

Jon Chow
Adviser, Listings Compliance (Melbourne)
ASX Limited
By email: Jon.Chow@asx.com.au

RE: Response to ASX queries relating to Placement Announcement

I refer to your correspondence dated 13 July 2018 (6:37 pm) seeking a response to queries in relation to the Placement Announcement and the Company's listing rule compliance.

CCP Technologies Limited (ASX:CT1) ("CCP" or the "Company") provides the following response:

General Queries

1. Do the Placement Proceeds include or exclude the Penta Global investment?

The placement includes Penta Global investment of \$561,247

2. How much cash is being invested by FGF?

\$250,000

3. What are the costs of the issue referred to and why are they not stated?

Industry standard capital raising fee of 6% applied to the Penta component of the raise only ie \$33,674. The amount will be disclosed with the Appendix 3B when the shares are issued.

4. Do the strategic investors comprise only FGF and Penta Global or are there others? If so, who are those investors?

Three investors participated in this placement:

1. Penta Global
2. FGF
3. Minsk Pty Ltd (\$50,000) an investment entity of the Giancorp Group - a business focussed on the food distribution industry and a CCP customer.

5. Please provide the full securities subscription agreement between CT1 and Penta Global.

The full Securities Subscription Agreement has been provided to ASX but will not be used for market release due to confidentiality reasons.

Regulatory and Listing Rule Compliance

6. Noting the relationship between FGF and CT1 whereby Mr Manzoori is an executive director of FGF and a non-executive director of CT1, please confirm listing rule 10.11 does not apply to the investment in CT1 by FGF.

CCP has considered this issue and Listing Rule 10.11 does not apply to the investment in CT1 by FGF.

7. Please step through CT1's placement capacity under listing rules 7.1 and 7.1A and demonstrate how these proposed issues comply with those rules.

Listing Rule	7.1	7.1A	Total
Pre-placement capacity	48,558,394	10,999,804	59,558,198
Less:			
• New shares issued for non-cash consideration	(28,062,350)	-	(28,062,350)
• New shares issued for cash consideration	(4,000,196)	(10,999,804)	(15,000,000)
	(32,062,546)	(10,999,804)	(43,062,350)
Post-placement capacity	16,495,848	-	16,495,848

Please refer to the accompanied Appendix 3B on the calculation of our capacities pre-placement.

8. Please confirm CT1 has taken legal advice on the requirements for its investment in Penta tokens and that its investment is lawful.

Yes, CT1 took legal advice on this issue. Legal advice was taken in negotiating and documenting the terms and advising on legal compliance.

About CT1's Business and the Strategic Nature of the Placement

9. In reference to Key highlight bullet point 3: What are CT1's "blockchain initiatives"? Please indicate when and where these have been previously disclosed by CT1.

In its Half Yearly Report - December 2017, CT1 tabled its strategic direction for 2018; and inter alia, two interdependent initiatives as follows:

"Shipment monitoring is part of our innovation pathway. CCP is developing a shipment smart tag for release in the first half of 2018. We estimate that its total addressable market (TAM) will exceed 470 million MPs in the US and Australia. While the in-situ monitoring segment is estimated to be 2.8 million MPs of the TAM, the shipment monitoring segment is estimated to be 450 million MPs.

Legacy data loggers (widely used in the massive global shipment market segment) are typically connected to a PC to download data at the end of the journey; however, they do not provide a real-time preventative management tool. The CCP shipment monitoring solution is a novel multi-path connectivity approach. By providing easy access to data at any point along the supply chain, our approach is designed to enable customers to prevent failures before they occur.

When perishable products are shipped, temperature control is critical. If a temperature breach occurs at any point along the supply chain, product quality can be irreparably impacted. Shipments valued in the millions can be lost or delayed as breaches are investigated, which results in supply interruptions, negative customer impact and risk to product safety. Our wireless shipment monitoring solution presents the opportunity to feed critical control point data into a blockchain.

Opening the door to shipment monitoring opportunities is another step forward in our business development. CCP is poised to commence shipment monitoring trials with a major supermarket chain in Australia. It not only opens the door to a very large market opportunity, it also lays the foundation for our blockchain development, generating more revenue and value for CT1 shareholders.

Blockchain is a distributed ledger technology that allows all members of a supply chain to record transactions in a decentralized data log maintained on a network of computers, rather than a physical ledger or a single database. Transactions must be approved through consensus, and everything is secured through cryptography. A transaction is immutable once added to the blockchain, which prevents participants from manipulating or altering the records.

By participating in the CCP blockchain, our customers will be able to enter into smart contracts which are supported by business rules for product monitoring, breach alerts, product acceptance and product payment. Our new shipment smart tag complements our blockchain initiative.

Our product management team comprises 45 staff, including experienced blockchain developers. With a global shortage of blockchain developers with real depth of experience and skills, we are leveraging existing relationships and partners with organisations like Microsoft to expand our blockchain activities. We are quickly forging new relationships that we believe may lead to further growth in this part of our business.

Globally, food companies are looking to use blockchain to improve their ability to monitor the temperature conditions for perishable foods to ensure quality control and extend shelf life. We anticipate strengthening our blockchain capabilities to drive related initiatives.”

In addition to commentary in its Half Yearly Report - December 2017, CT1 made further reference to its Blockchain initiatives in the following market announcements: March/April 2018 Shareholder Update and the June 2018 Investor Presentation.

10. In reference to Key highlight bullet point 1:

10.1 What is meant by the reference to FGF's investment in CT1 being strategic? How is it strategic?

Receiving investment from, and building closer ties with, FGF is of potentially significant commercial strategic value to CT1 through access to FGF's major shareholders, investees and other networks of which there are a significant number of prospective distribution and technology partners as well as potential clients.

10.2 What is meant by the reference to Penta Global's investment in CT1 being strategic? How is it strategic?

The investment is commercially strategic to CCP as Penta is able, and now motivated by virtue of their investment, to sell CT1's solutions and development services to its customer base and partners. These activities are consistent with CT1's commercial objectives to take their existing product suite and service offerings into new geographic markets.

11. In reference to Key highlight bullet point 4: How is the China market 'opened' by this strategic placement?

Penta's development team and co-founders are based in China. They also have partnerships and customers based in China relevant to CCP. With their established presence, market knowledge and client and partner network and now with a vest interest, CCP is well placed to introduce its service offering to the China market.

Penta Global and Appendix 1 of the Placement Announcement

12. Please explain (with supporting evidence) how Penta Global carries a "US\$500m market capitalised digital currency".

According to <https://coinmarketcap.com/currencies/penta/historical-data/?start=20180415&end=20180715>, the 5-day VWAP up to 14 July 2018 (being the last trading date) was US\$0.0051.

According to <https://etherscan.io/token/0x53066cddbc0099eb6c96785d9b3df2aaeede5da3> there is 100 billion Penta tokens on issue.

Based on the information below, the market capitalisation was estimated at US\$500m.

13. Please explain what is meant by Penta Global complementing CT1's "..established and rapidly commercializing critical control point Internet of Things (IoT) solution as well as [CT1's] wholly owned India-based development company that has been expanding its blockchain development capabilities."

About CCP IoT Technologies Pvt Limited

CT1 wholly owns CCP IoT Technologies Pvt Limited in Bangalore, India. CT1's product development team in CCP IoT Technologies provides in-house R&D, IoT hardware design,

hardware manufacture coordination, firmware and software development capability (including Web and Mobile application development), and end-to-end quality management.

In addition to in-house turnkey concept-to-creation product development and ongoing solution management, CCP IoT Technologies supports CT1 to deliver:

- Contracted bespoke solution development
- Platform and hardware licensing
- Joint venture solutions

Contracted bespoke solution development leverages our in-house development capability. Over the last 18 months, our product development team has augmented their IoT and Cloud skill-set with the addition of Blockchain, Big Data and AI expertise. We have been collaborating with various organisations to accelerate our capability in these valuable disciplines, including with Microsoft. Currently, CT1 has several contracts for product development and support projects; with new bespoke solution development opportunities in our sales pipeline.

Penta has 50 blockchain developers in Shanghai that provides a significant opportunity for knowledge transfer and expertise of blockchain technologies to CT1's in-house development team of circa 45 engineers in India. Penta's technology connects existing IT systems to the blockchain networks, providing a fast and cost effective pathway for CT1 to add value to its product mix utilising blockchain capability.

Platform and hardware licensing opportunities leverage CT1's existing solutions and intellectual property. As large organisations consider critical control point management in their information technology strategic planning frameworks, some will explore the opportunity of licensing an existing solution and tailoring it to their needs. CT1 recognised the opportunity for white-label, co-marketing, branded distribution and other commercial arrangements. For example, under appropriate commercial terms, our IoT hardware (CCP Smart Tags) can be white-labelled and integrated directly into another platform. By harnessing our highly-skilled team of hardware and firmware developers, we do this in a way which protects CCP's intellectual property and maximises business development opportunities. Currently, CT1 has several platform and hardware licensing opportunities in its sales pipeline.

Joint venture solutions emerge when CT1 develops a business relationship with a complementary solution provider which results in product-level collaboration to deliver a better customer value proposition. For example, CT1 has advised the market of a proposed Joint Venture in Las Vegas which brings complementary products to the same target market. By bundling our products and solutions, the proposed JV will deliver a unique offering with a clear and measurable return on investment to its customers. The bundled offering will extend perishable food shelf-life, reduce refrigeration energy and maintenance costs, and automate food safety record keeping. CT1 continues to progress the JV go-to-market strategy and further updates will be provided to the market.

CT1 provides a commercial-off-the-shelf (COTS) IoT critical control point management solution which is used predominantly by the food industry (our initial target market). Additionally, we deliver Cloud, IoT, Blockchain, Big Data and AI capabilities to a growing number of customers.

We are competitively positioned to provide partners with complementary IoT hardware, platform, solutions and services which take advantage of the latest technologies.

Penta Global's Blockchain Rice project strengthens food security by applying blockchain technology to the rice supply chain. This project (and others) will use a range of technologies where CT1 can potentially inject expertise.

14. How, as a digital currency, is Penta Global capable of doing the above?

Penta is more than just a digital currency. It is an infrastructure blockchain platform (<https://www.penta.global/ecosystem.html?id=1>), 50 personnel development capability, customers and partnerships that will be of great value to CT1. Penta's technology connects existing IT systems to the blockchain networks, providing a fast and cost-effective pathway for CT1 to add value to its product mix utilising blockchain capability.

Penta also has a blockchain lab at the University of Melbourne run by Dr. Steve Melnikoff (Chief Scientist, Founder of the Penta Blockchain Lab)

Dr. Melnikoff is a quantum physicist, mathematician, and computer scientist, graduating from MIT in 1978. In 1985, he received a doctorate degree in physics from the University of California Riverside. Dr. Melnikoff pursued a postdoctoral career in physics with the Lawrence Livermore National Laboratory – one of the most renowned labs in the United States. He is an honorable visiting scholar, PhD supervisor, professor of physics and computer science of the University of Melbourne. In addition to work in the private sector, Dr. Melnikoff has also worked on advanced government related projects.

15. Who is Penta Network and how is it related to Penta Global? What is the solution for rice growers in China that is referenced? Has that been commercialised? Please provide detail.

Penta Network is name given to Penta Global's blockchain solution.

Yes, the project has been commercialised. The link below shows rice, tracked on the blockchain, being sold:

https://item.m.jd.com/product/22389612817.html?utm_source=iosapp&utm_medium=appshare&utm_campaign=t_335139774&utm_term=Wxfriends&ShareTm=TbRDOZXQmVnWQ8bRE50AUHJcPsVzHvi8aZSDU1wLw2jHXjv3Hika/BRhaP7SPe00TUrReSZLK23JUdgoIqrq6Xk32lsNQivyrmuHrlFUVcl1Kwv0jXv05YWZL6g5XRBTqu57V76MRmlWqNVcAxowKsHVjY3B6I1NwPbn9FrOMZ2A=&from=groupmessage&isappinstalled=0

The products associated with the blockchain are sold in China and there are no markets in which information can be obtained in English. We have enclosed a Google Translated copy of the webpage for your reference.

Also attached flyer and interview with CEO, David Ritter for USA Rice to be published in their November issue.

Appendix 1

16. How has A\$561,247 'equivalent in Penta tokens been calculated?

The agreement has been structured so as to ensure that CT1 receives the number of Penta tokens necessary to receive the equivalent of A\$561,247.

The \$561,247 equivalent in Penta token has not been 'calculated' as such. Penta's obligation is to deliver tokens based on the volume weighted average price of Penta tokens traded in the 30 days prior to completion. CT1 shall sell the tokens on market. In the event that there are price decreases in the value of the tokens, Penta is obliged to deliver additional tokens to ensure that the total sum of \$561,247 is received by CT1.

17. How does CT1 convert these tokens to cash?

CT1 converts the tokens to cash by selling them in exchanges which trade such tokens. Penta tokens are very actively traded with last 30-day daily trading volume between \$1.1M and \$31M (medium daily volume of \$10.8M, average daily volume of \$12.2M). Penta is listed on 5 exchanges and across 9 trading pairs.

CT1 will store the Penta tokens in dual redundant hardware wallets stored in two Australian bank vaults.

18. How many tokens will CT1 receive? What was the value of that amount of tokens two weeks ago, one month ago, three months ago and 6 months ago?

The number of tokens will be determined on the Completion date (20 July 2018) based on the average 30-day trading price of Penta and thus has yet been determined. Penta was listed on exchanges on 1st of May, 2018. Two weeks ago and one month ago closing prices were US\$0.0073 (AUD0.0098) and US\$0.0174 (AUD0.0230), respectively. Data for three months ago and six months ago is not available. For reference purpose, the 30-day VWAP up to the last trading day (14 July 2018) is US\$0.0105 (AUD0.0140).

CT1 has structured the placement so that on the 12-month post completion date any shortfall from the sale of the tokens will be compensated with additional Penta tokens to CT1.

Penta is currently holding 50% of all tokens currently valued at US\$162M and has capacity to provide the shortfall. Additionally, Penta shares will be escrowed and released every month only after the successful sale of Penta tokens.

In the Penta Securities Subscription Agreement, CT1 will receive exactly \$561,247 regardless of the Penta price. The adjustment mechanism will ensure CT1 is compensated with additional tokens in the event the Penta price falls below the completion date.

19. Please confirm who is proposed to be appointed to the board of CT1 nominated by Penta Global.

Subject to CT1's onboarding procedures (as per the response to 20. below), CT1 will appoint either David Ritter or William Zuo.

David Ritter (co-founder and CEO of Penta):

Mr. Ritter received his degree in financial engineering from the University of Southern California. Fluent in Chinese and French, he is adept at portfolio fund management and investment. He served as General Manager of DGI - having managed a variety of fund projects with a total value of more than 1 billion (USD). He is an early-phase investor in Bitcoin and has participated in early-phase investments in an array of internationally renowned digital assets and has played a part in the operations of some projects.

William Zuo (co-founder of Penta and founder and CEO of Ginkoo)

Consultant of the governing unit of the China National Ministry of Industry and Information Technology Blockchain National Standards Development Forum; director of the Financial Blockchain Alliance (Shenzhen); director of the China Blockchain Technology and Industry Development Forum; member of the Hyper-logger project led by the Global Linux Foundation; Shanghai Transportation Instructor of the University's Advanced Finance Institute; the top ten outstanding young people in the Shanghai software industry; 2017 China's top financial list "financial technology figures."

20. What are the “customary governance checks” proposed in relation to that appointment?

The procedures for on-boarding directors are set out in the CT1's corporate governance statement that is available on the company's website - <http://www.ccp-technologies.com/wp-content/uploads/2011/11/CCP-TECHNOLOGIES-LIMITED-Statement-of-Corporate-Governance-September-2017.pdf>

21. Please confirm that CT1 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

This is confirmed. The directors confirm that the company is in compliance with its obligations including LR 3.1.

22. Please confirm that CT1'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 CT1 with delegated authority from the board to respond to ASX on disclosure matters.

This is confirmed. The Directors have each reviewed the responses and resolved to submit the same to the ASX listings advisor.



13 July 2018

Mr Leath Nicholson

Chairman
CCP Technologies Limited
Suite 202, 22 St Kilda Road
St Kilda VIC 3182

By email: leathn@fnlawyers.com.au

Dear Mr Nicholson

CCP Technologies Limited (“CT1”): Queries relating to Placement Announcement

ASX Limited (“ASX”) notes the following.

- A. The CT1 announcement lodged on MAP on 13 July 2018, but not released by ASX, headed “CCP Technologies secures strategic placement” (the “Placement Announcement”).
- B. The Placement Announcement discloses CT1 receiving commitments from strategic investors (including First Growth Funds Limited (ASX code: FGF)) to raise \$861,247 (before costs) by the issue of 43,062,250 new ordinary shares at \$0.02 per share (the “Placement Proceeds”). The Placement Announcement also refers to an investment in CT1 by Penta Global Blockchain Foundation in the form of ‘Penta tokens’.
- C. The concerns expressed by ASX in section 5 of the Listed@ASX Compliance Update dated 30 October 2017 available at:

https://www.asx.com.au/resources/newsletters/listed_at_asx/listed-at-asx-20171030_0917.html

ASX has the following queries in relation to the Placement Announcement and the Company’s listing rule compliance.

General Queries

1. Do the Placement Proceeds include or exclude the Penta Global investment?
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3. What are the costs of the issue referred to and why are they not stated?
4. Do the strategic investors comprise only FGF and Penta Global or are there others? If so, who are those investors?
5. Please provide the full securities subscription agreement between CT1 and Penta Global.

Regulatory and Listing Rule Compliance

6. Noting the relationship between FGF and CT1 whereby Mr Manzoori is an executive director of FGF and a non-executive director of CT1, please confirm listing rule 10.11 does not apply to the investment in CT1 by FGF.
7. Please step through CT1’s placement capacity under listing rules 7.1 and 7.1A and demonstrate how these proposed issues comply with those rules.
8. Please confirm CT1 has taken legal advice on the requirements for its investment in Penta tokens and that its investment is lawful.

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About CT1's Business and the Strategic Nature of the Placement

9. In reference to Key highlight bullet point 3: What are CT1's "blockchain initiatives"? Please indicate when and where these have been previously disclosed by CT1.
10. In reference to Key highlight bullet point 1:
 - 10.1 What is meant by the reference to FGF's investment in CT1 being strategic? How is it strategic?
 - 10.2 What is meant by the reference to Penta Global's investment in CT1 being strategic? How is it strategic?
11. In reference to Key highlight bullet point 4: How is the China market 'opened' by this strategic placement?

Penta Global and Appendix 1 of the Placement Announcement

12. Please explain (with supporting evidence) how Penta Global carries a "US\$500m market capitalised digital currency".
13. Please explain what is meant by Penta Global complementing CT1's "...established and rapidly commercialising critical control point Internet of Things (IoT) solution as well as [CT1's] wholly owned India-based development company that has been expanding its blockchain development capabilities."
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21. Please confirm that CT1 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
22. Please confirm that CT1'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 CT1 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, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading on Tuesday, 17 July 2018.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. 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.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CT1'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 CT1's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Jon Chow

Adviser, Listings Compliance (Melbourne)