assets of the Obligor Group and a cross-guarantee between each member of the Obligor Group (the composition of which has been detailed in note 4g).

Under the terms of the banking facilities, the Group is required to comply with a set of financial covenants. The Group complied with these covenants throughout the reporting period.

In 2020, Trukai Industries continued to benefit from a PGK 75,000,000 (AUD 32,703,000) uncommitted overdraft facility. This facility is secured against the assets of Trukai Industries under a General Security Agreement.

Risk exposure

Details of the Group's undrawn bank facilities and exposure to risks arising from current and non-current borrowings are set out in note 4g. The Group's bank borrowings are categorised as follows:

	2020 $000's	2019 $000's
Seasonal debt	52,205	27,000
Core debt	46,000	92,230
	98,205	119,230
Representing:		
Current bank loans	52,205	27,000
Non-current bank loans	46,000	92,230
	98,205	119,230

Seasonal debt

Seasonal debt represents borrowings used for the purpose of funding net working capital requirements.

Core debt

Core debt represents borrowings used to fund fixed assets and investments.

Recognition and measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of bank facilities are recognised as transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

4e. Share capital

A Class Shares

A Class Shares have no nominal value but are voting shares held by active Riverina rice growers only. A Class Shares are not classified as equity.

At 30 April 2020, 605 (2019: 706) A Class shares were on issue.

The Board has the discretion to defer redemption of any A Class Share. This right was exercised in 2020 when the SunRice Board determined that it does not intend to redeem an A Class Share in July 2020 if the Share is held by a person or entity that ceases to be an Active Grower as a result of their failure to deliver the minimum quantity of paddy rice to the company and is nevertheless able to satisfy the company that it intends to recommence growing and supplying the minimum quantity of paddy rice to the company in the future.

Further details about the non-standard elements of the SunRice Group's Constitution, including information about the Group's dual class share structure are included in the shareholder information section of this Annual Report.

B Class Shares

B Class Shares are non-voting shares and entitle the holder to participate in dividends. B Class shares have no par value and are classified as equity.

The number of B Class Shares on issue is set out below:

	2020 Number of shares	2019 Number of shares
Total B Class Shares outstanding at 30 April	59,211,998	58,217,481
Total treasury Shares (B Class) at 30 April	507,932	507,932
Total B Class Shares on issue at 30 April	59,719,930	58,725,413

Movement in ordinary B Class Shares

	2020 Number of shares	2019 Number of shares	2020 $000's	2019 $000's
Balance at 1 May	58,725,413	56,769,031	122,852	111,855
Issue under Dividend Reinvestment Plan	941,217	949,628	5,280	5,423
Issue under Grower Share Purchase Plan	-	222,404	-	1,270
Issue under Employee Share Scheme - purchased shares	32,766	143,081	191	762
Issue under Employee Share Scheme - shares offered for no consideration	20,534	33,337	117	194
Treasury shares issued	-	507,932	-	2,956
Issue under the FY16/FY18 Chief Executive Officer Long Term Incentive Plan	-	100,000	-	392
Balance at 30 April	59,719,930	58,725,413	128,440	122,852

Dividend Reinvestment Plan

The Company has established a Dividend Reinvestment Plan (DRP) under which holders of ordinary B Class Shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary B Class Shares rather than by being paid in cash.

B Class Shares have been issued under the DRP at a 2% discount to the prevailing market price at the time of the DRP offer in both 2020 and 2019.

Grower Share Purchase Plan

The Company has established a Grower Share Purchase Plan (GSPP) under which eligible growers are given the opportunity to acquire ordinary B Class Shares based on the number of paddy tonnes they deliver in any given crop year.

No offers were made under the GSPP in 2020. In 2019, B Class Shares were issued under the GSPP at a 2% discount to the prevailing market price at the time of the GSPP offer.

Employee Share Scheme

The Company has established an Employee Share Scheme (ESS) under which eligible employees are given the opportunity to acquire ordinary B Class Shares out of their benefit entitlements or after tax funds. Under the matching arrangement of the ESS, eligible employees may also be granted B Class Shares for no consideration (see further details in note 6b.

B Class Shares are issued under the ESS at the prevailing market price at the time of the relevant annual ESS offer, with no discount.

In the prior period, B Class Shares issued under the ESS also included 40,000 B Class Shares issued to the non-executive independent directors of Ricegrowers Limited under the FY18 ESS offer and which had not been able to be issued prior to 30 April 2018. Non-executive independent directors were not given the opportunity to participate in the 2020 and 2019 ESS offers.

Treasury shares

Treasury shares issued in the prior period are B Class Shares in Ricegrowers Limited that are held as unallocated B Class Shares by the Ricegrowers Employee Share Trust for the purpose of allocating B Class Shares that may be delivered in the future under the FY2019-FY2021 Chief Executive Officer Long Term Incentive Plan.

Chief Executive Officer Long Term Incentive Plan

B Class shares issued in the prior period related to vested ordinary B Class Shares under the FY2016-FY2018 Chief Executive Officer Long Term Incentive Plan.

Recognition and measurement

Incremental costs directly attributable to the issue of new B Class Shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity instruments, for example as a result of a B Class Share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Ricegrowers Limited as treasury shares until the B Class Shares are cancelled or reissued. Where such B Class Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Ricegrowers Limited.

B Class Shares held as unallocated shares by the Ricegrowers Employee Share Trust are disclosed as treasury shares and deducted from total equity.

4f. Reserves and retained profits

	2020 $000's	2019 $000's
General reserve	28,453	28,453
Asset revaluation reserve	4,917	4,917
Foreign currency translation reserve	(9,107)	(16,722)
Hedging reserve - cash flow hedges	(4)	369
Transaction with non-controlling interests	(7,956)	(7,956)
Share-based payment reserve	2,754	1,250
Treasury shares reserve	(2,956)	(2,956)
Total reserves	16,101	7,355
Retained profits	313,844	306,643

Movements

Reserves	2020 $000's	2019 $000's
Foreign currency translation reserve		
Balance 1 May	(16,722)	(21,140)
Net exchange difference on translation of overseas controlled entities	8,868	5,158
Non controlling interest in translation differences	(1,253)	(740)
Balance 30 April	(9,107)	(16,722)
Hedging reserve - cash flow hedges		
Balance 1 May	369	(746)
Change in fair value of hedging instruments net of reclassification to the cost of inventory or profit or loss	(634)	1,492
Deferred tax	261	(377)
Balance 30 April	(4)	369
Share-based payment reserve		
Balance 1 May	1,250	563
Share-based payment expense	1,621	1,273
B Class Shares issued to employees under the Employee Share Scheme	(117)	(586)
Balance at 30 April	2,754	1,250
Treasury shares reserve		
Balance 1 May	(2,956)	(113)
Treasury shares issued under the Employee Share Scheme	-	(2,956)
Treasury shares allocated under the Employee Share Scheme	-	113
Balance at 30 April	(2,956)	(2,956)

Retained profits	2020 $000's	2019 $000's
Reported balance at 1 May	306,643	293,925
Change in accounting Policy - Adoption of AASB 16 (note 1)	(600)	-
Restated balance at 1 May	306,043	293,925
Net profit for the year	27,013	31,498
Dividends provided for or paid	(19,212)	(18,780)
Balance at 30 April	313,844	306,643

Nature and purpose of reserves

General reserve

The general reserve has accumulated over prior periods with the purpose of retaining funds within the business.

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Foreign currency translation reserve

Exchange differences arising on the translation of the foreign controlled entities' financial information are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

Hedging reserve - cash flow hedges

The hedging reserve is used to record the changes in the fair value of the following hedging instruments:

Cash flow hedge reserve	Foreign currency forwards $000's	Interest rate swaps $000's	Total hedge reserve $000's
Opening balance at 1 May 2018	(374)	(372)	(746)
Change in fair value of hedging instruments net of reclassification to the cost of inventory or profit or loss	1,860	(368)	1,492
Deferred tax	(488)	111	(377)
Closing balance at 30 April 2019	998	(629)	369
Change in fair value of hedging instruments net of reclassification to the cost of inventory or profit or loss	(356)	(278)	(634)
Deferred tax	178	83	261
Closing balance at 30 April 2020	820	(824)	(4)

Transactions with non-controlling interests

This reserve is used to record the effects that arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Share-based payment reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of B Class Share rights issued to employees but not yet vested under the Employee Long Term Incentive Plan (including the Chief Executive Officer Long Term Incentive Plan), as described in note 6b, and
- the grant date fair value of B Class Shares issued to employees for no consideration under the matching arrangement of the Employee Share Scheme, as described in note 6b.

Treasury shares reserve

Treasury shares are B Class Shares in Ricegrowers Limited that are held as unallocated B Class Shares by the Ricegrowers Employee Share Trust for the purpose of allocating B Class Shares that may be delivered in the future under the FY2019-FY2021 Chief Executive Officer Long Term Incentive Plan.

4g. Financial risk management

The Group's activities expose it to a variety of financial risks, including market risks (such as foreign exchange risk and interest rate risk), credit risk and liquidity risk that are actively mitigated to reduce the Group's exposure. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are only used for economic hedging purposes and not as speculative investments.

The Group uses different methods to measure the different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rates and foreign exchange risks and ageing analysis for credit risk.

Financial risk management is executed under guidance from the Treasury Management Committee, in accordance with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, the use of derivative financial instruments and investing excess liquidity.

Market risk

Foreign exchange risk

Exposure

The table below sets out the Group's main exposure to foreign currency risk at the reporting date, expressed in the foreign currency. The amounts presented reflect balances held in Group entities where the USD and EUR are not their functional currency.

	2020		2019	
	USD $000's	EUR $000's	USD $000's	EUR $000's
Cash	868	87	4,889	98
Trade receivables	68,616	-	79,755	-
Trade payables	(86,124)	(3,741)	(63,005)	(7,290)
Foreign exchange contracts:				
- selling foreign currency	(64,050)	-	(81,250)	-
- buying foreign currency	23,190	6,811	28,162	12,593
Net exposure - selling currency	(57,500)	3,157	(31,449)	5,401

Instruments used by the Group

The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar (USD). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. Translation related risks are not included in the assessment of the Group's exposure to foreign exchange risk.

The risk is measured through cash flow forecasting and is hedged with the objective of minimising the volatility of the Australian currency equivalent of firm commitments or highly probable forecast sales and purchases denominated in foreign currencies. The Group's treasury's risk management policy is to hedge a portion of the forecast foreign currency cash flows for sales, inventory and fixed assets purchases for up to twelve months in advance, subject to a review of the cost of implementing each hedge. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. Under the Group's policy the critical terms of the forwards must align with the hedged items. Access to foreign currency forwards is however not always available in all the countries in which the Group operates (e.g, PNG).

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency related hedging instruments on the Group's financial position and performance are as follows:

	2020 $000's	2019 $000's
Foreign currency forwards		
Carrying amount - asset	598	1,370
Notional amount - selling foreign currency	(64,050)	(81,250)
Notional amount - buying foreign currency	30,001	40,755
Maturity date	May 2020 - March 2021	May 2019 - March 2020
Hedge ratio*	1:1	1:1
Change in fair value of hedging instruments since 1 May	(356)	1,860
Change in value of hedged items used to determine hedge effectiveness	356	(1,860)
Weighted average hedged rate for the year	USD0.66:AUD1 EUR0.57:AUD1	USD0.71:AUD1 EUR0.63:AUD1

* The foreign currency forwards are denominated in the same currency as the highly probably future sales and purchases, therefore the hedge ratio is 1:1

Sensitivity analysis

At 30 April 2020, had the US dollar increased by 5 cents to the Australian dollar, with all other variables held constant, the Group's profit after tax for the year would have been $468,000 lower (2019: $409,000 lower) and other equity would have been $491,000 lower (2019: $154,000 higher).

At 30 April 2020, had the US dollar decreased by 5 cents to the Australian dollar, with all other variables held constant, the Group's profit after tax for the year would have been $546,000 higher (2019: $467,000 higher) and other equity would have been $751,000 higher (2019: $167,000 lower).

The tightening of the USD currency availability in Papua New Guinea (PNG) has affected Trukai's ability to settle its intercompany trade payable during the year, exposing the Group to the risk of a sudden devaluation of the PNG Kina (PGK). At 30 April 2020, the outstanding amount due from Trukai was USD 47,636,000 (AUD 72,626,000) compared to USD 26,150,000 (AUD 37,119,000) at 30 April 2019. If the USD/PGK exchange rate was 5 cents lower (0.2360 instead of 0.2860), with all other variables held constant, Trukai's intercompany trade payable would have been higher in its local currency, resulting in an additional foreign exchange loss in the Group's profit after tax for the year of $8,888,000 (2019: $4,465,000).

The Group's exposure to other foreign currency exchange movements (including the EUR) is not considered material.

Interest rate risk

Exposure

The Group's main interest rate risk arises from bank borrowings and bank overdrafts, which expose the Group to cash flow interest rate risk. The Group's policy is to maintain a portion of its long-term bank borrowings at fixed rate, using floating-to-fixed interest rate swaps to achieve this when necessary. Generally, the Group enters into long-term bank borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

During 2020 and 2019, the Group's bank borrowings at variable rate were mainly denominated in Australian dollar. The Group had the following variable rate borrowings and interest rate swap contracts outstanding (an analysis by maturities is provided in the liquidity risk section of this note:

30 April 2020	Weighted average interest rate %	Balance $000's
Bank loans and bank overdrafts	1.8	(98,205)
Interest rate swaps (notional principal amount)	2.3	46,000
Net exposure to cash flow interest rate risk		(52,205)

30 April 2019	Weighted average interest rate %	Balance $000's
Bank loans and bank overdrafts	2.9	(119,230)
Interest rate swaps (notional principal amount)	2.3	46,000
Net exposure to cash flow interest rate risk		(73,230)

Instruments used by the Group

Swaps currently in place cover 100% (2019: 50%) of the Obligor Group Core debt outstanding. The Obligor Group is a sub-group of Ricegrowers Limited that jointly guarantees the Core and Seasonal banking facilities contracted in Australia (see note 4d). The following entities are part of the Obligor Group:

- Riviana Foods Pty Ltd
- Australian Grain Storage Pty Ltd
- Rice Research Australia Pty Ltd
- Solomons Rice Company Limited
- Sunshine Rice Inc.
- Ricegrowers Singapore Pte Ltd
- Silica Resources Pty Ltd
- Sunshine Rice Pty Ltd
- SunFoods LLC
- Roza's Gourmet Pty Ltd

The fixed interest rates of the swaps range between 2.22% and 2.48% (2019 – 2.22% and 2.48%) and the variable rates of the loans are between 1.10% and 1.75% (2019 – 2.69% and 3.30%). The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2020 $000's	2019 $000's
Interest rate swaps		
Carrying amount - liability	(1,177)	(899)
Notional amount	46,000	46,000
Maturity date	2020 / 2021	2020 / 2021
Hedge ratio*	1:1	1:1
Change in fair value of hedging instruments since 1 May	(278)	(368)
Change in value of hedged items used to determine hedge effectiveness	278	368
Weighted average hedged rate for the year	2.3%	2.3%

* The interest rates swaps are denominated in the same currency as the underlying debt, therefore the hedge ratio is 1:1

Sensitivity analysis

At 30 April 2020, if interest rates had changed by + / - 25 basis points from the year end rates, with all other variables held constant, profit after tax for the year would have been $130,000 lower/higher (2019: $128,000 lower/higher), mainly as a result of higher/lower interest expense on variable bank loans.

Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to domestic and export customers, including outstanding receivables.

Risk management

Credit risk is managed on a Group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of Moody's A3 or Standard & Poor's A minus are accepted unless such rating is not available in a country in which SunRice operates.

Domestic customers are assessed for credit quality, taking into account their financial position, past experience, trade references, ASIC searches and other factors. The majority of export customers trading terms are secured by letters of credit, cash against documents or documentary collection and prepayment in accordance with the Treasury policy. Individual credit limits for both domestic and export customers are set in accordance with the limits set by the Board and compliance with credit limits is regularly monitored by the Group. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, the Group has established limits so that the portfolio of instruments held with the various financial institutions does not create a material counterparty risk to the Group.

Security

For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment of financial assets

Cash and cash equivalents are subject to the impairment requirements of AASB 9. However there was no identified impairment loss in the current or previous reporting period.

Trade receivables for sales of goods are subject to the expected credit loss model. Further details on loss allowances recognised in the current and previous reporting period are available in note 3a.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the Group's underlying businesses, Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities disclosed on the next page) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet business needs and satisfy internal and external compliance requirements.

As previously discussed, the tightening of the availability of the USD currency in PNG has affected Trukai's ability to repay its intercompany payable. This in turn triggered an increase in the cash balance accumulated by Trukai, which increased to PGK 24,081,000 (AUD 10,500,000) at 30 April 2020 compared to PGK 9,387,000 (AUD 3,878,000) at 30 April 2019. To maintain access to the USD currency and support its local net working capital needs, Trukai maintained a local uncommitted working capital facility of PGK 75,000,000 in the current year (see further details in note 4d). The Group continues to closely monitor economic conditions in PNG to proactively manage the liquidity risk. Potential impacts on gearing have also been discussed in note 4a.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2020 $000's	2019 $000's
Fixed and floating rate:		
Bank overdraft - expiring within one year	24,380	19,983
Bank loans - expiring within one year	160,622	137,283
Bank loans - expiring beyond one year	174,000	127,770
	359,002	285,036

The bank overdraft facilities and $118,000,000 of the 2020 bank borrowing facilities (portion relating to trade finance and transactional banking), may be drawn at any time and may be terminated by the bank without notice. Additional information on significant terms and conditions of bank facilities is available in note 4d.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

30 April 2020	Less than 12 months $000's	Between 1 and 2 years $000's	Between 2 and 5 years $000's	Over 5 years $000's	Total contractual cash flows $000's	Total carrying amount $000's
Non-derivatives						
Non-interest bearing	178,348	-	-	1,830	180,178	180,178
Variable rate	53,428	828	46,823	-	101,079	98,205
Fixed rate	12,595	5,615	4,881	2,528	25,619	24,782
Total non-derivatives	244,371	6,443	51,704	4,358	306,876	303,165
Derivatives						
Interest rate swaps - net settled	294	883	-	-	1,177	1,177
Foreign currency contracts - gross settled						
- outflow	164,119	-	-	-	164,119	598
- (inflow)	(163,521)	-	-	-	(163,521)	-
Total derivatives	892	883	-	-	1,775	1,775

30 April 2019	Less than 12 months $000's	Between 1 and 2 years $000's	Between 2 and 5 years $000's	Over 5 years $000's	Total contractual cash flows $000's	Total carrying amount $000's
Non-derivatives						
Non-interest bearing	200,284	-	-	1,707	201,991	201,991
Variable rate	30,439	94,942	-	-	125,381	119,230
Fixed rate	12,848	395	184	-	13,427	13,195
Total non-derivatives	243,571	95,337	184	1,707	340,799	334,416
Derivatives						
Interest rate swaps - net settled	-	318	581	-	899	899
Foreign currency contracts - gross settled						
- outflow	187,247	-	-	-	187,247	-
- (inflow)	(188,617)	-	-	-	(188,617)	(1,370)
Total derivatives	(1,370)	318	581	-	(471)	(471)

4h. Fair value measurement

The Group's assets and liabilities carried at fair value are mainly related to currency and interest rate derivatives.

The Group's financial instruments that are carried at fair value are valued using observable market data, as there is no price quoted in an active market for the financial instruments held (level 2). The fair value of derivative financial instruments are determined based on dealer quotes for similar instruments. The valuation inputs are calculated in accordance with industry norms and the inputs include spot market exchange rates and published interest rates.

The Group does not have any financial instruments that are carried at fair value using inputs classified as level 1 inputs.

Only the investment property is classified as level 3, as the fair value is determined by an independent valuation.

The following table presents the Group's financial assets and liabilities measured and recognised at fair value on a recurring basis:

	2020			2019		
Recurring fair value measurements	Level 2 $000's	Level 3 $000's	Total $000's	Level 2 $000's	Level 3 $000's	Total $000's
Assets						
Investment properties	-	2,900	2,900	-	2,900	2,900
Derivatives used for hedging						
- Foreign exchange contracts	1,123	-	1,123	1,370	-	1,370
Total assets	1,123	2,900	4,023	1,370	2,900	4,270
Liabilities						
Derivatives used for hedging						
- Foreign exchange contracts	525	-	525	-	-	-
- Interest rate swaps	1,177	-	1,177	899	-	899
Total liabilities	1,702	-	1,702	899	-	899

There were no transfer between levels for recurring fair value measurements during the year.

The Directors consider the carrying amounts of other financial instruments approximate their fair value, due to either their short-term nature or being at market rates. These financial instruments include trade receivables, trade payables, bank overdrafts, bank loans and amounts payables to Riverina rice growers.

4i. Commitments

Capital commitments (property, plant and equipment)

	2020 $000's	2019 $000's
Commitments for capital expenditure contracted for at the reporting date but not recognised as liabilities	6,889	3,530

Non-cancellable operating lease commitments

The Group leases various offices, equipment and vehicles under non-cancellable operating leases expiring within one to seven years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

The table below sets forth non-cancellable operating lease commitments that applied under the AASB 117 rules up to 30 April 2019. From 1 May 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases. See note 1 for further information.

	2020 $000's	2019 $000's
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities:		
- Within one year	-	6,693
- Later than one year but not later than five years	-	12,645
	-	19,338

4j. Contingent liabilities

The Group had the following contingent liabilities not provided for in its financial statements at 30 April:

	2020 $000's	2019 $000's
Letters of credit	7,009	13,879
Guarantees of bank advances	2,564	1,839
Total contingencies	9,573	15,718

Letters of credit in both years are mainly contracted in relation to the purchase of rice in Asia.

Significant estimates and judgements

Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities.

Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions.

At 30 April 2020, the Group does not expect any material adverse outcome from any open or pending cases.

5. Group Structure

This section provides details of the Group structure and the entities included in the consolidated financial statements.

5a. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

			Direct / indirect interest in ordinary shares / equity	
Name of entity	Country of Incorporation	Principal activities	2020 %	2019 %
Australian Grain Storage Pty Ltd *	Australia	Grain storage assets	100	100
Rice Research Australia Pty Ltd	Australia	Research into rice growing	100	100
Riviana Foods Pty Ltd *	Australia	Importation / manufacturing / distribution of food products	100	100
Roza's Gourmet Pty Ltd	Australia	Manufacturing / distribution of food products	100	100
Silica Resources Pty Ltd *	Australia	Holding company	100	100
SunRice Australia Pty Ltd	Australia	No current activities	100	100
SunRice Fund Limited (ex-Bligh Funds Management)	Australia	No current activities	100	100
SunRice Trading Pty Ltd	Australia	No current activities	100	100
SunShine Rice Pty Ltd	Australia	No current activities	100	100
Aqaba Processing Company Ltd	Jordan	Rice packing / storage	80	80
Ricegrowers New Zealand Ltd	New Zealand	Distribution of rice and other food products	100	0
Rice Industries Limited	PNG	Property	66.23	66.23
Trukai (Wholesale) Limited	PNG	Distribution of rice	66.23	66.23
Trukai Industries Limited	PNG	Processing and distribution of rice	66.23	66.23
Ricegrowers Singapore Pte Ltd	Singapore	Procurement and trading of rice and other food products	100	100
Solomons Rice Company Limited	Solomon Islands	Distribution of rice	100	100
Ricegrowers Middle East DMCC	UAE	Distribution of rice and other food products	100	100
SunFoods LLC	USA	Processing and distribution of rice	100	100
Sunshine Rice, Inc	USA	Holding company	100	100
Ricegrowers Vietnam Company Limited (ex-Lap Vo Dong Thap Food Company Limited)	Vietnam	Processing of rice	100	100

*Entities part of a Deed of Cross Guarantee that are relieved under the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 from preparing a separate financial report (see note 5c).

Non-controlling interests

Non-controlling interests hold 540,320 ordinary shares in Trukai Industries Ltd, being 33.77% of the ordinary issued capital of that entity. Summarised financial information for this subsidiary has been disclosed in note 5e.

Non-controlling interests hold 6,000 ordinary shares in Aqaba Processing Company Limited, being 20% of the ordinary issued capital of that entity.

Recognition and measurement

Subsidiaries

Ricegrowers Limited ("company" or "parent entity") and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

5b. Investments accounted for using the equity method

	2020 $000's	2019 $000's
Shares in associates	2,978	2,821

Information relating to the associate is set out below.

		Ownership interest	
Name of company	Principal activity	2020	2019
Pagini Transport (incorporated in Papua New Guinea)	Transport	30.44%	30.44%

The associate operates on a non-coterminous year-end of 31 December. The directors believe that the financial effects of any events or transactions occurring since the last available financial information have not materially affected the financial position or performance of the associate.

Recognition and measurement

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the Financial Statements
Continued

5c. Deed of cross guarantee

Ricegrowers Limited, Silica Resources Pty Ltd, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd entered into a deed of cross guarantee on 28 April 2016 under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a separate financial report and Directors' report under the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Consolidated statement of comprehensive income and summary of movements in consolidated retained earnings

The previously mentioned companies represent a "closed Group" for the purposes of the ASIC Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Ricegrowers Limited, they also represent the "extended closed Group".

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 April 2020 of the closed Group.

Consolidated statement of comprehensive income	2020 $000's	2019 $000's
Sales revenue	707,367	966,220
Other revenue	47,211	25,027
Revenue from continuing operations	754,578	991,247
Other income	716	1,750
Changes in inventories of finished goods	2,789	(8,110)
Raw materials and consumables used	(432,762)	(612,611)
Employee benefits expenses	(107,376)	(115,520)
Depreciation and amortisation expense	(20,110)	(16,836)
Finance costs	(5,628)	(8,697)
Other expenses	(148,447)	(192,763)
Profit before income tax	43,760	38,460
Income tax expense	(5,163)	(13,083)
Profit for the year	38,597	25,377
Items that may be reclassified to the profit or loss		
Changes in fair value of cash flow hedges	(971)	1,492
Income tax relating to items of other comprehensive income	291	(377)
Other comprehensive income for the year, net of tax	(680)	1,115
Total comprehensive income for the year	37,917	26,492

Summary of movements in consolidated retained earnings	2020 $000's	2019 $000's
Reported balance at 1 May	201,153	194,556
Change in accounting policy - adoption of AASB 16	(473)	-
Restated balance at 1 May	200,680	194,556
Net profit for the year	38,597	25,377
Dividends provided for or paid	(19,212)	(18,780)
Balance 30 April	220,065	201,153

Notes to the Financial Statements
Continued

Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 April 2020 of the closed Group.

	2020 $000's	2019 $000's
Current assets		
Cash and cash equivalents	12,018	9,336
Receivables	185,417	166,419
Inventories	165,862	276,109
Derivative financial instruments	435	1,022
Total current assets	363,732	452,886
Non-current assets		
Receivables	-	667
Other financial assets	33,298	11,141
Property, plant and equipment	194,643	183,585
Investment properties	2,900	2,900
Intangibles	13,300	12,772
Deferred tax assets	12,397	11,036
Total non-current assets	256,538	222,101
Total assets	620,270	674,987
Current liabilities		
Payables	112,396	119,040
Amounts payable to Riverina Rice Growers	18,423	66,220
Borrowings	41,999	27,404
Current tax liabilities	766	4,311
Provisions	20,405	20,027
Derivative financial instruments	1,702	899
Total current liabilities	195,691	237,901
Non current liabilities		
Payables	1,706	1,419
Borrowings	54,195	92,482
Provisions	2,439	2,195
Total non-current liabilities	58,340	96,096
Total liabilities	254,031	333,997
Net assets	366,239	340,990
Equity		
Contributed equity	128,440	122,852
Reserves	17,734	16,985
Retained profits	220,065	201,153
Total equity	366,239	340,990

5d. Parent entity information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 $000's	2019 $000's
Balance sheet		
Current assets	278,703	378,240
Total assets	498,496	555,706
Current liabilities	162,270	206,877
Total liabilities	225,082	305,681
Shareholders equity		
Issued capital	128,440	122,852
Reserves		
General reserve	18,657	18,657
Share-based payment reserve	2,542	1,196
Treasury shares reserve	(2,956)	(2,956)
Hedging reserve - cash flow hedges	(603)	(312)
Retained profits	127,334	110,588
Total shareholders equity	273,414	250,025
Profit for the year	31,928	13,273
Total comprehensive income	31,637	14,182

Guarantees entered into by the parent entity

The parent entity has entered into cross guarantees in respect of all banking facilities, including bank borrowings, foreign exchange facilities and bank overdrafts with Riviana Foods Pty Ltd, refer to note 4d.

No liabilities subject to the deed of cross guarantee at 30 April 2020 are expected to arise to Ricegrowers Limited and its subsidiaries, as all such subsidiaries were financially sound and solvent at that date.

Contingent liabilities of the parent entity

	2020 $000's	2019 $000's
Guarantee of bank advances	2,204	1,479
Total contingencies	2,204	1,479

Contractual commitments of the parent entity for the acquisition of property, plant and equipment

At 30 April 2020, the parent entity had contractual commitments for the acquisition of property, plant or equipment totaling $6,865,000 (30 April 2019: $3,024,000). These commitments are not recognised as liabilities at the end of the reporting period as the relevant assets have not yet been received.

Recognition and measurement

The financial information for the parent entity, Ricegrowers Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Ricegrowers Limited.

Tax consolidation legislation

Ricegrowers Limited and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation as at 1 May 2004.

The head entity, Ricegrowers Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Ricegrowers Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Ricegrowers Limited for any current tax payable assumed and are compensated by Ricegrowers Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Ricegrowers Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements. Assets or liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Share-based payments

The grant by the company of rights over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking.

The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity

5e. Subsidiaries with material non-controlling interests

Trukai Industries Limited – Summary financial information

Set out below is summarised financial information for Trukai Industries Limited. The amounts disclosed are before inter-company eliminations but after homogenisation to the Group accounting policies.

	2020 $000's	2019 $000's
Balance sheet		
Current assets	128,565	108,001
Non-current assets	40,209	31,948
Current liabilities	(90,316)	(57,709)
Non-current liabilities	(7,573)	(2,347)
Cash flows		
Cash flows from operating activities	16,659	(79,961)
Cash flows from investing activities	(4,899)	(6,642)
Cash flows from financing activities	(1,008)	-
Net increase / (decrease) in cash and cash equivalents	10,752	(86,603)

Significant restrictions

The tightening of the availability of the USD currency in PNG affected Trukai's ability to repay its intercompany trade payable during the year (details of which are available in note 4g – market risk). This is turn triggered an increase in the cash balance held by Trukai (details of which are also available in note 4g – liquidity risk). This situation exposes the Group to the risk of a sudden devaluation of the PGK.

It is also important to note that the PGK is a restricted currency not freely traded on currency markets. As a result, the cash balance accumulated by Trukai Industries may not always be repatriated on demand. This may result in additional borrowing cost to finance the Group's working capital in the future and, if this amount of cash was to become unavailable for the Group, the Group's gearing ratio (disclosed in note 4a) would materially increase compared to its current level.

The Group continues to closely monitor economic conditions in PNG to proactively manage those risks.

5f. Business combination

In the prior period (on 19 September 2018), Riviana Foods Pty Ltd (a wholly owned subsidiary of Ricegrowers Limited) acquired 100% of the shares in Roza's Gourmet Pty Ltd (RG) for a total cash consideration of $5,855,000. The assets and liabilities recognised as a result of the acquisition were as follows:

	$000's
Cash and cash equivalents	83
Receivables	659
Inventory	433
Property, Plant and Equipment	681
Brand	1,250
Payables	(622)
Provisions	(165)
Deferred tax	(293)
Identifiable net assets acquired	2,026
Add: Goodwill	3,829
Net assets acquired	5,855

None of the goodwill is deductible for tax purposes.

Acquisition related costs of $150,000 were included in other expenses and operating cash flows.

The acquired business contributed revenues of $6,605,323 and net profit after tax of $150,468 to the Group for the period from 19 September 2018 to 30 April 2019. If the acquisition had occurred on 1 May 2018, contributed revenue and contributed profit after tax for the year ended 30 April 2019 would have been $9,750,193 and $190,961 respectively.

Recognition and measurement

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interest issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs in business combinations are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit and loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

6. Other Disclosures

6a. Related party transactions

Parent entity

The ultimate parent entity and controlling party within the Group is Ricegrowers Limited.

Subsidiaries

Interests in subsidiaries are set out in note 5a.

Directors and other Key Management Personnel

Directors and other Key Management Personnel compensation

	2020 $	2019 $
Short term employee benefits	5,439,625	4,729,222
Post-employment benefits	156,266	152,122
Share-based payments	993,399	936,800
Total compensation	6,589,290	5,818,144

Detailed remuneration disclosures are provided in the remuneration report available in the Directors report.

Directors and other Key Management Personnel shareholding

Details of the Directors and other Key management personnel interests in A and B Class Shares of Ricegrowers Limited, details of B Class Shares issued to Directors and their related entities pursuant to the Grower Share Purchase Plan, details of the movement in B Class Share rights held by Key Management Personnel during the reporting period and details of the number and value of B Class Share rights granted, vested and forfeited under the Long Term Incentive awards during the year are provided in the remuneration report available in the Directors report.

Transactions with Directors and other Key Management Personnel

	Held at 30 April 2020 $		Held at 30 April 2019 $	
Transactions and outstanding balances	Transactions	Outstanding Balances	Transactions	Outstanding Balances
Purchases of rice from Directors	1,374,555	1,354,453	728,012	663,464
Sale of inputs to Directors	19,940	-	13,117	-
Sale of stockfeed to Directors	-	-	66,233	-
Fees paid to Directors for participation on Irrigated Research and Extension Committee	10,499	-	-	-
Consulting fees paid to Directors prior to their appointment	-	-	48,794	-
	1,404,994	1,354,453	856,156	663,464

There were no transactions with other Key Management Personnel.

Purchases of rice from Directors were made on identical terms to purchases of rice from other growers.

6b. Share-based payments

Employee Long Term Incentive Plan

Under the Group's Employee Long Term Incentive Plan (LTI), participants are granted rights to ordinary B Class Shares of Ricegrowers Limited. B Class Share rights are granted annually and vest at the end of a three year performance period. They automatically convert into one ordinary B Class Share each on vesting, aligned to the performance outcome. B Class Share rights do not entitle their holders to receive any dividends during the vesting period. If a participant ceases to be employed by the Group within the performance period, the B Class Share rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

	2020	2019
Number of B Class Share rights granted on 1 August 2019 (2019: 1 October 2018)	175,050	204,890
Fair value of B Class Share rights at grant date	$3.93	$6.33

The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class shares on that date (2020: $4.80, 2019: $7.20)] less the present value of expected dividends that will not be received by the participants on their B Class Share rights during the three year vesting period.

Chief Executive Officer Long Term Incentive Plan

In the prior period, the Chief Executive Officer was granted 507,932 rights to ordinary B Class Shares of Ricegrowers Limited under the FY2019-FY2021 CEO Long Term Incentive Plan. Subject to vesting, each B Class Share right entitles the CEO to one B Class Share.

Vesting of the B Class Share rights is conditional on the Board being satisfied that the CEO has achieved the performance measures identified in the plan at the end of the three year performance period from 1 May 2018 to 30 April 2021. However, the Board may, at its discretion, consider vesting prior to the end of that three year performance period, if a change of control of the company occurs. In circumstances where the CEO ceases to be an employee during the performance period as a result of death, termination by the company on the basis of redundancy or termination by or with the agreement of the company based on permanent incapacity, vesting of the CEO's B Class Share rights will be considered on a pro rata basis to reflect the portion of the performance period which elapsed before the employment ceased. If the CEO ceases to be employed by the company for other reasons prior to the end of the performance period, his B Class Share rights will lapse. B Class Share rights that have not vested at the end of the performance period will also lapse.

The Board selected performance measures that are consistent with the CEO's remuneration being aligned to increasing shareholder value and growers interests. Key performance measures are directed to the achievement of the long-term strategic plan for the Group as agreed by the Board, realising adjusted earnings per share growth, the maximisation of grower returns over the long-term, the development of the next strategic review to ensure continued growth for the organisation and driving a highly engaged workforce, with a strong performance culture focused on sustainability and succession.

B Class Share rights do not entitle the CEO to receive any dividends prior to vesting.

	2020	2019
Number of B Class Share rights granted on 11 January 2019	-	507,932
Fair value of B Class Share rights at grant date	-	$4.83

The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class Shares on that date ($5.70) less the present value of expected dividends that will not be received by the CEO on his B Class Share rights during the three year vesting period.

No LTI offer was made to the CEO in the current reporting period and details about a proposed new CEO LTI plan for the period from 1 May 2021 to 30 April 2024 are provided in the remuneration report available in the Directors report.

Employee Share Scheme

Employees who are Australian tax residents are eligible and may elect to participate in the Group's Employee Share Scheme (ESS). Under the matching arrangement of the scheme, eligible employees may be granted up to $1,000 worth of fully paid ordinary B Class Shares in Ricegrowers Limited annually for no cash consideration. B Class Shares issued under the ESS may not be sold until the earlier of three years after issue or cessation of employment by the Group. In all other respects, the B Class Shares rank equally with other fully paid ordinary B Class Shares on issue.

	2020	2019
Number of B Class Shares offered for no cash consideration under the plan to participating employees	20,534	33,337

Each participant was issued with B Class Shares on a market price (with no discount) of $5.72 (2019: $5.82), which was also determined as the grant date fair value of these B Class Shares.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2020 $000's	2019 $000's
B Class Share rights granted under the Employee Long Term Incentive Plan	686	261
B Class Share rights granted under the Chief Executive Officer Long Term Incentive Plan	818	818
B Class Shares issued for no consideration under the Employee Share Scheme	117	194
Total share based payment expense	1,621	1,273

Recognition and measurement

Employee Share Scheme

Under the matching arrangement of the Ricegrowers Limited Employee Share Scheme, B Class Shares are issued by the Ricegrowers Employee Share Trust to employees for no consideration and these B Class Shares vest immediately on grant date. On this date, the fair value of the B Class Shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

Employee Long Term Incentive Plan (including the Chief Executive Officer Long Term Incentive Plan)

The fair value of B Class Share rights granted under the Ricegrowers Limited Employee Long Term Incentive Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount expensed is determined by reference to the fair value of the B Class Share rights granted, excluding the impact of any service and non-market performance vesting conditions (e.g. Group financial and personal targets and remaining an employee of the Group over a specified period of time). The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of B Class Share rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Plan administration

The Employee Share Scheme and the Employee Long Term Incentive Plan are administered by the Ricegrowers Limited Employee Share Trust, which is consolidated in accordance with the principles detailed in note 5a.

6c. Remuneration of auditors

During the reporting period, the following services were paid or payable to the auditor of the parent entity, its related practices and non-related audit firms:

Audit services

	2020 $	2019 $
Fees paid to PricewaterhouseCoopers Australian firm	504,646	563,969
Fees paid to related practices of PricewaterhouseCoopers Australian firm	176,354	183,731
Fees paid to non-PricewaterhouseCoopers audit firm	54,143	36,728
Total remuneration for audit services	735,143	784,428

Other assurance services

	2020 $	2019 $
Fees paid to PricewaterhouseCoopers Australian firm	33,000	239,800
Fees paid to related practices of PricewaterhouseCoopers Australian firm	5,762	16,524
Total remuneration for other assurance services	38,762	256,324

Taxation services

	2020 $	2019 $
Fees paid to PricewaterhouseCoopers Australian firm	614,132	733,897
Fees paid to related practices of PricewaterhouseCoopers Australian firm	33,854	36,690
Total remuneration for taxation services	647,986	770,587

6d. Events occurring after the reporting period

Other than the declaration of a fully franked dividend of 33 cents per ordinary B Class Shares (refer to note 4a), the Directors are not aware of any matter or circumstance, since the end of the financial year, not otherwise dealt with in this Annual Report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 76 to 126 are in accordance with the Corporations Act 2001, including:

   i. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the consolidated entity's financial position as at 30 April 2020 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 5c will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 5c.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

The declaration is made in accordance with a resolution of the Directors.

For and on behalf of the Board.

L Arthur Chairman	R Gordon Director

25 June 2020

Independent Auditor's Report

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Independent auditor's report

To the members of Ricegrowers Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Ricegrowers Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 April 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 30 April 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $7.5 million, which represents approximately 0.65% of the Group's revenue from continuing operations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose revenue from continuing operations because, in our view, it is an appropriate benchmark against which to measure the performance of the Group. We utilised a 0.65% threshold based on our professional judgement, noting it is within the range of acceptable thresholds.

Audit scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Group comprises of entities located in Australia, Papua New Guinea ("PNG"), the United States of America ("USA"), Singapore and other locations across the Asia Pacific and the Middle East, with the most financially significant operations being those located in Australia and PNG. Accordingly, we structured our audit as follows:
    - The group audit was led by our team from PwC Australia ("group audit team"). The group audit team completed audit procedures in respect of the special purpose financial information of businesses operating in Australia, Singapore and the USA used to prepare the consolidated financial statements.
    - Under instruction from and on behalf of the group audit team, component auditors in PNG performed an audit of the special purpose financial information for that location used to prepare the consolidated financial statements.
- The group audit team decided on their level of involvement needed in the work performed by the component auditor, to be satisfied that sufficient appropriate evidence had been obtained for the purpose of our opinion. Review of the work undertaken by the component team, and regular dialogue between the teams up to the reporting date, supplemented the specific direct written instruction provided by the group audit team which augmented the reporting provided by the component auditor.
- The group audit team undertook the remaining audit procedures, including over significant financial statement items controlled at the Group level, the Group consolidation and the audit of the financial report and remuneration report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	***How our audit addressed the key audit matter***
Sales revenue *(Refer to note 2b) [$1.1bn]* The recognition of sales revenue was a key audit matter due to the financial significance of sales revenue to the consolidated statement of comprehensive income.	In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others: • consideration and assessment of the Group's accounting policy; • testing, for a sample of transactions, whether revenue had been recorded at the correct amount and in the correct financial period, in accordance with the Group's revenue recognition policy. This included assessing whether: ○ evidence of an underlying arrangement with the customer existed; ○ appropriate performance obligations and consideration had been identified; ○ amounts allocated to the performance obligations were made with reference to their standalone selling prices and discount/rebate arrangements, where relevant; and ○ the timing of revenue recognition had been appropriately considered and recognised at the appropriate time • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.
Inventory *(Refer to note 3b) [$277.3m]* Inventory was a key audit matter due to the: • financial significance of inventory to the consolidated balance sheet; • the geographically diverse locations where inventory is stored; and	We focused our efforts on developing an understanding and testing the methodology for which the Group recognises and measures inventory. We considered the appropriateness of the Group's accounting policies to requirements of Australian Accounting Standards. In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others: • attending, observing and assessing stocktakes performed by the Group at a sample of locations and performing independent test counts where appropriate;

Key audit matter	How our audit addressed the key audit matter
• the principles applied in the determining the valuation of inventory.	• reviewing the application of the Group's cycle count procedures; • obtaining confirmations of inventories held at a sample of locations; • evaluating whether any required adjustments identified from our count attendance, cycle count procedures or confirmations were appropriately reflected; • testing, for a sample of inventory items, whether the cost was recorded at the correct amount; • assessing the Group's inventory provisioning policy by comparing the prior period inventory provision to inventory sold below cost or written off in the current period; and • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 April 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 59 to 73 of the directors' report for the year ended 30 April 2020.

In our opinion, the remuneration report of Ricegrowers Limited for the year ended 30 April 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
25 June 2020

Shareholder Information

The Shareholder Information set out below was applicable as at 23 June 2020.

Distribution of equity securities (B Class Shares only)

The analysis of numbers of equity security holders by size of B Class shareholding is set out in the table below:

Holding	Number
1 - 1000	231,089
1,001 - 5,000	2,159,341
5,001 - 10,000	3,253,232
10,001 - 100,000	30,460,288
100,001 and over	23,615,980
	59,719,930

There were 17 holders of less than a marketable parcel of ordinary B Class Shares.

Equity security holders (B Class Shares only)

The names of the twenty largest holders of quoted B Class equity securities are listed below:

Rank	Shareholder	No. of B Class Shares	% of issued B Class Shares
1	AUSTRALIAN FOOD & AGRICULTURE COMPANY LIMITED	2,365,086	4%
2	LOLLYPOP CREEK PTY LTD	2,153,474	4%
3	PACIFIC CUSTODIANS PTY LIMITED	998,761	2%
4	GERMANICO SUPER PTY LTD	850,035	1%
5	DELLAPOOL NOMINEES PTY LTD	807,809	1%
6	MENEGAZZO ENTERPRISES PTY LTD	688,117	1%
7	MR ALAN DAVID WALSH	492,285	1%
8	AMBO FARMS PTY LTD	444,279	1%
9	TAURIAN PTY LTD	402,529	1%
10	INDUSTRY DESIGNS PTY LTD	381,790	1%
11	NIGEL GEOFFREY LAMOND & KATHARINE JANET LAMOND	379,631	1%
12	FRANK ANTHONY DAL BON & JAN BRONWEN DAL BON	350,548	1%
13	OJ MINATO PTY LTD	335,795	1%
14	NEIIL WILLIAM ROSE & BEVERLEY EDNA ROSE	328,413	1%
15	GF & SB LAWSON PTY LTD	327,139	1%
16	AQUARIAN SUPER PTY LTD	322,860	1%
17	FS FALKINER & SONS PTY LTD	300,170	1%
18	YARRANVALE ESTATES PTY LTD	295,294	0%
19	PETER SALVESTRO LANDFORMING PTY LTD	280,818	0%
20	DENNIS MURRAY GLEESON, AMANDA JANE GLEESON & JUDITH K.	258,616	0%
		12,763,449	**21%**

*Shareholdings related to KMP including Directors are detailed in the Remuneration Report.

The above table reflects the shareholdings of individual entities in their own right.

Substantial holders (B Class Shares only)

There are currently no substantial B Class shareholders in the company.

Under the Ricegrowers Limited Constitution, a B Class Shareholding Limit restricts a person (together with their associates) from holding more than 10% of the total number of B Class Shares on issue. In this context, a person will be deemed to "hold" a B Class Share if they have a relevant interest in that Share. If a person acquires B Class Shares in excess of the B Class Shareholding Limit, all rights (including voting and dividend rights) of that person in respect of the excess B Class Shares will be suspended, and the Directors may procure the disposal of the excess B Class Shares.

The continuation of the B Class Shareholding Limit is required to be approved by A Class Shareholders at SunRice's tenth annual general meeting after Listing and at each third annual general meeting thereafter. However, any removal of or variation to the B Class Shareholding Limit will require a special resolution (75% majority of the votes cast) of the A Class Shareholders and of the B Class Shareholders. If the requisite voting majorities to either retain or change the B Class Shareholding Limit are not achieved, the existing 10% B Class Shareholding Limit will remain in place through the Constitution, until such time as Shareholders can agree on a new B Class Shareholding Limit.

Dual class share structure and limited voting rights

SunRice has a dual class share structure, with B Class Shares being able to be held by investors generally and A Class Shares being limited to Active Growers. This structure is designed to meet the needs of SunRice and its existing Shareholders, while giving investors exposure to the financial performance of SunRice.

Investors in SunRice hold B Class Shares, which have limited voting rights. In particular, B Class Shares do not confer on their holders the right to vote at a general meeting of SunRice and will only have voting rights on matters that constitute a variation of the B Class Share class rights and as required by the ASX Listing Rules. B Class Shareholders do not have the right to vote on the election of Directors or (except in relation to amendments which constitute a variation of the B Class Share class rights) on amendments to the Constitution. These matters are controlled by the A Class Shareholders.

It should be noted that the interests of A Class Shareholders are in achieving returns through Paddy Prices. The interests of B Class Shareholders are in achieving dividends on B Class Shares and improvement in the market price of B Class Shares. These interests have diverged since SunRice's dual class share structure was put in place on incorporation, and the proportion of B Class Shares held by A Class Shareholders has decreased. In making any decision, the SunRice Board must have regard to its duties under the Corporations Act and the general law to act in the best interests of the SunRice Group as a whole. SunRice Directors have actively managed these divergent interests for more than 10 years and the Directors believe they have demonstrated a strong track record in balancing the interests of both classes of Shareholders. In addition, the Board has adopted procedures to manage any potential conflict or divergence of interests which may arise, including delegating the decision to a committee of unconflicted Directors. These procedures are set out in the SunRice Conflict of Interest Policy and the Paddy Pricing Policy. Copies of both policies are available on SunRice's website.

Summary of SunRice's non-standard elements

The structure of Ricegrowers Limited contains non-standard elements, including:

1. The Company has a dual class share structure with differential voting rights:
    - A Class Shares, which are redeemable preference shares, confer on their holders the right to vote at general meetings of the Company. A Class Shareholders have no right to dividends or distributions, other than the right to be repaid the amount paid up on the A Class Shares on redemption or a winding up of the Company. A Class Shares are not quoted on the ASX and can only be held by Active Growers.
    - B Class Shares, which are quoted on ASX, confer on their holders the right to receive dividends but no right to vote at general meetings. The right of B Class Shareholders to vote on matters relating to the Company is limited to proposals involving a variation to their class rights (including those matters deemed to vary their class rights under the Company's Constitution) and as required for the purposes of the ASX Listing Rules.
2. The Company's Constitution imposes the following shareholding limits on A Class Shares and B Class Shares:
    - A Class Shareholding Limit: a person must not hold more than 5 A Class Shares.
    - B Class Shareholding Limit: a person must not hold a number of B Class Shares which, when aggregated with any B Class Shares held by all associates of that person, exceeds 10% of the total number of issued B Class Shares.
3. Under the Company's Constitution, the board of directors of the Company can include up to 11 directors, comprising:
    - up to three Grower Directors who are elected members of the Rice Marketing Board for the State of New South Wales (RMB). These directors will hold office for the same period as their term of office as elected members of the RMB;
    - up to four other Grower Directors. These directors will hold office for four years or such other periods as the A Class Shareholders may determine in a general meeting; and
    - up to four Non-Grower Directors, one of whom may be an employee of the Company. These directors will hold office for such term as the A Class Shareholders may determine in general meeting, except that the managing director is not subject to the retirement requirements of the Constitution.

Corporate Directory

SunRice Registered Office

57 Yanco Avenue,
Leeton, NSW, 2705
Australia
Tel +61 2 6953 0411

Subsidiaries

Riviana Foods Pty Ltd
Level 1, Tower 1,
1341 Dandenong Road,
Chadstone, VIC, 3148
Australia
Tel +61 3 8567 1000

Roza's Gourmet Pty Ltd
2/87 Jijaws Street
Sumner Park QLD 4074
Australia
Tel +61 300 667 357

Australian Grain Storage Pty Ltd
57 Yanco Avenue
Leeton NSW 2705
Australia
Tel +61 2 6953 0411

Rice Research Australia Pty Ltd
57 Yanco Avenue
Leeton NSW 2705
Australia
Tel +61 3 5886 1391

Trukai Industries Limited
Mataram Street,
Lae, MP 411
Papua New Guinea
Tel +675 472 2466

Solomons Rice Company Limited
Trading as SolRice
Ranadi, Honiara
Solomon Islands
Tel +677 30826

SunFoods LLC
1620 E. Kentucky Avenue
Woodland
California, USA
Tel +1 530 661 1923

Ricegrowers Singapore Pte Ltd
47A/B Duxton Road
Singapore 089511
Tel +65 6904 5633

Ricegrowers Middle East DMCC
Unit 25 F&G, Level 25, Almas Tower
Jumeirah Lake Tower
Dubai, UAE
Tel +971 4458 5480

Ricegrowers Vietnam Company Limited
Tan An Hamlet
Binh Thanh Trung Commune
Lap Vo District - Dong Thap Province
Vietnam
+84 88 922 7700

Ricegrowers New Zealand Ltd
Private Bag 92518
Wellesley Street Auckland 1141
New Zealand

Aqaba Processing Company
Aqaba Special Economic Zone
Southern Seashore - Aqaba
Tel +962 3 201 4285

Directors

Laurie Arthur
Chairman
Non-executive Director – Grower

Rob Gordon
Chief Executive Officer
Executive Director – Non-Grower

Luisa Catanzaro
Non-executive Independent Director – Non-Grower

Ian Glasson
Non-executive Independent Director – Non-Grower

Andrew Crane
Non-executive Independent Director – Non-Grower

Gillian Kirkup
Non-executive Director – Grower (Elected RMB Director)

John Bradford
Non-executive Director – Grower (Elected RMB Director)

Ian Mason
Non-executive Director – Grower (Elected RMB Director)

Jeremy Morton
Non-executive Director – Grower

Julian Zanatta
Non-executive Director – Grower

Dr Leigh Vial
Non-executive Director – Grower

Company Secretary

Mandy Del Gigante

Corporate Management Team

Rob Gordon
Chief Executive Officer

Dimitri Courtelis
Chief Financial Officer

Stephen Forde
Chief Executive Officer, Riviana Foods Pty Ltd

Tom Howard
General Manager, Global Operations, Origination and Agribusiness

David Keldie
General Manager, Global Consumer Markets

Paul T Parker
General Manager, People and Culture

Peter McKinney
General Manager, CopRice

Matt Alonso
Chief Executive Officer, SunFoods LLC

Greg Worthington-Eyre
Chief Executive Officer, Trukai Industries Ltd

Auditor

PricewaterhouseCoopers
One International Towers
Watermans Quay
Barangaroo, NSW 2000
Australia

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South, NSW 1235
Australia
Tel +61 1300 554 474

Notice of Annual General Meeting

The annual general meeting of Ricegrowers Limited will be held at the Jerilderie Civic Hall, 33 Jerilderie Street, Jerilderie, and virtually, with registration commencing at 9.30am on Friday 28 August 2020.

Stock Exchange Listing

Ricegrowers Limited's B Class Shares are listed on the Australian Securities Exchange (ASX) – code SGLLV.

Website

www.sunrice.com.au

SunRice®

70 years

1950 - 2020

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