

28 August 2024

Ben Dawson  
Adviser, Listings Compliance  
ASX Limited

cc: ListingsCompliancePerth@asx.com.au

Dear Ben

**Response to ASX Query Letter**

New Zealand Coastal Seafoods Limited (ASX:NZS) (**Company**) refers to your query letter of 22 August 2024 (**Query Letter**) and responds as follows (adopting your numbering):

1. Yes, the Gold Saint Supply Agreement is still on foot.
2. As advised to ASX on 29 April 2024, one delivery of 19,808.85 kilograms of frozen HGT Ling Fish was made by the Company under the Gold Saint Supply Agreement on 19 September 2023 which delivery was valued at \$154,509.03. No further deliveries have been made under the Gold Saint Agreement to date as the quality of the product in the original delivery was considered not entirely satisfactory by Gold Saint, the receiving party. Discussions are ongoing, however, to ensure future deliveries will comply with the specifications contained in, and otherwise be in accordance with, the Gold Saint Supply Agreement. In conjunction with these discussions, the initial 12 month term of the Gold Saint Supply Agreement (which expired around 12 May 2024) was extended on 12 April 2024 by an additional 12 month period with the term now expiring on 12 May 2025.
3. Not applicable.
4. Not applicable.
5. Not applicable.
6. Please refer to the Company's response at point 2 above.
7. No, the Company does not consider its response to question 6 to be information that a reasonable person would expect to have a material effect on the price or value of its securities given the Gold Saint Supply Agreement remains on foot and discussions are ongoing with the counterparty to ensure future deliveries will comply with the specifications contained in, and otherwise be in accordance with, the Gold Saint Supply Agreement.
8. Not applicable.
9. Yes, the Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) referred to at paragraph H of the Query Letter is the same entity as Gold Saint International Resources Group referred to in the Gold Saint Announcement.
10. (a) Yes, Sing Yin (Peter) Chai, director of NZS, is the same person as Sing Yin Chai, former director and current shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842); and  
  
(b) yes, Guoyu Li, director and shareholder of AFRG (a substantial (10%+) holder of NZS) is the same person as Guoyu Li, director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842).

11. (a) Yes, Sing Yin (Peter) Chai was a director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and a director of NZS at the time the Gold Saint Supply Agreement was executed;
  - (b) Yes, Guoyu Li was a director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and a director and shareholder of AFRG (a substantial (10%+) holder of NZS) at the time the Gold Saint Supply Agreement was executed;
  - (c) i. No, it was an oversight of NZS to state that *‘there is no relationship between Guoyu Li and Peter Chai other than this common shareholding* [in PXY Pty Ltd (ACN 619 457 019) and Nine Ocean Fishery Pty Ltd (ACN 619 459 308)] given their mutual involvement in Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and NZS apologises for this oversight;
  - ii. No, it was an oversight of NZS to state that Guoyu Li and Peter Chai *“have no other business dealings together”* and *“they are not...related to one another in any other way”* given their mutual involvement in Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and NZS again apologises for this oversight. Mr Chai has advised that he and Guoyu Li are not associates of one another, have no other business dealings together and are not related to one another in any way other than via PXY Pty Ltd, Nine Ocean Fishery Pty Ltd and Gold Saint International Resources Group Pty Ltd. Mr Chai has further advised that Guoyu Li’s address being listed as the same address as Mr Chai in the ASIC company search of Gold Saint International Resources Group Pty Ltd referred to in paragraph H of the Query Letter is the result of an administrative error and that Guoyu Li has never lived at this address.
12. (a) The Company considers its response to questions 11(a) and (b) could potentially be information a reasonable person would expect to have a material effect on the price or value of its securities;
  - (b) the Company refers to its announcement dated 27 August which discloses the information contained in its response to questions 11(a) and (b) above; and
  - (c) the Company considers that the Gold Saint Supply Agreement is an agreement between the Company and an entity controlled by a substantial (10%+) holder of NZS and notes that section 8.3 of ASX Guidance Note 24 states that *“Some entities (such as agricultural companies) will often buy goods from, or sell good to, their customers under standard supply agreements. If a customer is a .... Substantial (10%+) holder of the entity (and therefore a 10.1 party) and the total consideration payable over the term of the supply agreement exceeds the value threshold in Listing Rule 10.2, this may trigger a requirement for security holder approval under Listing Rule 10.1.”* The Company considers that it should have sought confirmation from ASX on the application of ASX Listing Rule 10.1 to the Gold Saint Supply Agreement (and, depending on ASX’s confirmation, sought a waiver from Listing Rule 10.1 as contemplated in section 8.3 of ASX Guidance Note 24) prior to entry into the Gold Saint Supply Agreement. The Company notes that it will comply with any requirement of ASX to seek retrospective shareholder approval of the Gold Saint Supply Agreement or to terminate the Gold Saint Supply Agreement.
13. The Company confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1 (and section 4.23 of Guidance Note 8 which states that *“Entities whose securities have been suspended from trading continue to be subject to the Listing Rules, including their continuous disclosure obligations under Listing Rule 3.1”*) and refers to its announcement dated 28 August 2024 which addresses certain of the issues raised in the Query Letter.

14. The Company confirms that the above responses have been authorised and approved by its Board of Directors.

Yours sincerely



Peter Chai  
Director

**New Zealand Coastal Seafoods Limited**

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22 August 2024

Reference: 98137

Mr Melinda Orrock  
Company Secretary  
New Zealand Coastal Seafoods Limited

By email: [mel@orrock.au](mailto:mel@orrock.au)

Dear Mr Orrock

**New Zealand Coastal Seafoods Limited ('NZS'): Query Letter**

ASX refers to the following:

- A. The Appendix 3X lodged on the ASX Market Announcements Platform ('MAP') noting Sing Yin (Peter) Chai had been appointed to the board of NZS on 28 February 2023.
- B. NZS' half year report for the period ended 31 December 2022 and lodged on MAP on 28 February 2023, disclosing, at page 8, that NZS' total equity interests as at 31 December 2022 was A\$104,328;
- C. The Notice of Substantial Holder lodged on MAP on 2 March 2023 stating that Australian Financial Resources Group Pty Ltd ('AFRG') had been issued 237,152,264 fully paid ordinary NZS shares on 28 February 2023.
- D. NZS' announcement entitled "NZ\$2.5M purchase order secured" lodged on MAP on 12 May 2023 and marked price sensitive (the 'Gold Saint Announcement'), disclosing, among other things, that:
  - i. NZS had received an *"~NZ\$2.5m purchase order from Gold Saint International Resources Group, a leading distributor for consumer products in China"* which was *"for the supply of premium New Zealand Ling fish, with monthly deliveries over a 12-month term"* (the 'Gold Saint Supply Agreement');
  - ii. *"The order is expected to contribute materially to group revenues over FY23 and FY24"*; and
  - iii. *"New Zealand Coastal Seafoods Managing Director, Mr Peter Chai said: We are pleased to announce the confirmation of this 12-month purchase order, which marks an important step forward in the Company's stated strategy to establish its position as a leading supplier of premium seafood products across the Asia-Pacific market. As well as providing a material contribution to group revenues, the distribution partnership creates a platform to generate further purchase orders into China and other high-growth Asian markets in the months and years ahead"*.
- E. NZS' annual report for the period ended 30 June 2023 and lodged on MAP on 2 October 2023 disclosing, at page 51, that NZS largest shareholder was AFRG with a holding of 237,152,264 shares equivalent to 14.34% of the total number of NZS shares on issue as at 26 September 2023.
- F. The following email correspondence between NZS and ASX:
  - i. On 28 July 2024, ASX's email to NZS which stated:

*My concerns are...in your email dated 28 March 2024, the Company confirmed that 'We are also advised that AFRG is not an entity associated with Peter Chai. From an ASIC search, AFRG's sole shareholder and director is an individual named Guoyu Li'. On 2 March 2023, the attached substantial shareholder notice was lodged on NZS' platform that*

appears to indicate that Peter Chai and Guoyu Li were beneficial shareholders of PXYY Pty Ltd (ACN 619 457 019) and Nine Ocean Fishery Pty Ltd (ACN 619 459 308) and subsequently transferred there [sic] interests in those entities to NZS for 237,152,264 NZS shares each. Could NZS please clarify to ASX the nature relationship between Guoyu Li and Peter Chai in these circumstances?

to which NZS responded, on 29 July 2024, that:

*The Company has again confirmed that AFRG is not an entity associated with Peter Chai. AFRG's sole directors and shareholder is a female named Guoyu Li. While AFRG and a separate entity controlled by Peter Chai were each shareholders in PXYY Pty Ltd and Nine Ocean Fishery Pty Ltd (as were other third parties), we are advised that there is no relationship between Guoyu Li and Peter Chai other than this common shareholding and that they are not associates of one another and have no other business dealings together. It is on public record that Guoyu Li and Peter Chai were ultimate shareholders in PXYY Pty Ltd and Nine Ocean Fishery Pty Ltd and that they are now shareholders in NZS. Peter Chair [sic] emphasises that they are not, however, associates of one another of [sic] related to one another in any other way [emphasis added].*

- G. NZS' response to ASX's aware query letter ('Aware Query Letter') lodged on MAP on 29 April 2024, disclosing, among other things:
- i. in response to ASX's question "How many deliveries have been made by NZS under the Gold Saint Supply Agreement? In answering this question, please specify the exact dates the deliveries were made by NZS under the Gold Saint Supply Agreement and the value of each delivery" NZS stated "One delivery of 19,808.85 kilograms of frozen HGT Ling Fish was made by the Company under the Gold Saint Supply Agreement on 19 September 2023 which delivery was valued at \$154,509.03" [emphasis added];
  - ii. in response to ASX's question "If only one delivery was made by NZS under the Gold Saint Supply Agreement, please explain why no further deliveries were made under the Gold Saint Supply agreement, commenting specifically on the fact that the Gold Saint Announcement stated that NZS would make monthly deliveries over a 12-month term" NZS stated "No further deliveries were made under the Gold Saint Supply Agreement as the quality of the product was considered not entirely satisfactory by the receiving party. Discussions are ongoing, however, to ensure future deliveries will comply with the specifications contained in, and otherwise be in accordance with, the Gold Saint Supply Agreement" [emphasis added];
  - iii. in response to ASX's question "Does NZS consider its response to [the question referred to at paragraph G(ii) above] to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If not, please explain the basis for that view, commenting specifically on the fact that the Gold Saint Announcement was marked as price sensitive by NZS" NZS stated "No, the Company does not consider its response to [the question referred to at paragraph G(ii) above] to be information that a reasonable person would expect to have a material effect on the price or value of its securities given the Gold Saint Supply Agreement remains on foot and discussions are ongoing with the counterparty to ensure future deliveries will comply with the specifications contained in, and otherwise be in accordance with, the Gold Saint Supply Agreement" [emphasis added];
  - iv. in response to ASX's question "Please confirm that NZS is complying with the Listing Rules and, in particular, Listing Rule 3.1, commenting specifically on section 4.23 of Guidance Note 8 which states that "Entities whose securities have been suspended from trading continue to be subject to the Listing Rules, including their continuous disclosure obligations under Listing Rule 3.1" NZS stated "The Company confirms that it continues to comply with Listing Rules and, in particular,

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Listing Rule 3.1 and refers to its announcement dated 26 April 2024 which addresses certain of the issues raised in the Query Letter [emphasis added]; and

- v. in response to ASX's question "Please confirm that NZS'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 NZS with delegated authority from the board to respond to ASX on disclosure matters" NZS stated "The Company confirms the above responses have been authorised and approved by its Board of Directors" [emphasis added].
- H. An ASIC company search for "Gold Saint International Resources Group Pty Ltd (ACN 629 078 842)" showing:
- Sing Yin Chai was a director of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) from 27 September 2018 to 5 September 2023;
  - Guoyu Li is currently a director of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) having been appointed on 27 September 2018;
  - Sing Yin Chai and Guoyu Li are joint shareholders of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and;
  - Sing Yin Chai and Guoyu Li are listed at the same address.
- I. An ASIC company search for AFRG showing that Guoyu Li is the sole director and shareholder of AFRG.
- J. 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.
- K. 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."*
- L. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- M. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
- "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 5 situations 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."*

- N. The concept of "confidentiality" 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 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 is no longer a secret and it ceases to be confidential information for the purposes of this rule."*

- O. Listing Rule 10.1, which states (relevantly):

*"An entity (or, in the case of a trust, the +responsible entity of the trust) must ensure that neither the entity, nor any of its +child entities, +acquires or agrees to +acquire a substantial asset from, or +disposes of or +agrees to dispose of a substantial asset to, any of the following +persons without the approval of the holders of the entity's +ordinary securities.*

10.1.1 *A +related party of the entity.*

10.1.2 *A +child entity of the entity.*

10.1.3 *A +person who is, or was at any time in the 6 months before the transaction or agreement, a +substantial (10%+) holder in the entity.*

10.1.4 *An +associate of a +person referred to in rules 10.1.1 to 10.1.3.*

10.1.5 *A +person whose relationship to the entity or a +person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the transaction should be approved by +security holders.*

*The notice of meeting to obtain approval must comply with rule 10.5"*

- P. Listing Rule 18.8A – Censure for breach of the rules, which states:

*"Without limiting any other powers ASX may exercise under these rules in relation to the breach, if ASX considers that an entity has breached the listing rules or a condition or requirement imposed under the listing rules and that it is appropriate to do so, ASX may formally censure the entity and release the censure and the reasons for it to the market."*

### **Request for Information**

Having regard to the above, ASX asks NZS to respond separately to each of the following questions:

1. Is the Gold Saint Supply Agreement still on foot?
2. If the response to question 1 is 'yes', please provide the basis for that view, commenting specifically on the fact that the Gold Saint Supply Agreement was stated to be for a period of 12-months in the Gold Saint Announcement announced on 12 May 2023.
3. If the response to question 1 is 'no', when did the Gold Saint Supply Agreement terminate?
4. If the Gold Saint Supply Agreement has been terminated, does NZS consider the termination of the Gold Saint Supply Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If not, please explain the basis for that view, commenting specifically on the following matters:



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- a) the Gold Saint Announcement:
- i. was marked as price sensitive by NZS:
  - ii. contained a statement by NZS that *"the [the Gold Saint Supply Agreement] was expected to contribute materially to group revenues over FY23 and FY24"*; and
  - iii. contained a statement by Peter Chai, managing director of NZS, that the Gold Saint Supply Agreement would provide *"a material contribution to group revenues"*;
- b) the Aware Query Letter disclosed that, as at 29 April 2024, NZS did not consider the fact that only one delivery was made under the Gold Saint Supply Agreement to be information that a reasonable person would expect to have a material effect on the price or value of its securities given:
- i. *"the Gold Saint Supply Agreement was still on foot"*; and
  - ii. *"discussions are ongoing with the counterparty to ensure future deliveries will comply with the specifications contained in, and otherwise be in accordance with, the Gold Saint Supply Agreement"*.
5. If the answer to question 4 is 'yes', did NZS make any announcement which disclosed the information contained in its response to question 4? If so, please provide details. If not, please explain why this information was not released to the market, commenting specifically on when you believe NZS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NZS took to ensure the information was released promptly and without delay.
6. Have there been any further deliveries made by NZS pursuant to the Gold Saint Supply Agreement since 29 April 2024 (i.e. the date the Aware Query Letter was released on MAP)? In answering this question, please specify the exact dates the deliveries were made by NZS under the Gold Saint Supply Agreement and the value of each delivery.
7. If the answer to question 6 is 'no', does NZS consider its response to question 6 to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If not, please explain the basis for that view, commenting specifically on the matters referred to above at subparagraphs 4(a) and (b).
8. If the answer to question 7 is 'yes', did NZS make any announcement which disclosed the information contained in its response to question 6? If so, please provide details. If not, please explain why this information was not released to the market, commenting specifically on when you believe NZS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NZS took to ensure the information was released promptly and without delay.
9. Is the Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) referred to above at paragraph H the same entity as Gold Saint International Resources Group referred to in the Gold Saint Announcement? If not, please provide the basis for that view.
10. If the answer to question 9 is 'yes':
- a) is Sing Yin (Peter) Chai, director of NZS, the same person as Sing Yin Chai, former director and current shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842)? If not, please provide the basis for that view; and
  - b) is Guoyu Li, director and shareholder of AFRG (a substantial (10%+) holder of NZS) the same person as Guoyu Li, director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842)? If not, please provide the basis for that view.



11. If the answers to questions 10(a) and (b) are both 'yes':
- a) was Sing Yin (Peter) Chai a director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and a director of NZS at the time the Gold Saint Supply Agreement was executed? If not, please provide the basis for that view;
  - b) was Guoyu Li a director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and a director and shareholder of AFRG (a substantial (10%+) holder of NZS) at the time the Gold Saint Supply Agreement was executed? If not, please provide the basis for that view;
  - c) does NZS maintain its position in its email to ASX dated 28 June 2024 that:
    - i. *'there is no relationship between Guoyu Li and Peter Chai other than this common shareholding [in PXY Pty Ltd (ACN 619 457 019) and Nine Ocean Fishery Pty Ltd (ACN 619 459 308)]; and*
    - ii. *Guoyu Li and Peter Chai "are not associates of one another and have no other business dealings together" and "they are not...related to one another in any other way";*given the matters referred to above at paragraph H? If so, please provide the basis for that view;
12. If the answers to question 11(a) and (b) are both 'yes':
- a) does NZS consider its response to questions 11(a) and (b) to be information that a reasonable person would expect to have a material effect on the price or value of its securities? If not, please explain the basis for that view;
  - b) If the answer to question 12(a) is 'yes', did NZS make any announcement which disclosed the information contained in its response to questions 11(a) and (b)? If so, please provide details. If not, please explain why this information was not released to the market, commenting specifically on when you believe NZS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps NZS took to ensure the information was released promptly and without delay;
  - c) does NZS agree that it breached Listing Rule 10.1 in circumstances where:
    - i. The value of the consideration payable to NZS under the Gold Saint Agreement was greater than 5% of NZS' equity interests as at 31 December 2022; and
    - ii. At the time the Gold Saint Supply Agreement was executed by NZS and Gold Saint International Resources Group Pty Ltd (ACN 629 078 842):
      - 1. Sing Yin (Peter) Chai was a director of NZS and a director and shareholder of Gold Saint International Resources Group Limited and therefore related party referred to in Listing Rule 10.1.1; and
      - 2. Guoyu Li was director and shareholder of Gold Saint International Resources Group Pty Ltd (ACN 629 078 842) and a director and shareholder of AFRG (a substantial (10%+) holder of NZS) and therefore an associate of a person referred to in Listing Rule 10.1.3.
13. Please confirm that NZS is complying with the Listing Rules and, in particular, Listing Rule 3.1, commenting specifically on section 4.23 of Guidance Note 8 which states that *"Entities whose securities have been suspended from trading continue to be subject to the Listing Rules, including their continuous disclosure obligations under Listing Rule 3.1"*.
14. Please confirm that NZS'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 NZS with delegated authority from the board to respond to ASX on disclosure matters.

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### 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 AM AWST Tuesday, 27 August 2024**.

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, NZS's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require NZS to request a trading halt immediately if trading in NZS's securities is not already halted or suspended.

Your response should be sent by e-mail to [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow us 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.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to NZS'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 NZS'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.

Kind regards

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ASX Compliance

CC: Mark McConnell, Steinepreis Paganin