

25 February 2022

QEX Logistics Limited - delisting update

QEX is currently a listed issuer with its ordinary shares quoted on the NZX Main Board. Trading in QEX's shares has been suspended since 18 February 2021, for failure to meet the board composition requirements under the Listing Rules, including the director residency requirement, independent director requirement and audit committee composition requirement. Those breaches are ongoing, and NZ RegCo is not aware of any process underway to appoint additional directors to the QEX board.

In October 2021 and January 2022, the NZ Markets Disciplinary Tribunal published determinations concluding serious breaches by QEX of its continuous disclosure obligations. To date, QEX has not complied with any of the Tribunal's orders from those determinations. QEX has not provided any substantive updates to the market since May 2021. NZ RegCo has no confidence that QEX is currently meeting its continuous disclosure obligations, including in relation to disclosure of QEX's current financial or operating position or its financing arrangements.

QEX breached its financial reporting obligations under the Listing Rules for failure to publish its financial results or release its annual report for the financial year ended 31 March 2021 and the interim period ended 30 September 2021. QEX currently has no auditor. NZ RegCo has no confidence that QEX will be in a position to release financial results for the financial year ending 31 March 2022, or for subsequent reporting periods.

In April 2021, QEX applied to NZ RegCo to delist to enable QEX to prepare and position the group for a third-party business sale. In May 2021, NZ RegCo approved QEX's delisting application subject to various conditions, including that QEX was required to:

- Obtain shareholder approval for delisting – with any vote to exclude Ronnie (Jingjie) Xue as majority shareholder of QEX
- Have an independent report prepared for the shareholder meeting. Among other things, that report would provide information for QEX shareholders on:
 - the implications of QEX reverting to being a private company
 - the extent of the steps taken by QEX to appoint an auditor, independent directors, and assess options to remain as a listed company

QEX has taken no steps to comply with those conditions. NZ RegCo is not aware of any proposals being pursued by QEX for third-party sale that would enable delivery of a return to shareholders.

QEX shareholders suffer the consequences of the issues affecting QEX, including the impacts of QEX's ongoing suspension and QEX's persistent non-compliance with the Listing Rules. This has created a significant degree of uncertainty for those shareholders regarding their investment in QEX. NZ RegCo considers that it is not acceptable for this situation to continue.

Listing requires issuers to meet standards, fundamental to protecting shareholders. NZ RegCo does not consider QEX is meeting the standards required of an NZX issuer. QEX's actions are considered to be adversely impacting the integrity of NZX's markets and investor confidence.

NZ RegCo has determined that it will exercise its discretion under Listing Rules 1.19.2 and 9.9.3 to cancel QEX's listing and the quotation of its shares, with effect from the close of business on 22 April 2022, unless by that date QEX meets the following conditions to NZ RegCo's satisfaction:

- Additional directors are appointed to the QEX board, and QEX provides evidence that QEX is compliant with the Board composition and Audit Committee requirements under the Listing Rules
- QEX releases to the market (i) its audited financial results and annual report for the financial year ended 31 March 2021, and (ii) its interim results for the six months ended 30 September 2021. In both cases they must meet the requirements of the Listing Rules, applicable Financial Reporting Standards and the financial reporting provisions of the Financial Markets Conduct Act
- QEX releases a comprehensive "cleansing" statement to the market, that includes all material information in relation to QEX for the purposes of its continuous disclosure obligations
- QEX pays all outstanding amounts owed to NZ Markets Disciplinary Tribunal and NZX, and QEX enters into a payment plan for the fine imposed under Tribunal determination NZMDT 7/2021.

NZ RegCo CEO Joost van Amelsfort: "Cancelling QEX's listing and quotation is not an action taken lightly by NZ RegCo. It means QEX shareholders will lose the potential to trade their shares on-market, and the benefit of the protections under the Listing Rules. However, NZ RegCo has been mindful of the potential implications this situation poses for wider market integrity. It is not appropriate for issuers to remain listed if they are not able, or are persistently unwilling, to meet their fundamental listing obligations."

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About NZ RegCo

NZ RegCo is an independently governed entity, responsible for monitoring and enforcing compliance by listed issuers and accredited market participants with NZX's market rules. To learn more about NZ RegCo please visit: www.nzregco.com