Tax Report

For The Year Ended 30 April 2023

Ricegrowers Limited (ASX - SGLLV) - SunRice
ABN 55 007 481 156

Contents

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 the ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice Constitution. No person may hold more than five 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 the 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 generally have the right to vote at general meetings of SunRice. This means that 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 investors.sunrice.com.au.

Tax Report

For the year ended 30 April 2023

1. Introduction

The SunRice Group is a global food company, with its parent company Ricegrowers Limited (SunRice) listed on the ASX. It began with the pooling of resources of a small group of rice growers in the Riverina region of New South Wales in the 1950s.

As one of Australia's leading branded food exporters, the SunRice Group has significant markets in the United States (U.S.), the Pacific and the Middle East, and expanding markets across Europe and Asia. The Group has offices and operations globally, including in Australia, the U.S., Singapore, the United Arab Emirates (UAE), New Zealand, the Solomon Islands, Jordan, Vietnam and Papua New Guinea (PNG). Our unique global presence and multi-origin strategy allows us to source close to 1.5 million paddy tonnes of rice annually from 12 countries including Australia to meet global demand.

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. The tax we pay is an important part of this process and plays a key role in the economy of the countries we operate in. We regard it as a critical element of our commitment to grow in a sustainable and responsible way. We promote open, co-operative and transparent working relationships with tax authorities in Australia and around the world.

We are proud to present this report, which provides information about our approach to our tax obligations, as well as details of our Australian tax contributions, effective tax rates in Australia and internationally and how our profit relates to our total income tax liability for the financial year ended 30 April 2023 (FY2023).

We have also included information supplementing the disclosure during September 2023 by the Australian Taxation Office (ATO) of certain financial and tax information relating to Ricegrowers Limited for the year ended 30 April 2022 (FY2022) under the relevant corporate tax transparency legislation. For further details, please also refer to our Tax Report for the year ended 30 April 2022, as available on our website at investors.sunrice.com.au/investors/financial-reports.

This report provides a detailed explanation of the SunRice Group's tax profile and follows the guidelines set out in the Tax Transparency Code recommended by the Australian Board of Taxation and adopted by the Australian Federal Government.

Dimitri Courtelis
Chief Financial Officer

2. Our approach to tax strategy and governance

The SunRice Group has a clear track record of complying with our taxation obligations in the various countries in which we operate. Tax laws can be complex and subject to interpretation by government authorities and management, particularly in relation to legislative requirements that can differ substantially by country.

Our approach to managing tax risks is guided by our Tax Risk Management & Governance Framework, which is subject to periodic review and approval by the Board, following recommendation by the Finance, Risk & Audit Committee.

Tax Strategy

Part of SunRice's business strategy involves geographical and business expansion to better serve customers and diversify risks. To create efficiencies and economies of scale, we organise our activities along the value chain and create specialised centres of excellence for the international sourcing of products and distribution points closer to consumers. In achieving those objectives, the SunRice Group is conscious of its societal responsibility towards our communities, including by creating employment and procurement opportunities, and by investing in community-based activities.

The SunRice Group is committed to acting with integrity and transparency in all tax matters. SunRice believes that as a good corporate citizen, it should meet all of its obligations under the law and pay the appropriate amount of tax on the profit it makes to the relevant revenue authorities where the value is generated. The tax amount paid plays an important role for the development of our communities which is key to our sustainability commitment. SunRice's strategic objectives and position statement for the management of tax are as follows:

- To ensure that tax risks are considered as part of the overall commercial assessment of any transaction and to obtain a sufficient and appropriate level of comfort on tax matters by adopting a 'more likely than not' approach to support our tax positions;
- To ensure that all dealings and transactions undertaken are supportable by commercial and economic objectives and are not driven to achieve tax avoidance. We do not participate in tax evasion nor facilitate the evasion of tax by third parties in any way;
- To comply with all relevant tax laws, meet our tax compliance obligations in a timely manner and be considered by the revenue authorities wherever we operate internationally as low risk in all tax compliance and reporting obligations. We voluntarily disclose tax information, where relevant;
- To develop and maintain a good working relationship with the relevant revenue authorities at all times, as well as being open and transparent in providing them with full and accurate disclosure. We promote and encourage a relationship of trust with the revenue authorities to ensure that taxation matters and queries are dealt with efficiently and effectively to more easily meet the desired commercial and strategic objectives for tax. All dealings with revenue authorities are to be dealt with in a timely, courteous, professional and collaborative manner. We adopt a cooperative approach with these tax authorities and when necessary, engage in appropriate dispute resolution procedures;
- To protect the reputation of the business and proactively engage and communicate regularly with the Board, the Finance Risk & Audit Committee and other key internal stakeholders to adopt a 'no surprises' approach to the management of all tax risks and affairs.

Tax Risk Management

Risk appetite is central to the governance of risk management, setting out the level of risk that the Board is willing to take in pursuit of its business objectives. The tax risk appetite is an extension of the SunRice Group Risk Appetite Statement and is therefore aligned with the Group tolerance to risk. Overall, SunRice has a low tax risk appetite and takes either a conservative or balanced approach in relation to the following:

- Our reputation is extremely valuable and it is every employee's responsibility to safeguard it by adopting ethical business practices. While the Group acknowledges that some of its actions may have unintended consequences on its reputation, it will seek to minimise the risk that the ethics, brand or credibility of the Group is compromised. When engaging into business ventures or transactions, whether at strategic or operational level, due consideration is given to tax consequences to preserve the SunRice Group's reputation.
- Our activities must be conducted at all times with the highest principles of integrity and in accordance with the relevant legislation and regulations in place. This applies to tax laws in each of the jurisdictions in which the Group operates. As the Group further ventures in new markets, the growing pressure of compliance with laws and regulations increases and requires appropriate understanding of the environment where SunRice is conducting its business and its relevant obligations. Appropriate engagement with local tax authorities is also key to minimise tax risk, especially in the context of international tax laws and potential conflict of interest between tax authorities.

SunRice regularly engages external tax advisors on complex matters and/or significant transactions to identify and assess any potential tax consequences and risks with an appropriate level of specialist input. External tax advisors are also engaged to provide formal written sign-off on annual income tax returns and review formal correspondence with revenue authorities. Where applicable, taxation services provided by the external auditor are approved in accordance with the External Auditor Independence policy.

Engagement with global tax authorities during FY2023

During FY2023, the Group engaged with a number of tax authorities around the world in relation to a variety of tax matters. This included:

- The completion of a Top 1000 Combined Assurance Review in Australia, through which the Group was pleased to obtain a High Assurance rating from the Australian Taxation Office (ATO) in relation to income tax matters. As part of the review, a voluntary disclosure was also submitted to correct a small number of Goods and Services Tax (GST) claims and initially reported items;
- The completion of a customs GST review in Australia, which led to the voluntary correction of a number of import declarations. The Group further extended these voluntary disclosures to our New Zealand operations where similar issues were identified, despite having received no formal inquires from local authorities;
- The completion of a tax inspection in Vietnam covering corporate income tax, personal income tax and value added tax (VAT);
- The completion of a transfer pricing inquiry in New Zealand;
- The completion of an income tax inquiry in Singapore; and
- The completion of an import duty review in Papua New Guinea

Where applicable, adjustments that were identified as part of these various reviews and that related to income tax are included in the "adjustment for the prior year" line of the effective tax rate reconciliation presented in section 4 of this report, while adjustments (including those voluntarily disclosed) to other taxes such as GST and VAT were included in "other expenses" in the Group's consolidated income statement for the year ended 30 April 2023. Overall, the adjustments, were not material either individually or in aggregate, reinforcing the Group's strong track record of complying with our taxation obligations in the various countries in which we operate.

3. Australian tax contributions summary

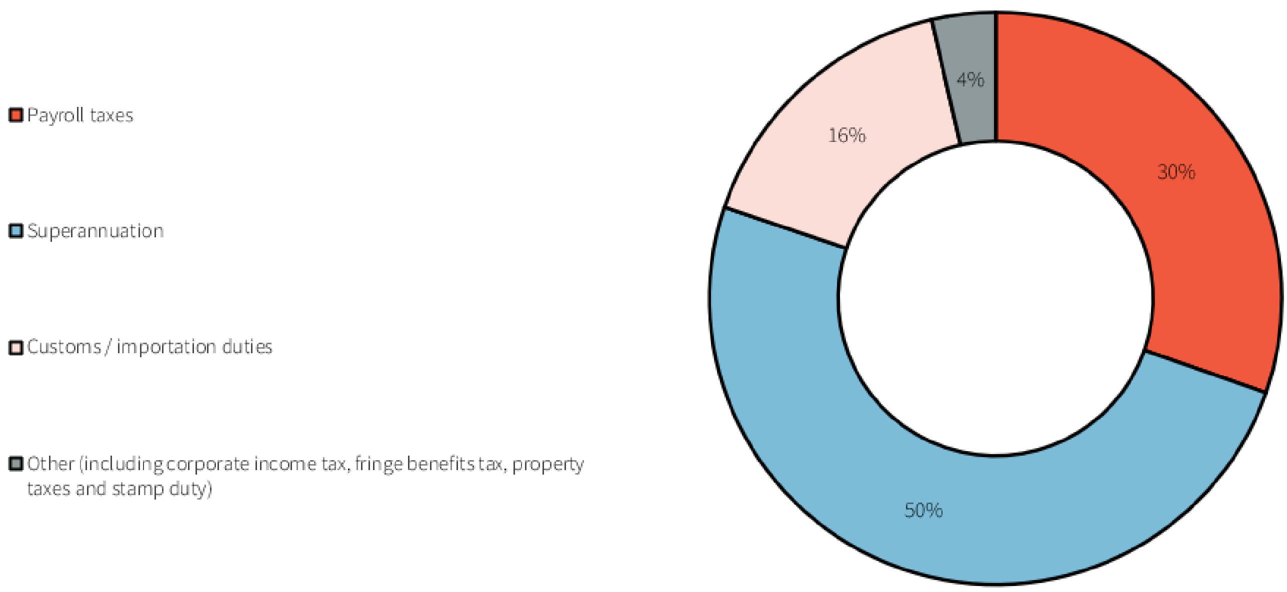
In FY2023, Ricegrowers Limited and its Australian controlled entities (which together form part of a Tax Consolidated Group, the head of which is Ricegrowers Limited) have made the following tax payments (or received the following cash amounts) to (or from) Australian revenue authorities (presented on a cash paid or collected basis):

	$' 000
Corporate income tax *	(1,478)
Other taxes	
- Fringe benefits tax	571
- Payroll taxes	6,012
- Superannuation	9,869
- Property taxes	305
- Customs / importation duties	3,218
- Other (including stamp duty)	670
Total tax contributions	19,168
Taxes collected by SunRice on behalf of others	
- PAYG / PAYE / salary withholding	28,668
- Net GST (on value added by SunRice) **	(36,386)

* The income tax instalment rate provided by the ATO each year is based on the last submitted tax return. For most of FY2023, this meant that no instalments were made, as the nil rate was based on the FY2021 tax return, a year during which SunRice had made losses (at that time, the SunRice Group had faced a number of challenges, which included the severe and persisting drought conditions in Eastern Australia). Overall, the net cash received from the ATO in FY2023 was due to the combination of a refund received on submission of the FY2022 tax return, a year during which SunRice utilised losses generated in FY2021, and a small amount of tax instalments made in relation to FY2023, which only started towards the end of the financial year following the lodgment of the FY2022 tax return. As a result, a current tax payable of $13,707,000 accumulated at 30 April 2023 in relation to the profits realised in FY2023 and this balance was settled in September 2023. This cash flow will be reported in next year's Tax Report along with larger in-year tax instalments for FY2024 following the resetting of the instalment rate.

** Net GST is the GST collected on sales by SunRice less GST paid on business inputs purchased by SunRice. Due to the nature of its operations in Australia, SunRice pays GST on most of its purchases of goods and services. However, a majority of the Group's products are sold on a GST free basis. As a result, SunRice generally pays more GST than it collects and therefore receives a periodic refund for the net position.

Tax paid by category - FY2023 (excludes taxes collected on behlaf of others)



4. Effective tax rate and reconciliation of accounting profit to income tax expense and income tax payable

The table below shows the calculation of the FY2023 Global and Australian effective tax rates (being accounting income tax expense expressed as a percentage of net profit before tax). It also shows the reconciliation of accounting profit to income tax paid and payable or received and receivable for FY2023, highlighting the key temporary and non-temporary differences.

In general terms, the effective tax rate of our Australian operations in FY2023 was below 30%, primarily as a result of dividends being received from overseas subsidiaries. These dividends are not taxable in Australia, as the underlying profits being repatriated have already been taxed in the jurisdictions in which they were generated in a prior period. Our overall Group effective tax rate was also below 30% and reflects the blended nature of the Group's local and international operations, with the Group operating in countries where the statutory tax rate can be lower than in Australia (see section 5 for further details).

	FY2023	
	Australia A$ '000	Consolidated Group A$ '000
Profit before tax *	63,676	69,699
Prima facie tax expense at 30%	19,103	20,910
Effect of non assessable income / non deductible expenses in determining taxable profit		
Dividends received from subsidiaries	(9,553)	-
Impairment charges	404	404
R&D tax concesions	(105)	(105)
Share based payments	(565)	(565)
Rate differential on overseas operations	-	(5,389)
Attribution of overseas profits under CFC rules	2,188	2,188
Previously unrecognised tax losses recouped	-	(3,305)
Other items	545	601
Adjustment for the prior year	(73)	170
Income tax expense recognised in profit or loss	11,944	14,909
Effective tax rate	19%	21%
Temporary differences		
Property, plant and equipment	154	434
Brands	358	371
Accruals	1,033	995
Provisions	338	270
Inventories	443	1,596
Leased items	(31)	(23)
Share based payments	1,111	1,117
Unrealised foreign exchange differences	255	242
Other items	198	248
Adjustment for the prior year	(520)	(567)
Income tax payable (before withholding tax offsets and tax losses)	15,356	19,422
Withholding tax offsets	(1,035)	(1,035)
Income tax payable for the current year	14,321	18,387
Company tax (recievable) / payable on 1 May 2022	(2,539)	312
Income tax payable for the current year	14,321	18,387
Prior year adjustments to income tax payable	447	737
Income tax received / (paid) during FY2023	1,478	(3,152)
Other items (including foreign exchange differences)	-	354
Company tax payable at 30 April 2023	13,707	16,638

* The relatively small difference between the Australian and Group profit before tax in FY2023 is due to the Australian profit including income from the receipt of dividends from overseas subsidiaries. As these dividends are eliminated on consolidation, they do not contribute to the consolidated profit of the Group for FY2023.

Basis of the preparation of the information presented in this section

The effective tax rate is an accounting concept and reflects the income tax accrued on the profit for a particular year. It differs from the actual income tax payable in that year due to timing differences (where the timing of income and expense recognition differs for accounting and tax purposes).

The accounting disclosures on the previous page have been extracted from SunRice's 2023 Annual Report (available on our website at www.sunrice.com.au/book/Annual_Report_2023.pdf), which was prepared under Australian Accounting Standards and complies with International Financial Reporting Standards (IFRS).

Other financial information presented in this section has been sourced from workpapers used in the preparation of the 2023 Annual Report or from the SunRice reporting and consolidation system, which sources its information from each individual Group entity's general ledger system.

This information has been subject to SunRice's internal review and approval processes by management, the executive team and the Board, as appropriate.

Drivers of the Australian and Group effective tax rates

SunRice's Australian effective tax rate was below the statutory 30% rate in FY2023, primarily as a result of dividends being received from overseas subsidiaries. These dividends are not taxable in Australia, as the underlying profits being repatriated have already been taxed in the jurisdictions in which they were generated in a prior period.

The effective tax rate for the SunRice Group was also below 30% in FY2023. This reflects the usual blended nature of the Group's local and international operations, with the Group operating in countries where the statutory tax rate can be lower than in Australia (see section 5 for further details). This was compounded by profits generated in some of the Group's jurisdictions in FY2023, which have been offset against previously unrecognised available tax losses (see below paragraph for further details), resulting in no or a limited amount of tax expense being recognised in those jurisdictions at 30 April 2023 (therefore mechanically reducing the effective tax rate).

Deferred tax assets relating to capital losses and ordinary losses available for future use

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.

At 30 April 2023, the Group has not recognised deferred tax assets of $3,976,000 for ordinary tax losses available in some of the jurisdictions in which it operates. The Group's position on the recognition of deferred tax assets for ordinary tax losses available for future use may however be revisited from time to time depending on changes in underlying circumstances.

Other comments on the Company's tax payable position

Our income tax liability is affected by temporary differences such as provisions and accruals of expenditure in our accounts that are not deductible until the expenditure is paid, generally in the subsequent financial year.

The availability of rebates and offsets (foreign income tax offsets, withholding tax credits and research & development tax rebate) generally reduces our Australian and overall Group income tax liability.

There are also differences between the income taxes payable for a given period and the total income tax actually paid to tax authorities during that year. This is due to a variety of factors, such as the timing of corporate income tax instalment payments, and final tax payments being made (or refunds received) for prior periods following the submission of tax returns.

5. International related party dealings

International presence

Due to the inherent nature of its international trade flows, the SunRice Group operates in a number of markets around the world. The corporate income tax rates of the overseas countries in which the SunRice Group operates are summarised below:

- Papua New Guinea and the Solomon Islands: 30%
- United States of America: approximately 28% (representing a blend of federal and states corporate income taxes rates)
- New Zealand: 28%
- Vietnam: 20%
- Singapore: 10% (while the Singaporean statutory tax rate is 17%, Ricegrowers Singapore Pte Limited benefited from a concessionary income tax rate granted under the Enterprise Singapore Global Trader Programme in FY2023, as it satisfied a number of criteria, including revenue and local expenditure targets)
- Jordan: 5%
- United Arab Emirates (Dubai DMCC): 0%

Controlled Foreign Company rules

Under Controlled Foreign Company (CFC) rules, certain types of income generated by the SunRice Group's overseas subsidiaries (generally referred to as passive or tainted sales income) is assessable in Australia and must be included in Ricegrowers Limited Tax Consolidated Group's income tax return for the relevant year. This is particularly relevant where goods or services are exchanged between Australian and overseas entities.

As a practical illustration, this means that, if a profit is taxed at 10% in a foreign jurisdiction but is subject to CFC rules, an additional 20% of tax will be applied to that profit in Australia, leading to an overall 30% tax outcome for the Group (representing the tax that would have been payable in Australia without the presence of the foreign subsidiary).

In FY2023, most of the profits generated in Dubai and a portion of the profits generated in Singapore were subject to CFC rules and effectively taxed at 30% at Group level (despite the 0% and 10% tax rates applicable at local level respectively). The financial outcome of this situation is reflected in the effective tax rate reconciliation provided in section 4 of this report under the line "attribution of overseas profits under CFC rules".

Business dealings

The key business dealings between the SunRice Australian operations and overseas controlled entities relate to:

- Sales and purchases of goods to and from overseas controlled entities
- Licensing of brands, trademarks and other intellectual properties owned by SunRice in Australia for use by overseas controlled entities
- Providing funds and loans to overseas controlled entities for working capital and other business requirements
- Receiving dividends from overseas controlled entities
- Receiving certain services, including sales and marketing support or other administrative services, from overseas controlled entities
- Providing general business and administrative support services to overseas controlled entities

Transfer pricing considerations

All international related party dealings are conducted in accordance with Australian transfer pricing laws and the arm's length methodologies prescribed by the Organisation of Economic Cooperation and Development (OECD).

Some of these dealings also apply directly between some of the Group's overseas subsidiaries. In such instances, the related party dealings are conducted in accordance with locally applicable transfer pricing laws and the arm's length methodologies prescribed by the OECD.

The SunRice Group discloses its material transactions in its lodged tax returns and other disclosures to tax authorities, including the transfer pricing Master File drawn up in line with OECD requirements and lodged with the ATO. SunRice also complies with the Country by Country Reporting (CbCR) requirements in each of the countries in which we operate. Local Transfer Pricing Files are lodged with tax authorities as prescribed by the laws of the relevant countries.

6. Disclosure of 2022 company tax information by the ATO

The ATO is required, by law, to annually disclose to the public certain financial and tax information about large corporate entities. The source of this information is the annual company tax return lodged with the ATO.

The following is the information released by the ATO in September 2023 with regards to Ricegrowers Limited Tax Consolidated Group for the year ended 30 April 2022. The information relating to the year ended 30 April 2023 (the subject of the earlier sections of this report) has not yet been released by the ATO at the time of publishing this report and will only be released in or around September 2024:

Company name	Ricegrowers Limited
ABN	55 007 481 156
Total income	$853,244,811
Taxable income	$13,672,781
Tax payable	$1,896,281

The above information only provides a partial picture of the Australian income tax profile of the SunRice Group. Conclusions drawn from the above information could be misleading as it does not necessarily reflect the true tax position of the SunRice Group and the level of its Australian income tax contribution. In particular, the effective tax rate cannot be calculated from this information alone.

To give a more complete picture of the Australian income tax profile of the SunRice Group, we have provided below further financial information to supplement the information disclosed by the ATO. Additional information about the SunRice Group's tax profile for FY2022 is also available in our Tax Report for the year ended 30 April 2022 (available on our website at investors.sunrice.com.au/investors/financial-reports).

Operating profit

The Australian operating profit of Ricegrowers Limited (and members of its Australian Tax Consolidated Group) was:

Total income	$853,244,811
Total expenses	$800,854,589
Operating income	$52,390,222
Expected tax at 30%	$15,717,067
Tax payable	$1,896,281

Tax payable is determined by firstly applying the company statutory tax rate of 30% to taxable income (which differs from operating profit), and then reduced by any tax credits and offsets available under Australian tax law.

We have provided below explanations of the difference between the operating profit and taxable income of Ricegrowers Limited Australian Tax Consolidated Group and the tax credits and offsets available to it during FY2022.

Reconciliation between Operating profit and Taxable income

Items of income and expenses may have different treatment for financial reporting and taxation purposes. In addition, there are items which are not included in financial reporting but are specifically included in the income tax calculation under Australian tax law.

The difference between the Operating profit and the Taxable income of the SunRice Group's Australian operations for FY2022 is explained as follows:

Operating income	$52,390,222
Taxable income	$13,672,781
Difference	-$38,717,441
Explained by:	
- Permanent differences (1)	-$28,186,713
- Temporary differences (2)	$3,709,947
- Eligible R&D expenditure (3)	$1,700,256
- Tax losses and other offsets available for future use (4)	-$15,940,931
	-$38,717,441

Reconciliation between tax on Taxable income and Tax receivable

Under Australian tax law, company tax is applied to the company's taxable income. The information below explains the difference between the company tax otherwise applicable to Ricegrowers Limited's FY2022 taxable income and the actual tax receivable at the end of the financial year:

Taxable income	$13,672,781
Company tax at 30%	$4,101,834
Tax payable	$1,896,281
Difference	-$2,205,553

Explained by:	
- R&D tax rebate (at 38.5%) (3)	-$1,099,249
- Credit for income tax paid to overseas Revenue Authorities (5)	-$235,970
- Credit for withholding tax paid to overseas Revenue Authorities (6)	-$870,334
	-$2,205,553

Explanatory notes

(1) Permanent differences

Permanent differences are income items that are exempt from taxation and expense items for which no tax deductions are allowed. Examples of permanent differences are non-deductible entertainment expenses, fines and penalties, certain impairment charges, expenses that are capital in nature and give rise to an enduring benefit or dividends received from subsidiaries where the underlying profits have already been taxed in the declaring entity.

The main permanent differences in FY2022 related to dividends received from overseas subsidiaries (out of profits already subject to income tax in the countries in which they were generated). These were partly offset by amounts of income generated by some of the Group's overseas subsidiaries which were attributed under the relevant CFC rules.

The overall impact of the permanent differences reduced the taxable income for FY2022.

(2) Temporary differences

Temporary differences are income and expense items that are subject to tax in a reporting period earlier or later than the period they are reported for financial reporting purposes. Examples of temporary differences include, amongst others, differences between accounting and tax depreciation rates on fixed assets, employee leave and bonus provisions (deductible in the reporting period in which they are paid and not in which they accrue), debts that are not expected to be recovered but have yet to be written off (only deductible when the debt is formally written off), obsolescence provisions for inventory items that are yet to be written off (only deductible when the stock is effectively destroyed and written off) or unrealised foreign exchange gains and losses at the end of the financial year (which are not deductible until the foreign currency receivables and payables are effectively settled in later financial years).

The main temporary differences in FY2022 related to differences between accounting and tax depreciation rates on fixed assets, the timing of deductions available upon the issue of B Class Shares to the Employee Share Trust under the Group's Employee Share Plan (where the corresponding expense is recognised over time) and changes in accruals and provisions recognised on the Group's balance sheet between 30 April 2022 and 30 April 2021.

The overall impact of the temporary differences increased the taxable income for FY2022.

(3) Eligible R&D expenditure and R&D tax rebate

The Research & Development initiative by the Federal Government provides tax rebates to encourage the undertaking of research and development activities in Australia. Where such activities qualify under the initiative, 8.5% of the expenditure is provided as a rebate to offset any income tax liability. The rebate is calculated by firstly adding back the qualifying expenditure to the operating profit, then applying the company tax rate to the increased operating profit (resulting in the company tax being inflated by 30% of the qualifying expenditure). A tax rebate of 38.5% of the qualifying R&D expenditure is then given, resulting in a net Research & Development tax rebate equal to 8.5% of the qualifying R&D expenditure.

(4) Tax losses and other offsets available for future use

As mentioned in SunRice's 2021 Annual Report (available on our website at www.sunrice.com.au/book/Annual_Report_2021.pdf), the SunRice Group had faced a number of challenges in FY2021, which included the severe and persisting drought conditions in Eastern Australia for a second consecutive year. A number of the Group's Australian business units were impacted by these factors and their consequences (in particular the significant shortage of Australian rice available for processing and selling), which led to the Australian Tax Consolidated Group returning a taxable loss for the year ended 30 April 2021 (a very rare event in the Group's history).

This taxable loss was carried forward to FY2022 and was applied against the taxable income generated in that year. This reduced the amount of tax payable in FY2022.

(5) Credit for income tax paid to overseas Revenue Authorities

Under CFC rules, certain types of income generated by the SunRice Group's overseas subsidiaries (generally referred to as passive or tainted sales income) is assessable in Australia and must be included in Ricegrowers Limited Tax Consolidated Group's income tax return for the relevant year.

Where foreign tax on this income has been paid in another country by the relevant overseas subsidiary, Ricegrowers Limited may be entitled to Australian foreign income tax offsets, which can only be applied against Australian income tax payable balances generated in the same financial year, therefore providing relief from double taxation.

In FY2022, foreign income tax offsets were primarily received in relation to attributed income from Ricegrowers Singapore Pte Limited.

(6) Credit for withholding tax paid to overseas Revenue Authorities

Certain payments from the SunRice Group's overseas operations to Ricegrowers Limited are subject to withholding tax in the countries where the payments are originated. The withholding tax can be offset against Australian income tax payable on such payments, only when received by Ricegrowers Limited in the same financial year.

In FY2022, withholding tax credits related primarily to payments received from Ricegrowers Singapore Pte Limited.