

4th July 2023

Nicola Lombardi
Adviser
ASX Listings Compliance (Sydney)
Australian Securities Exchange

By email only.

Dear Nicola,

Re: Regional Express Holdings Limited ('REX'): General – Aware Query

Please Find below Rex's Response in relation to ASX's queries

1. Does REX consider the revised interim guidance for FY23 provided in the Announcement, in particular the forecasted group operational loss of \$35 million for FY23 (the 'Information'), to be information that a reasonable person would expect to have a material impact on the price or value of its securities?

Response: Yes.

2. If the answer to question 1 is "no", please advise the basis for that view.

Response: Not Applicable.

3. When did REX first become aware of the Information?

Response: Rex was first aware of a probable operational loss when the unaudited, draft May revenue data became available. The Corporate Services team was made aware of the revenue data and drafted the announcement on the 13th June as it believed that the earlier forecast had become inaccurate. However, the degree of certainty was not established until the end of the week when the data was reviewed and confirmed by the Executive Chairman.

4. If REX first became aware of the Information before the relevant time of release of the Announcement, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe REX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps REX took to ensure that the Information was released promptly and without delay.

Response: As of 13th June, the company only had draft revenue data which did not represent the total earnings of the company. Other data required to establish the accurate earnings were not yet available. Between the 13th to 16th June, the Executive Chairman reviewed other data and agreed that based on all available data, it was highly probable that the company would report an operational loss. The announcement was approved at around 4pm 16th June 2023 for the release to the market. Rex lodged the announcement on Friday 16th June, however the announcement was held by ASX as additional clarification was required. After numerous calls and discussion with the ASX on Monday 19th June, Rex immediately conducted a forecast to quantify the expected operational loss at the request of ASX, which was provided as part of the profit guidance released on the Tuesday 20th June.

The additional delay on Tuesday was due to further discussion with ASX management throughout the day due to the media speculation after a trading halt was enforced on Monday 19th June.

5. Please confirm that REX is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Response: Rex can confirm the Company is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that REX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of REX with delegated authority from the board to respond to ASX on disclosure matters.

Response: Rex can confirm the response to the questions above has been authorised and approved by Rex's Board of Directors.

Yours Sincerely,



Richard Kwan
Company Secretary
Regional Express Holdings Limited

Members of the Rex Group





29 June 2023

Mr Richard Kwan
Company Secretary
Regional Express Holdings Limited
81-83 Baxter Road
Mascot NSW AU 2020

By email

Dear Mr Kwan

Regional Express Holdings Limited ('REX'): General – Aware Query

ASX refers to the following:

- A. REX's announcement entitled "REX revises interim guidance" lodged on the ASX Market Announcements Platform and released at 4:56 AM on 20 June 2023 (the 'Announcement'), disclosing that REX was revising its interim profit guidance provided on 28 February 2023 which forecasted an operational profit for FY23, and that it now anticipates a group operational loss of \$35 million for the financial year.
- B. The price of REX's securities at close of trading on 16 June 2023 of \$1.205 prior to the release of the Announcement to a low of \$1.00 on 21 June 2023 following the release of the Announcement.
- C. The significant increase in the volume of securities traded on 21 June 2023 following the release of the Announcement.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- G. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks REX to respond separately to each of the following questions and requests for information:

1. Does REX consider the revised interim guidance for FY23 provided in the Announcement, in particular the forecasted group operational loss of \$35 million for FY23 (the 'Information'), to be information that a reasonable person would expect to have a material impact on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did REX first become aware of the Information?
4. If REX first became aware of the Information before the relevant time of release of the Announcement, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe REX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps REX took to ensure that the Information was released promptly and without delay.
5. Please confirm that REX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that REX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of REX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST on Tuesday, 4 July 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, REX's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require REX to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in REX's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

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- the reasons for the trading halt;
 - how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in REX's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to REX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that REX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Nicola Lombardi
Adviser, Listings Compliance