

# Censure of New Zealand Coastal Seafoods Limited (ASX: NZS)

18 February 2025

## Formal censure for breach of Listing Rules 10.1 and 3.1

1. ASX has today formally censured New Zealand Coastal Seafoods Limited (the 'Company') for breach of Listing Rules 10.1 and 3.1 in connection with an agreement between the Company and Gold Saint International Resources Group Pty Ltd ('Gold Saint').
2. The agreement was first disclosed in the Company's announcement titled 'NZ\$2.5M purchase order secured' released on the ASX Market Announcements Platform on 12 May 2023 ('Gold Saint Announcement').
3. The Gold Saint Announcement disclosed that a purchase order was made between the Company and Gold Saint under which Gold Saint would pay the Company ~NZ\$2.5 million to supply Gold Saint with premium New Zealand Ling fish, with monthly deliveries over a 12-month term ('Gold Saint Supply Agreement').
4. At all relevant times, the Company, through its Chairperson Peter Chai, was aware that:
  - 4.1 Peter Chai was a director and shareholder of Gold Saint;
  - 4.2 Guoyu Li was a director and controlling shareholder of Gold Saint and the sole director and shareholder of Australian Financial Resources Group ('AFRG'), an entity with a substantial (10%+) holding in the Company.
5. Following queries from ASX, the Company confirmed that it had breached Listing Rule 10.1 in relation to the Gold Saint Supply Agreement in an announcement titled 'Gold Saint Supply Agreement – ASX Listing Rule 10.1', which was released on the ASX Market Announcements Platform on 20 September 2024.
6. Further, ASX has determined that the Company breached Listing Rule 3.1 by failing to disclose the relationships that existed between Peter Chai, Guoyu Li and Gold Saint when it made the Gold Saint Announcement.
7. At the time the Gold Saint Announcement was made, the Company, through Peter Chai, was aware of all of the facts that would have enabled the Company to comply with Listing Rules 10.1 and 3.1. Although the Company was aware of this information, the Company did not take any appropriate steps to:
  - 7.1 comply with Listing Rule 10.1 in connection with the Gold Saint Supply Agreement; or
  - 7.2 disclose the relationships between Peter Chai, Guoyu Li and Gold Saint when the Gold Saint Supply Agreement was announced, in order to comply with Listing Rule 3.1.
8. On three occasions between March and July 2024, the Company failed to disclose the relationships between Peter Chai, Guoyu Li and Gold Saint in responses to queries from ASX that should have elicited that information. ASX's investigation into potential Listing Rule breaches was unreasonably delayed and impeded as a result of the Company's incorrect responses.
9. Further, the Company did not update the market about the deterioration of the circumstances surrounding the Gold Saint Supply Agreement (as outlined in the 'Response to ASX Query Letter' which was released on the ASX Market Announcements Platform on 29 April 2024). In particular, the Company did not make any market announcements about its failure to meet its financial forecasts in relation to the Gold Saint Supply Agreement. ASX has determined that this failure gave rise to further breaches of Listing Rule 3.1. This aggravates the Company's breaches of Listing Rules 10.1 and 3.1 outlined in paragraphs 5 and 6 above.



10. The breaches in paragraphs 5 and 6 above are further aggravated because the Company has a poor recent history of compliance with the Listing Rules, specifically:
- 10.1 the Company has repeatedly failed to lodge periodic reports when they were due; and
  - 10.2 the Company made prospective financial statements without a reasonable basis in its 31 March and 30 June 2024 Quarterly Activity Reports which the Company retracted by releasing amended versions of those reports at the request of ASX.
11. The Company has engaged in serious breaches of Listing Rules 10.1 and 3.1. Given the seriousness of these breaches, ASX has today formally censured the Company.
12. ASX provided the Company with an opportunity to make submissions and comment on this censure notice prior to making this determination. The Company declined to provide a response.

**Issued by**

ASX Compliance

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