



NSX ANNOUNCEMENT

31 October 2018

SunRice Group Acquires Vietnamese Processing Mill

SunRice has completed the acquisition of a rice processing mill in Dong Thap Province, Vietnam. This represents the Group's first direct financial investment in Vietnam, which is an important step towards establishing a fully vertically integrated and sustainable supply chain in the country.

SunRice will invest in improving and expanding the mill and purchasing equipment, in order to increase whitening and polishing capacity and to add a new packing line. This will ensure that the mill meets and satisfies SunRice's operational needs, our high quality and safety standards, and customers' requirements. The mill is anticipated to be fully operational during the first half of 2019 with a processing capacity of around 260,000 dry paddy tonnes/year.

Commenting on the Vietnam mill acquisition, SunRice CEO, Rob Gordon, said,

"Our expansion into Vietnam is illustrative of the scale of opportunity available to SunRice in Asia and demonstrates how this region provides a hedge against the potential variability of the Riverina rice crop. In just two years, SunRice has become an established player in the Mekong Delta rice industry and now accounts for over 5% of all Vietnamese rice exports and more than 50% of its Japonica style rice exports."

"SunRice has also signed Memoranda of Understanding (MOU) with two Mekong Delta provincial governments. These MOUs commit the parties: to grow sustainably sourced rice to a quality and specification tailored to our end markets; and, in time, to grow IP-protected rice varieties bred specifically for SunRice."

"We are increasingly utilising our various sustainable international supply chains to respond to growing demand for SunRice products. Our ability to flex our numerous supply sources in response to global market dynamics allows our Australian crop to be supplied into premium branded rice markets, and for lower returning markets to be supplied with affordable, yet high-quality rice grown from beyond the Riverina. It also means in low Riverina crop years, we can readily draw on offshore supply to meet demand and protect our premium markets."

"The purchase of a fully owned mill in Vietnam is the latest in a series of acquisitions and investments that have been made to advance SunRice's 2022 Growth Strategy. Firstly in September, SunRice acquired Roza's Gourmet, which will provide its Riviana business with the infrastructure and customer relationships to expand into the fresh chilled supply chain channel and to further broaden its product portfolio. And secondly, SunRice's investment in a stabilised rice bran manufacturing facility in Leeton, NSW, which demonstrates our ongoing commitment to the Riverina. This plant will extract fresh rice bran from our existing milling process so that this highly nutritious ingredient can be included in healthy snacking products and equine feed stock."

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