

# Market Announcement

7 July 2022

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## Pure Hydrogen Corporation Limited (ASX: PH2) – Response to ASX Query Letters

### Description

The following documents relating to Pure Hydrogen Corporation Limited ('PH2') are attached for release to the market.

1. ASX Query Letter dated 27 June 2022.
2. PH2 response dated 29 June 2022.
3. ASX subsequent Query Letter dated 1 July 2022.
4. PH2 response dated 1 July 2022.
5. ASX subsequent Query Letter dated 5 July 2022.
6. PH2 response dated 6 July 2022.

### Issued by

**Yushra Haniff**  
Compliance Adviser, Listings Compliance (Sydney)



27 June 2022

Reference: 54322

Mr Ron Hollands  
Company Secretary  
Pure Hydrogen Corporation Limited  
C/- Corporate Administration Services  
Level 6 10 Market Street  
BRISBANE QLD AU 4000

By email: newhollandsservices@hotmail.com

Dear Mr Hollands

**Pure Hydrogen Corporation Limited ('PH2'): Query Letter**

ASX refers to the following:

- A. A video interview and presentation titled "Off the Charts with Pure Hydrogen", featuring PH2's Managing Director, Mr Scott Brown and released on the '180 Markets' YouTube channel on 22 June 2022 ('**Presentation**'). The video was accessible here:

[https://www.youtube.com/watch?v=Ej4bCdxF2cA&t=895s&ab\\_channel=180Markets](https://www.youtube.com/watch?v=Ej4bCdxF2cA&t=895s&ab_channel=180Markets)

However, ASX notes that at the time of publishing this letter, this video was taken down by the publisher. ASX understands that the Presentation was initially made to a select audience before being published online.

ASX specifically observed the following:

- i. On slide 5 commencing at 5:15, PH2 stated that:
  - It had invested \$1.05 million into H2X Global Limited ('**H2X**')
  - H2X is planning to IPO in 2023
  - Warrego will now be launched in 4<sup>th</sup> Qtr. 2022
- ii. On slide 6 commencing at 6:05, Mr Brown stated in relation to the truck being delivered to JJ Waste:
  - At 6:49: *"Once we have the truck we have no doubt we'll get hundreds of orders for this"*
  - At 9:10: *"Obviously JJ Richards ... will be a customer...of ours but you know we've got other very credible customers like that we'll supply that will sign up for a long term contract."*
- iii. On slide 8 commencing at 12:36, PH2 outlined its plans to create a 'Hydrogen Super Highway':
  - At 12:57, Mr Brown stated *"we're working very closely with a couple of the well-known petrol retailers"*.
- iv. On slide 9 commencing at 13:40, PH2 stated that:
  - CAC-H2 will fund the majority of the capital expenditure for the Caboolture project
  - Target H2 Production from the Caboolture project is **2.5T** per day by Q3 in CY23
  - At 15:30, the interviewer asked in reference to the Caboolture project **"2<sup>nd</sup> half of 2023, is that correct?"**. Mr Brown stated in response *"We may be able to get it slightly earlier, we're*

*trying to be conservative here” ... “that will be one of the biggest facilities operational in Australia”*

PH2 also provided a 3D rendering of what appears to be the plans for the Caboolture plant.

- v. On slide 10 commencing at 14:29, PH2 provided:
- What appears to be an extract of a site plan from a feasibility study or similar relating to PH2’s site at Caboolture
  - A satellite photo of PH2’s Caboolture project site
- vi. On slide 14, commencing at 19:25, PH2 provided a timeline titled ‘Key Milestones’, which summarised the expected completion dates for various PH2 projects. Many of the matters have been covered above, but ASX notes that the timeline appears to show the ‘Launch of Power Gen Units’ commencing in December 2022.
- vii. At 26:30, in response to a question from the interviewer relating to “real orders” of hydrogen powered trucks, Mr Brown stated *“I would expect, next year, I’d be surprised if we didn’t have ... orders for at least 100 trucks”*.

- B. PH2’s announcement titled “Response to Query Letter”, lodged on the ASX Market Announcements Platform (‘MAP’) on 24 January 2022, which disclosed (relevantly, emphasis added):

In relation to delivery of the Warrego truck:

- i. *“H2X is currently working on 2 Warregos, however they are not ready to be demonstrated to potential customers yet. When Pure Hydrogen made its investment in H2X Global in October 2021, the **timetable was reset for the launch to occur this year in the 2nd quarter**. No upfront deposits have been received by H2X for these vehicles to our knowledge.”*
- ii. *“Yes, we understand that deliveries to customers will start in **Q2 2022**.”*

In relation to H2X’s manufacturing site:

- iii. *“The site is in the process of being prepared ready for occupation later this month”*

- C. PH2’s announcement titled “Pure Hydrogen signs MOU for Hydrogen refuelling”, released on MAP on 20 May 2021, which stated (relevantly):

*“H2H’s refuelling stations are expected to be supplied to Pure Hydrogen when the first refuelling station is planned to commence operation, at this stage within ~18 months.”*

- D. PH2’s announcement titled “PH2 & CAC-H2 further information on 3 Hydrogen Plants”, released on MAP on 11 November 2021, which stated (relevantly, emphasis added) in relation to the Caboolture project:

- i. *“The first plant will be built north of Brisbane and is expected to be operational in **late 2022**”*
- ii. *“Minimum Hydrogen supply of **1,000kg** per day per Plant but can be expended (sic) by agreement”*

- E. PH2’s announcement titled “Chair AGM Address and Presentation”, released on MAP on 12 December 2021, which stated (relevantly) in relation to the Caboolture project:

*“Around **5,000 kgs** per day of Hydrogen is planned to be produced initially, increasing to around **30,000kgs** per day at each plant over the next few years.”*

- F. PH2’s announcement titled “PH2s H2X releases POWER H2 portable electricity power units”, released on MAP on 7 December 2021, which stated (emphasis added):

*"Power H2 units have four standard sizes being 5kw, 20kw, 50kw and 100kw capacity are being supplied and will be available for sale in Q1 2022, or in less than four weeks."*

This announcement also showed a photo of the H2X generator.

- G. The 'Power Hydrogen' website, which appears to show an updated version of the H2X generator compared to the photo supplied in the announcement at paragraph F. ASX notes the original version of the website is password protected:

<http://powerhydrogen.com.au/>

However, a cached version is available here:

<http://webcache.googleusercontent.com/search?q=cache:8MS9mNqbW9QJ:powerhydrogen.com.au/+&cd=1&hl=en&ct=clnk&gl=au>

- H. Listing Rule 15.7, which states:

*"An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market"*

- I. Section 7.7 of Guidance Note 8, which provides (relevantly):

*"Analyst and investor briefings are an important contributor to an informed market but require particular care to avoid the selective disclosure of market sensitive information."*

*An entity should not be disclosing at an analyst or investor briefing any market sensitive information, unless and until it has first been disclosed to ASX under Listing Rules 3.1 and 15.7.*

*It is prudent practice for an entity to ensure that any new presentation to be given to, or printed materials to be handed out at, an analyst or investor briefing are first given to ASX and published on MAP before the briefing, and thereafter published on its website."*

- 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.

### **Request for information**

Having regard to the above, ASX asks PH2 to respond separately to each of the following questions and requests for information:

#### Slide 5 – H2X

1. Please identify the announcement in which PH2 disclosed that it had invested a further \$1.05 million into H2X. If PH2 deemed no announcement was necessary, please explain why not.
2. Please explain the basis for PH2's view that H2X is planning to IPO in 2023. Please specifically outline the steps H2X has taken (if any) to date.
3. Noting that PH2 previously stated that the Warrego vehicles were expected to commence customer deliveries in Q2 2022 (paragraph B), the Presentation appears to indicate that H2X will 'launch' the Warrego vehicle in Q4 2022.
  - 3.1 Please identify the announcement in which PH2 disclosed the apparent delay in the Warrego vehicle timetable to the market. If PH2 did not deem it appropriate to make an announcement, please explain why not, and why PH2 thought it appropriate to instead tell this to a select audience.

3.2 Please explain what PH2 means by 'launch', and whether this relates to demonstrations of the Warrego vehicles or delivery of the Warrego vehicles to customers.

4. Please provide an update on the status of the H2X manufacturing facilities in Sale, Victoria. Your answer should include information as to whether H2X has occupied the premises; what manufacturing facilities have been installed; and when PH2 expects the site to be production ready.

#### Slide 6 – Garbage trucks

5. Please provide the basis for each of Mr Brown's comments at paragraph A.ii which appear to state with a degree of certainty that PH2 / H2X will "no doubt" receive "hundreds of orders"<sup>1</sup> for the garbage trucks and that credible customers "will sign up for a long term contract".

#### Slide 8 – Hydrogen Super Highway

6. ASX infers that PH2 intends to leverage its MOU (paragraph C) with H2H Energy to deliver the 'Hydrogen Super Highway' referred to in the Presentation.
- 6.1 Does PH2 still anticipate that it will be supplied with a refuelling station under the MOU with H2H Energy by the end of CY2022 as implied? If not, please identify the announcement in which PH2 disclosed this to the market. If no announcement was made, please explain why not.
- 6.2 Is PH2 currently in confidential discussions with the "well-known petrol retailers" referred to in the Presentation? If so, please explain why PH2 thought it appropriate to disclose this information to a select audience, noting that PH2 does not appear to have disclosed this on MAP. If not, please outline the work performed to date, and the basis for Mr Brown's statement that PH2 is "working closely" with these retailers.

#### Slide 9 – CAC-H2 / Caboolture

7. Please identify the announcement in which PH2 disclosed the total anticipated capital expenditure for the Caboolture project, and that CAC-H2 would fund a majority of the expenditure.
- If no announcement was made, please:
- 7.1 Explain why not; and
- 7.2 State the total expected capital expenditure for the Caboolture project, broken down into how much PH2, CAC-H2 and any other party are contributing. If these figures cannot be quantified, please explain why PH2 considered it appropriate to tell a select audience that CAC-H2 will fund a "majority" of the capital expenditure.
8. ASX notes that PH2 has put forward numerous figures representing the total expected hydrogen production from the Caboolture plant. Initially, it appeared to be a minimum of 1,000kg per day (paragraph C.ii), then changed to an expected 5,000kg per day (paragraph E), before settling on 2,500kg per day in the Presentation (paragraph A.iii).
- 8.1 Please confirm whether 1,000kg per day of hydrogen is still the minimum quantity to be produced under the relevant agreement.
- 8.2 Please explain why PH2 appears to inconsistently report how much hydrogen it expects to produce from the Caboolture plant.
9. Please confirm that PH2 / CAC-H2 are expecting to deliver a completed hydrogen production plant by Q3 2023, which will enable it to produce 2,500kg of hydrogen per day.

<sup>1</sup> This assertion appears to have been made again at paragraph A.vii.

#### Slide 10 – Caboolture (cont.)

10. Please identify where the diagram depicting the apparent site plan for the Caboolture project came from, and state whether PH2 intends on disclosing this document on MAP.
11. Has PH2 disclosed this previously?
  - 11.1 If so, please identify the announcement in which it did so; or
  - 11.2 If not, please explain why PH2 considered it appropriate to display details about the Caboolture project that had not been previously lodged on MAP to a select audience.

#### Slide 14 – H2X Generators

12. Noting that PH2 has previously disclosed that the H2X generators were available for sale in Q1 2022 (paragraph F), please explain why the Presentation disclosed on slide 14 that the generators will 'launch' in Q4 2022.
13. Please identify the announcement in which PH2 disclosed the apparent delay in launching the H2X generators. If no announcement was made, please explain why PH2 deemed it appropriate to disclose this first to a select audience.
14. Has PH2 / H2X made any sales of the H2X generators to date?
15. ASX notes that the appearance of the H2X generators appears to have changed since PH2's disclosure at paragraph F (compared to those featured at paragraph G). However, the new version appears to only be represented in the form of digitally generated images.
  - 15.1 Does PH2 possess a working prototype of the H2X generator it plans to sell? If so, is PH2 able to provide any evidence to that effect?
  - 15.2 Please state where the H2X generators are (or will be) manufactured, and the current capacity of that manufacturing facility.

#### General / Listing Rules

16. When did PH2 perform the Presentation?
17. Did PH2 authorise 180 Markets to release the video of the Presentation?
18. Did PH2 perform the same (or materially similar) presentation to any other audiences? If so, please identify when and to whom PH2 made these presentations.
19. Please lodge a copy of the Presentation slides on MAP. These must not differ from the slides that featured during the Presentation. If PH2 wishes to clarify any points made in the Presentation, it may do so via a cover note to the announcement.
20. Please explain why, when ASX originally asked for a copy of the Presentation slides, PH2 provided a document that was materially different to the one presented in the video.
21. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
22. Please confirm that PH2'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 PH2 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 **9:00 AM AEST Tuesday, 5 July 2022**. 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, PH2'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 PH2 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.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PH2'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 PH2'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

We reserve the right to release a copy 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

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**Yushra Haniff**  
Compliance Adviser, Listings Compliance (Sydney)



# Pure Hydrogen

29 June 2022

ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Transmission via email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Sirs

## Pure Hydrogen Corporation Limited ('Pure Hydrogen'): Query Letter

We refer to your letter of 27 June 2022 concerning the above matter. Pure Hydrogen responds to the ASX's letter as follows:

Pure Hydrogen preface its comments below to the ASX's questions advising that a version of the presentation in question should have been provided to the ASX, prior to its disclosure to other parties. Pure Hydrogen unreservedly apologises to the ASX and Pure Hydrogen shareholders for this error. This will not happen again, and since our listing on ASX, this is the one and *only* occurrence where this has occurred.

Pure Hydrogen advise that the contents of the presentation appended to this response are entirely consistent with Pure Hydrogen's stated strategies and previous announcements.

### Slide 5 – H2X

*1. Please identify the announcement in which PH2 disclosed that it had invested a further \$1.05 million into H2X. If PH2 deemed no announcement was necessary, please explain why not.*

Pure Hydrogen: The further H2X investment has not been disclosed in a separate announcement to date, however is consistent with our announcement on H2X made on 21 October 2021, where stated that Pure Hydrogen had options to increase its stake in H2X to 48% of the capital.

Pure Hydrogen determined the \$1.05 million further H2X investment was not material and did not require a separate ASX announcement. This conclusion was determined based on Pure Hydrogen's market capitalisation and asset base at the time and the further H2X investment was below the determined materiality threshold.

*2. Please explain the basis for PH2's view that H2X is planning to IPO in 2023. Please specifically outline the steps H2X has taken (if any) to date.*

Pure Hydrogen: H2X have advised Pure Hydrogen that they are planning an IPO for 2023. This will be dependent on market conditions at the time. Pure Hydrogen understands that H2X are looking to appoint advisors and brokers to assist the Company successfully navigate an IPO. Pure Hydrogen as a large shareholder of H2X is supportive of H2X's plans regarding an IPO.

*2.1 Noting that PH2 previously stated that the Warrego vehicles were expected to commence customer deliveries in Q2 2022 (paragraph B), the Presentation appears to indicate that H2X will 'launch' the Warrego vehicle in Q4 2022.*

Pure Hydrogen: H2X have its own board and management. Pure Hydrogen relies on the information provided to it by H2X. H2X is an early-stage company.

Pure Hydrogen have been advised by H2X that there will be a delay in the delivery of the first Warrego's in part due to supply chain issues, which is now expected to happen in the 4<sup>th</sup> Quarter 2022. H2X are preparing a launch in the 4<sup>th</sup> Quarter 2022 to demonstrate a working Warrego.

*3.1 Please identify the announcement in which PH2 disclosed the apparent delay in the Warrego vehicle timetable to the market. If PH2 did not deem it appropriate to make an announcement, please explain why not, and why PH2 thought it appropriate to instead tell this to a select audience.*

Pure Hydrogen: Pure Hydrogen to date have not made an announcement concerning the delay in the Warrego vehicle timetable. Pure Hydrogen determined that this information was not material.

*3.2 Please explain what PH2 means by 'launch', and whether this relates to demonstrations of the Warrego vehicles or delivery of the Warrego vehicles to customers.*

Pure Hydrogen: H2X is seeking to use the launch to demonstrate/show the Warrego vehicle in operation and have advised that deliveries (sales) will commence thereafter.

*4. Please provide an update on the status of the H2X manufacturing facilities in Sale, Victoria. Your answer should include information as to whether H2X has occupied the premises; what manufacturing facilities have been installed; and when PH2 expects the site to be production ready.*

Pure Hydrogen: H2X have informed Pure Hydrogen that they have leased premises in Sale, Victoria, which they are currently occupying and expect to move to larger premises on 1 August 2022. H2X have advised Pure Hydrogen that the larger premises that has existing work bays that would comfortably allow production for about 20 units (vehicles) per month.

#### **Slide 6 – Garbage trucks**

*5. Please provide the basis for each of Mr Brown's comments at paragraph A.ii which appear to state with a degree of certainty that PH2 / H2X will "no doubt" receive "hundreds of orders"1 for the garbage trucks and that credible customers "will sign up for a long term contract".*

Pure Hydrogen: The above comments were taken out of context – Mr Brown's comments go to the potential sales for Garbage trucks and not firm orders. The language used could have been more precise. The point made in the presentation was the sale of the multiple trucks creates significant demand for Hydrogen and provides an opportunity for the Company to supply that demand hopefully on long term contract(s). That is certainty what the Company is hoping to achieve. The potential to offer Garbage Trucks greatly enhances the Company's offerings for back to base operators.



**Slide 8 – Hydrogen Super Highway**

*6. ASX infers that PH2 intends to leverage its MOU (paragraph C) with H2H Energy to deliver the 'Hydrogen Super Highway' referred to in the Presentation.*

Pure Hydrogen: Pure Hydrogen is looking to be a supplier of hydrogen to retail outlets. It is not inferring anything with H2H Energy, who is a supplier of refuelling equipment

*6.1 Does PH2 still anticipate that it will be supplied with a refuelling station under the MOU with H2H Energy by the end of CY2022 as implied? If not, please identify the announcement in which PH2 disclosed this to the market. If no announcement was made, please explain why not.*

Pure Hydrogen: At this stage, Pure Hydrogen is not likely to have hydrogen of its own until mid-2023. The basis of the agreement (with H2H Energy) was H2H could supply the refuelling equipment, however if Pure Hydrogen simply supplies a service station operator Hydrogen, it is likely they will make the decision concerning the refuelling equipment on their site. Notwithstanding, the Company is still in discussion with H2H as a possible supplier of refuelling equipment.

*6.2 Is PH2 currently in confidential discussions with the "well-known petrol retailers" referred to in the Presentation? If so, please explain why PH2 thought it appropriate to disclose this information to a select audience, noting that PH2 does not appear to have disclosed this on MAP. If not, please outline the work performed to date, and the basis for Mr Brown's statement that PH2 is "working closely" with these retailers.*

Pure Hydrogen: At this stage Pure Hydrogen is not likely to have hydrogen of its own until mid-2023 and would potentially sell hydrogen to service station operators. The fact Pure Hydrogen is having confidential discussions is to be expected and those discussions in themselves are not material. It would be only if those discussions moved to an agreement that the information may be considered material.

**Slide 9 – CAC-H2 / Caboolture**

*7. Please identify the announcement in which PH2 disclosed the total anticipated capital expenditure for the Caboolture project, and that CAC-H2 would fund a majority of the expenditure.*

Pure Hydrogen: Pure Hydrogen has not disclosed additional information concerning the total anticipated capital expenditure for the Caboolture project.

Concerning CAC-H2 funding the majority of the capital expenditure for the Caboolture project, this was referenced in an announcement made 9 November 2021 and again in the Pure Hydrogen's December 2021 Quarterly Report where it was stated that CAC-H2 will fund, build and operate the plant and Pure Hydrogen will fund the storage and load out.

The expenditure by CAC H2 on the Caboolture Hydrogen plant will be a multiple of the amount that Pure Hydrogen will spend the storage and load out costs. Accordingly, CAC-H2 will be responsible for the majority of the expenditure on the project.

*If no announcement was made, please:*

*7.1 Explain why not; and*

Pure Hydrogen: No new material information has been disclosed in the Presentation.

*7.2 State the total expected capital expenditure for the Caboolture project, broken down into how much PH2, CAC-H2 and any other party are contributing. If these figures cannot be quantified, please explain why PH2 considered it appropriate to tell a select audience that CAC-H2 will fund a “majority” of the capital expenditure.*

Pure Hydrogen: Please see above comment.

*8. ASX notes that PH2 has put forward numerous figures representing the total expected hydrogen production from the Caboolture plant. Initially, it appeared to be a minimum of 1,000kg per day (paragraph C.ii), then changed to an expected 5,000kg per day (paragraph E), before settling on 2,500kg per day in the Presentation (paragraph A.iii).*

Pure Hydrogen: The 1,000 kg per day ‘production’ is the minimum under the terms agreed with CAC H2. The design capacity of the initial line will be 2,500kg per day.

CAC H2 and Pure Hydrogen are planning to increase the capacity over time as Pure Hydrogen can sell the output. The capacity for the site is 30,000kgs per day and can be increased in 2,500kgs ‘lots’ which relate to each line.

*8.1 Please confirm whether 1,000kg per day of hydrogen is still the minimum quantity to be produced under the relevant agreement.*

Pure Hydrogen: Yes – 1,000 kgs per day is still relevant.

*8.2 Please explain why PH2 appears to inconsistently report how much hydrogen it expects to produce from the Caboolture plant.*

Pure Hydrogen: Please see above – the minimum will be 1,000 kgs per day – however the initial design capacity is 2,500kg per day.

*9. Please confirm that PH2 / CAC-H2 are expecting to deliver a completed hydrogen production plant by Q3 2023, which will enable it to produce 2,500kg of hydrogen per day.*

Pure Hydrogen: The plant is expected to be operational in the second quarter CY2023 although noting that this is subject to range of factors, many outside of the company’s control.

*10. Please identify where the diagram depicting the apparent site plan for the Caboolture project came from, and state whether PH2 intends on disclosing this document on MAP.*

Pure Hydrogen:

The top image is from the Company’s internal planning for the project. The image on the bottom is taken from a google overlay of the site.

*11. Has PH2 disclosed this previously?*

Pure Hydrogen: No it has not been disclosed previously – it is an internal plan and an overlay from Google maps.

*11.1 If so, please identify the announcement in which it did so; or*

*11.2 If not, please explain why PH2 considered it appropriate to display details about the Caboolture project that had not been previously lodged on MAP to a select audience.*

Pure Hydrogen: Pure Hydrogen to date has not made an announcement concerning the internal plan and Google map. Pure Hydrogen assessed this information to be not material.

**Slide 14 – H2X Generators**

*12. Noting that PH2 has previously disclosed that the H2X generators were available for sale in Q1 2022 (paragraph F), please explain why the Presentation disclosed on slide 14 that the generators will 'launch' in Q4 2022.*

Pure Hydrogen: The above-mentioned reference concerns Power Generators in Australia. A Power Generators require certification for relevant compliance in each country they operate in.

*13. Please identify the announcement in which PH2 disclosed the apparent delay in launching the H2X generators. If no announcement was made, please explain why PH2 deemed it appropriate to disclose this first to a select audience.*

Pure Hydrogen: H2X advises that there are three Power H2 generators that are waiting certification before they can be installed and start operating.

*14. Has PH2 / H2X made any sales of the H2X generators to date?*

Pure Hydrogen: Pure Hydrogen have been advised by H2X that five (5) Power H2 generators have been ordered and are waiting installation. Two are in Malaysia and three of the generators are waiting final approvals to be installed at each location.

*15. ASX notes that the appearance of the H2X generators appears to have changed since PH2's disclosure at paragraph F (compared to those featured at paragraph G). However, the new version appears to only be represented in the form of digitally generated images.*

Pure Hydrogen: The generators you referred to in paragraph G is an old picture that has been replaced by new images. Please see a picture below of a PowerH2 Generator.

*15.1 Does PH2 possess a working prototype of the H2X generator it plans to sell? If so, is PH2 able to provide any evidence to that effect?*

Pure Hydrogen: Please see attached picture provided to Pure Hydrogen by H2X.



Pure Hydrogen: Pure Hydrogen has not seen a working prototype but been advised by H2X one exists in Sale, Victoria which will be sighted by Pure Hydrogen when it plans to visit H2X's Sale facility on 29 and 30 June 2022. Attached is a picture provided by H2X.

*15.2 Please state where the H2X generators are (or will be) manufactured, and the current capacity of that manufacturing facility.*

Pure Hydrogen: It is intended the Generators, will be assembled and some parts manufactured in India by Advik. Pure Hydrogen is advised that the capacity is expected to be 50 units per months of the larger units and slightly more if the smaller units are required. The Generators could also be assembled in Sale, Victoria but in smaller volumes.

#### **General / Listing Rules**

*16. When did PH2 perform the Presentation?*

Pure Hydrogen: The Presentation was made to 180 Markets on Wednesday 22 June 2022.

*17. Did PH2 authorise 180 Markets to release the video of the Presentation?*

Pure Hydrogen: Pure Hydrogen did not authorise 180 Markets to release the video of the Presentation.

*18. Did PH2 perform the same (or materially similar) presentation to any other audiences? If so, please identify when and to whom PH2 made these presentations.*

Pure Hydrogen: Pure Hydrogen did not perform the same (or materially similar) presentation to any other audiences.

*19. Please lodge a copy of the Presentation slides on MAP. These must not differ from the slides that featured during the Presentation. If PH2 wishes to clarify any points made in the Presentation, it may do so via a cover note to the announcement.*

Pure Hydrogen: Noted. A copy of the presentation will be lodged on the ASX announcement platform once this letter is approved for release.

*20. Please explain why, when ASX originally asked for a copy of the Presentation slides, PH2 provided a document that was materially different to the one presented in the video.*

Pure Hydrogen: As previously communicated to the ASX, several versions of the presentation had been saved, but inadvertently not a version immediate before or after the video call with 180 Markets.

The version 'v8' that was provided to the ASX previously was thought to be the closest version to the one used in the video. Until the morning of 27 June 2022, the Company had not seen the full video.

After viewing the full video call, the presentation has been recreated to align with the presentation made in the video call and is attached for the ASX's reference.

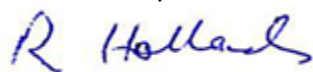
*21. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Pure Hydrogen: Pure Hydrogen believes it is in compliance with the ASX Listing Rules and Listing Rule 3.1 in particular.

*22. Please confirm that PH2'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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.*

Pure Hydrogen: Pure Hydrogen confirms that its 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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely



**Ron Hollands - Company Secretary**



1 July 2022

Reference: 54322

Mr Ron Hollands  
Company Secretary  
Pure Hydrogen Corporation Limited  
C/- Corporate Administration Services  
Level 6 10 Market Street  
BRISBANE QLD AU 4000

By email: newhollandsservices@hotmail.com

Dear Mr Hollands

**Pure Hydrogen Corporation Limited ('PH2'): Further query letter**

ASX refers to the following:

- A. PH2's response dated 29 June 2022 (the '**PH2 Response**') to ASX's query letter dated 27 June 2022 (the '**Query Letter**'). Terms in this letter have the same meaning as those defined in the Query Letter and PH2 Response.
- B. ASIC's company registers, which state that Mr Scott Andrew Brown is a director of H2X as of 22 November 2021, and Mr Ronald Ernest Hollands is the company secretary as of 21 March 2022.
- C. PH2's Appendix 4G and Corporate Governance Statement, lodged on MAP on 3 November 2021, which stated "*we have disclosed our continuous disclosure compliance policy at: [www.purehydrogen.com.au](http://www.purehydrogen.com.au)*".

**Request for information**

Having regard to the above, ASX asks PH2 to respond separately to each of the following questions and requests for information:

Question 2

1. Please confirm that PH2's response to question 2 of the Query Letter implies that no meaningful steps have been taken to perform an IPO, and that H2X has not approached ASX or any other exchange with an application for listing.

Question 3

2. At question 3 of the Query Letter (which PH2 appears to have erroneously marked as '2.1' in the PH2 Response), PH2 stated "*H2X have its own board and management. Pure Hydrogen relies on the information provided to it by H2X. H2X is an early-stage company*".

Please explain the basis for PH2's comment that H2X has its own board and management, when ASIC records indicate that Mr Scott Brown is a director of H2X and Mr Ron Hollands is its company secretary (paragraph B).

3. PH2's response at question 3 of the Query Letter continued on to state (emphasis added) that "*Pure Hydrogen have been advised by H2X that there will be a delay in the delivery of the first Warrego's **in part** due to supply chain issues*".

Please elaborate on any other factors that led to the delay of the delivery of the first Warrego trucks.

4. ASX is concerned that PH2's response above indicates that it does not have unfettered access to information from H2X to allow it to independently determine whether particular information is material to PH2 or contrary to what has already been published on MAP. ASX considers access to this information to be of vital importance to PH2's ability to comply with Listing Rule 3.1.

Does PH2 consider that it has unfettered access to all relevant information from H2X? If so, please provide the basis for that view. If not, please outline any proposed changes to PH2's arrangements to ensure it can access this information from H2X.

5. ASX was unable to find a copy of PH2's continuous disclosure policy on its website as noted at paragraph C. Please provide a direct link to PH2's continuous disclosure policy.
6. In response to question 3.1, PH2 stated *"Pure Hydrogen to date have not made an announcement concerning the delay in the Warrego vehicle timetable. Pure Hydrogen determined that this information was not material."*

Please explain the basis for PH2's assessment that this development was not material, given that a reasonable person would expect the sale and delivery of the Warrego trucks to result in revenue attributable to PH2 for the year ending 30 June 2022, an increase on PH2's revenue from sales of \$0 at 31 December 2021.<sup>1</sup>

#### Question 4

7. PH2's response to question 4 stated that *"H2X have informed Pure Hydrogen that they have leased premises in Sale, Victoria, which they are currently occupying and expect to move to larger premises on 1 August 2022. H2X have advised Pure Hydrogen that the larger premises that has existing work bays that would comfortably allow production for about 20 units (vehicles) per month."*

Please confirm where the larger premises are located.

#### Question 6

8. In response to question 6.1, it appears to ASX that PH2 did not sufficiently answer the questions asked.

Please state clearly whether H2H Energy will supply a refuelling station by the end of 2022 (as announced on 20 May 2021, where PH2 stated that the first station will be delivered in 18 months). If not, and no announcement was made, please explain why not, commenting specifically on why PH2 considered the agreement to be material when it was announced, but not sufficiently material to update the market on when PH2 became aware that the stated objectives would not be achieved.

#### Question 7

9. When does PH2 expect to know and disclose its expected capital contribution to the CAC-H2 projects?

#### Questions 12 - 14

10. In response to question 12 of the Query Letter, relating to H2X generators launching in Q4 2022, PH2 stated *"A Power Generators [sic] require certification for relevant compliance in each country they operate in"*. This appears to be a material condition preventing the generators from being operational that has not been disclosed previously.

Please explain why PH2 does not appear to have disclosed this condition on MAP to date.

11. ASX infers from PH2's response to questions 13 and 14 that of the five generators sold, three in Australia require approvals, but the two in Malaysia do not, or have already achieved certification. Is this accurate?

<sup>1</sup> See PH2's amended financial statements lodged on MAP on 20 May 2022.

12. Please state which Australian body H2X is seeking the approvals from, and when PH2 expects these approvals to be granted.
13. Please provide a copy of the contracts of sale for each of the five generator sales to date (not for release to market)<sup>2</sup>.
14. Please state when PH2 expects the sales of the generators to be reflected in H2X's (and by extension, PH2's) financial statements.

#### Question 15

15. PH2 stated in response to question 15 of the Query Letter *"Pure Hydrogen has not seen a working prototype but been advised by H2X one exists in Sale, Victoria which will be sighted by Pure Hydrogen when it plans to visit H2X's Sale facility on 29 and 30 June 2022. Attached is a picture provided by H2X."*

Noting that the site visit has now occurred, does PH2 possess any further evidence that the pictured generator is a working prototype?

#### Other

16. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
17. Please confirm that PH2'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 PH2 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 **9:00 AM AEST Friday, 8 July 2022**. 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, PH2'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 PH2 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.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to PH2'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 PH2'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**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

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<sup>2</sup> ASX considers access to information like this to be an example of the type of information that PH2 should be able to access as per question 3 of this letter. ASX will not accept unwillingness by H2X to share this information to be a valid reason for failure to produce the requested documents.

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### Questions

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

Kind regards

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**Yushra Haniff**

Compliance Adviser, Listings Compliance (Sydney)



# Pure Hydrogen

1 July 2022

ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Transmission via email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Sirs

**Pure Hydrogen Corporation Limited ('Pure Hydrogen'): Further query letter**

We refer to your letter of 1 July 2022 concerning the above matter. Pure Hydrogen responds to the ASX's letter as follows:

*Question 2*

*1. Please confirm that PH2's response to question 2 of the Query Letter implies that no meaningful steps have been taken to perform an IPO, and that H2X has not approached ASX or any other exchange with an application for listing.*

Pure Hydrogen: Pure Hydrogen wishes to advise again that it holds a circa 23% interest in H2X Global Limited (H2X). In addition, as noted by the ASX, Scott Brown and Ron Hollands hold the roles of Non – Executive Chair and Company Secretary. There are four (4) other Directors of H2X, two are Non-Executive Directors and two are Executive Directors, being the CEO and CFO. H2X is an unlisted public company.

Pure Hydrogen has recently introduced a number of reporting steps which will improve corporate governance of H2X in readiness for an IPO. H2X has historically operated as a private company and has not had the reporting or accountability that would be required in a publicly listed company.

In addition, there has been internal discussions at H2X by its board and management concerning the IPO including a plan and a likely timeline. It is contingent on a number of factors including certain events materialising.

To Pure Hydrogen's knowledge, H2X has not approached the ASX or another exchange concerning an application for listing.

*Question 3*

*2. At question 3 of the Query Letter (which PH2 appears to have erroneously marked as '2.1' in the PH2 Response), PH2 stated "H2X have its own board and management. Pure Hydrogen relies on the information provided to it by H2X. H2X is an early-stage company".*

*Please explain the basis for PH2's comment that H2X has its own board and management, when ASIC records indicate that Mr Scott Brown is a director of H2X and Mr Ron Hollands is its company secretary (paragraph B).*

Pure Hydrogen: Per above, neither Mr Brown or Mr Hollands hold executive roles with H2X and there are 4 additional Directors of H2X. Furthermore, the dissemination of information, as is often the case of early-stage companies, is not as precise and consistent as more established companies.

The day-to-day operations are conducted by Executives of H2X – none of them have been selected by Pure Hydrogen.

*3. PH2's response at question 3 of the Query Letter continued on to state (emphasis added) that "Pure Hydrogen have been advised by H2X that there will be a delay in the delivery of the first Warrego's **in part** due to supply chain issues".*

*Please elaborate on any other factors that led to the delay of the delivery of the first Warrego trucks.*

Pure Hydrogen:

H2X has advised that its decision to work with supercapacitors, sourced in Australia, has substantially delayed the work on the Warrego. Additional to this, the Hydrogen Storage System on the vehicle has been significantly held up by Australian Customs and has only recently been cleared for delivery. Pure Hydrogen has suggested more robust project delivery frameworks including the appointment of a new project manager to complete this project.

*4. ASX is concerned that PH2's response above indicates that it does not have unfettered access to information from H2X to allow it to independently determine whether particular information is material to PH2 or contrary to what has already been published on MAP. ASX considers access to this information to be of vital importance to PH2's ability to comply with Listing Rule 3.1.*

*Does PH2 consider that it has unfettered access to all relevant information from H2X? If so, please provide the basis for that view. If not, please outline any proposed changes to PH2's arrangements to ensure it can access this information from H2X.*

Pure Hydrogen: Pure Hydrogen is a circa 23% H2X shareholder and there are other large shareholders. Mr Scott Brown is one director of a total of five and is a Non-Executive Director. Pure Hydrogen does not have unfettered access to H2X's information in a timely basis. Pure Hydrogen has requested changes in the reporting and more timely information being provided.

Further, H2X is a portfolio investment of Pure Hydrogen's. Pure Hydrogen also has other projects, operations and investments that it is trying to develop. All of these come into play when determining whether any particular event or circumstance within H2X might have a material impact on the Pure Hydrogen's share price.

*5. ASX was unable to find a copy of PH2's continuous disclosure policy on its website as noted at paragraph C. Please provide a direct link to PH2's continuous disclosure policy.*

Pure Hydrogen:

Attached is the link to Pure Hydrogen's continuous disclosure policy. This policy was inadvertently not uploaded to the company website. This matter has now been rectified.

*6. In response to question 3.1, PH2 stated "Pure Hydrogen to date have not made an announcement concerning the delay in the Warrego vehicle timetable. Pure Hydrogen determined that this information was not material."*

*Please explain the basis for PH2's assessment that this development was not material, given that a reasonable person would expect the sale and delivery of the Warrego trucks to result in revenue attributable to PH2 for the year ending 30 June 2022, an increase on PH2's revenue from sales of \$0 at 31 December 2021.*

Pure Hydrogen:

Pure Hydrogen hold an investment in H2X of approximately 23%. The Warrego is one of many potential products that H2X is bringing to market. At this stage Pure Hydrogen does believe the delay in the Warrego is temporary and will not impair our investment in H2X. Pure Hydrogen is going not to recognise H2X's sales in its accounts unless Pure Hydrogen has some involvement with the sale. Hence the delay will not have any effect on Pure Hydrogen's revenue.

It also has to be remembered that, as well hydrogen devices, available Hydrogen fuel is needed to run these devices. In Australia the supply of Hydrogen is currently very limited and hence will be difficult to use these devices until hydrogen fuel becomes more available and is there much part of Pure Hydrogen solution to provide the Hydrogen.

As previously advised to the ASX, the supply of Hydrogen to Warrego vehicles is not expected to be significant (vs Pure Hydrogen intended target markets of supplying hydrogen to larger vehicles, for example, trucks and buses). Pure Hydrogen regards the trucks and buses as more important to both H2X and Pure Hydrogen in terms of potential volume, revenue and profitability. For this reason, Pure Hydrogen has requested that H2X prioritise trucks and buses.

Notwithstanding, the Warrego will generate revenue for H2X and showcase some of the technology that H2X have developed. We do recognise that the Warrego is important for some investors of H2X. Most of the demand for the Warrego is coming from Europe, where the subsidies are significant. It is not even clear whether parties that buy Warrego in Australia will use Pure Hydrogen as a Hydrogen supplier.

Question 4

*7. PH2's response to question 4 stated that "H2X have informed Pure Hydrogen that they have leased premises in Sale, Victoria, which they are currently occupying and expect to move to larger premises on 1 August 2022. H2X have advised Pure Hydrogen that the larger premises that has existing work bays that would comfortably allow production for about 20 units (vehicles) per month."*

*Please confirm where the larger premises are located.*

Pure Hydrogen: The H2X site is an ex TAFE facility located near the Sale Airport in Mortimer Drive, West Sale – Fulham.

Question 6

*8. In response to question 6.1, it appears to ASX that PH2 did not sufficiently answer the questions asked.*

*Please state clearly whether H2H Energy will supply a refuelling station by the end of 2022 (as announced on 20 May 2021, where PH2 stated that the first station will be delivered in 18 months). If not, and no announcement was made, please explain why not, commenting specifically on why PH2*

*considered the agreement to be material when it was announced, but not sufficiently material to update the market on when PH2 became aware that the stated objectives would not be achieved.*

Pure Hydrogen:

Pure Hydrogen will only build facilities covering refuelling where there is there is contracted sales volume large enough to cover the expected costs together with satisfactory return on investment. To date while there is potential interest from customers, Pure Hydrogen has not identified sufficient customers that would justify the development of such a refuelling station. We were never going to build a refuelling station on spec – it was always on the basis that it would be recouped through servicing customers. The timeline was always circumspect that it could be approximately 18 months.

If we signed a similar MOU agreement today - it would not be considered material as our business activities have changed substantially. Our understanding of the industry has changed and so has our business model. Nevertheless, we are still hoping that we have a refuelling station at some point in the future.

*Question 7*

*9. When does PH2 expect to know and disclose its expected capital contribution to the CAC-H2 projects?*

Pure Hydrogen:

Pure Hydrogen has been working well with its partners on this Project and we appear to be close to finalising many aspects of the project including the capital contributions. The capital contributions will depend on how many customers will be signed up to the project and the nature of their requirements including the volume. Pure Hydrogen is hopeful it can finalise this in the next several months noting however that many aspects of the Project are outside our control.

*Questions 12 - 14*

*10. In response to question 12 of the Query Letter, relating to H2X generators launching in Q4 2022, PH2 stated "A Power Generators [sic] require certification for relevant compliance in each country they operate in". This appears to be a material condition preventing the generators from being operational that has not been disclosed previously.*

*Please explain why PH2 does not appear to have disclosed this condition on MAP to date.*

Pure Hydrogen:

Pure Hydrogen anticipates the certification will be an administration task and is not material risk to sales. Pure Hydrogen believes it will receive certification in most if not all countries in which H2X operates; it is simply a matter of going through the process, which can be time-consuming.

*11. ASX infers from PH2's response to questions 13 and 14 that of the five generators sold, three in Australia require approvals, but the two in Malaysia do not, or have already achieved certification. Is this accurate?*

Pure Hydrogen:

Our understanding is there is only two generators in Australia, one in both the Netherlands and India and two in Malaysia that is expected to be installed within the next month.

*12. Please state which Australian body H2X is seeking the approvals from, and when PH2 expects these approvals to be granted.*

Pure Hydrogen:

Each State in Australia has its own requirements for gas/electric appliances. Generally, each State has a gas inspectorate that is responsible for certification. We do expect the Generators will be approved however we are unclear on the timing as many government departments do know how to handle hydrogen appliances as it is new for them.

*13. Please provide a copy of the contracts of sale for each of the five generator sales to date (not for release to market).*

Pure Hydrogen:

See attached.

*14. Please state when PH2 expects the sales of the generators to be reflected in H2X's (and by extension, PH2's) financial statements.*

Pure Hydrogen:

It is our understanding that the sales would be recognised within the current financial year in H2X's financial statements. None of the sales of H2x would be reflected in Pure Hydrogen's financial statements unless Pure Hydrogen was involved in any of the sales. Pure Hydrogen does not intend to consolidate H2X's accounts in its financial statements.

*Question 15*

*15. PH2 stated in response to question 15 of the Query Letter "Pure Hydrogen has not seen a working prototype but been advised by H2X one exists in Sale, Victoria which will be sighted by Pure Hydrogen when it plans to visit H2X's Sale facility on 29 and 30 June 2022. Attached is a picture provided by H2X."*

*Noting that the site visit has now occurred, does PH2 possess any further evidence that the pictured generator is a working prototype?*

Pure Hydrogen: Messrs Brown and Hollands did sight a working prototype of a Genset on 30 June 2022 in Sale, Victoria.

*Other*

*16. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

Pure Hydrogen: Pure Hydrogen believes it is in compliance with the ASX Listing Rules and Listing Rule 3.1 in particular.

*17. Please confirm that PH2'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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.*

Pure Hydrogen: Pure Hydrogen confirms that its 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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely



*R Hollands*

**Ron Hollands - Company Secretary**



5 July 2022

Reference: 54322

Mr Ron Hollands  
Company Secretary  
Pure Hydrogen Corporation Limited  
C/- Corporate Administration Services  
Level 6 10 Market Street  
BRISBANE QLD AU 4000

By email: newhollandsservices@hotmail.com

Dear Mr Hollands

### Pure Hydrogen Limited ('PH2'): Query Letter

ASX refers to the following:

- A. PH2's response dated 4 July 2022 ('PH2 Response') to ASX's query letter dated 1 July 2022. All other terms have the same meaning as those defined in previous correspondence.
- B. AASB 128<sup>1</sup>, which prescribes the accounting treatment for associates and joint ventures. This accounting standard relevantly states (emphasis added):
  - i. At paragraph 5: *"If an entity holds, directly or indirectly (eg through subsidiaries), **20 per cent or more** of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case."*
  - ii. At paragraph 6: *"The existence of significant influence by an entity is usually evidenced in one or more of the following ways:  
(a) **representation on the board of directors** or equivalent governing body of the investee" ...*
  - iii. At paragraph 10: *"Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. **The investor's share of the investee's profit or loss is recognised in the investor's profit or loss.**"*
  - iv. At paragraph 16: *"An entity with joint control of, or significant influence over, an investee shall account for its investment in an associate or a joint venture using the equity method except when that investment qualifies for exemption in accordance with paragraphs 17–19."*

### Request for information

Having regard to the above, ASX asks PH2 to respond separately to each of the following questions and requests for information:

#### Continuous Disclosure

1. ASX notes PH2's comment at question 4 of the PH2 response:

*"Pure Hydrogen is a circa 23% H2X shareholder and there are other large shareholders. Mr Scott Brown is one director of a total of five and is a Non-Executive Director. Pure Hydrogen does not have unfettered access*

<sup>1</sup> [https://www.aasb.gov.au/admin/file/content105/c9/AASB128\\_08-15\\_COMPdec15\\_01-18.pdf](https://www.aasb.gov.au/admin/file/content105/c9/AASB128_08-15_COMPdec15_01-18.pdf)

to H2X's information in a timely basis. Pure Hydrogen has requested changes in the reporting and more timely information being provided.

Further, H2X is a portfolio investment of Pure Hydrogen's. Pure Hydrogen also has other projects, operations and investments that it is trying to develop. All of these come into play when determining whether any particular event or circumstance within H2X might have a material impact on the Pure Hydrogen's share price."

ASX cannot reinstate PH2's securities to quotation until PH2 can confirm that it has unfettered access to H2X's information on a timely basis, as PH2 must have access to this information to have a reasonable basis to state that it is compliant with Listing Rule 3.1. While ASX acknowledges that PH2 has "requested changes", please confirm that these changes have been implemented and PH2 can access all relevant information as and when it is required to do so.

#### Financial Statements

2. At question 14 of the PH2 Response, PH2 stated: *"It is our understanding that the sales would be recognised within the current financial year in H2X's financial statements. None of the sales of H2x would be reflected in Pure Hydrogen's financial statements unless Pure Hydrogen was involved in any of the sales. Pure Hydrogen does not intend to consolidate H2X's accounts in its financial statements."* While ASX accepts PH2's position that it does not need to consolidate H2X's accounts in its financial statements, it appears that PH2 exerts 'significant influence' over H2X by owning more than 20% and by having representation on the board of directors. Therefore, it appears that PH2 should use the 'equity method' to account for H2X, which includes PH2's share of H2X's profit or loss.

Please confirm whether PH2 treats its investment in H2X under the 'equity method' as prescribed by AASB 128.

3. If the answer to question 2 is "no", please explain why not, commenting specifically on the accounting standards and internal accounting policies that PH2 believes are relevant to the accounting treatment of H2X, and state the quantum of H2X's profit or loss for the half-year ending 31 December 2021.
4. If the answer to question 2 is "yes" does PH2 consider that its amended financial statements for the period ending 31 December 2021, lodged on MAP on 20 May 2022, were prepared in accordance with AASB 128?
  - 4.1 If so, please provide the basis for that view, as ASX notes that PH2's statement of comprehensive income did not appear to include any reference to PH2's share of the profit and loss of H2X as required under the 'equity method'.
  - 4.2 If not, please lodge re-amended financial statements that are compliant with the relevant accounting standards.

#### Other

5. ASX notes that PH2 has now published its continuous disclosure policy on its website. However, many other policies referred to in PH2's corporate governance statement do not appear to be available online. Please confirm that all required policies have been published on PH2's website.
6. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that PH2'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 PH2 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 **9:00 AM AEST Monday, 11 July 2022**. 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, PH2'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 PH2 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.

### Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to PH2'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 PH2'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

We reserve the right to release a copy 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

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**Yushra Haniff**  
Compliance Adviser, Listings Compliance (Sydney)



# Pure Hydrogen

6 July 2022

ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Transmission via email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Sirs

**Pure Hydrogen Corporation Limited ('Pure Hydrogen'): Subsequent query letter**

We refer to your letter of 5 July 2022 concerning the above matter. Pure Hydrogen responds to the ASX's letter as follows:

**Continuous Disclosure**

1. ASX notes PH2's comment at question 4 of the PH2 response:

*"Pure Hydrogen is a circa 23% H2X shareholder and there are other large shareholders. Mr Scott Brown is one director of a total of five and is a Non-Executive Director. Pure Hydrogen does not have unfettered access to H2X's information in a timely basis. Pure Hydrogen has requested changes in the reporting and more timely information being provided.*

*Further, H2X is a portfolio investment of Pure Hydrogen's. Pure Hydrogen also has other projects, operations and investments that it is trying to develop. All of these come into play when determining whether any particular event or circumstance within H2X might have a material impact on the Pure Hydrogen's share price."*

ASX cannot reinstate PH2's securities to quotation until PH2 can confirm that it has unfettered access to H2X's information on a timely basis, as PH2 must have access to this information to have a reasonable basis to state that it is compliant with Listing Rule 3.1.

While ASX acknowledges that PH2 has "requested changes", please confirm that these changes have been implemented and PH2 can access all relevant information as and when it is required to do so.

Pure Hydrogen:

Currently, Pure Hydrogen holds H2X Global Limited (H2X) as an investment holding circa 23% of the equity. Pure Hydrogen now receives regular information from H2X and has access to information including financial and operational reports following recent requested changes. Pure Hydrogen has requested greater accountability and reporting, which was agreed to by H2X's Management. Accordingly Pure Hydrogen can confirm that it has access to all relevant information from H2X as and when required.

## Financial Statements

2. At question 14 of the PH2 Response, PH2 stated: *"It is our understanding that the sales would be recognised within the current financial year in H2X's financial statements. None of the sales of H2x would be reflected in Pure Hydrogen's financial statements unless Pure Hydrogen was involved in any of the sales. Pure Hydrogen does not intend to consolidate H2X's accounts in its financial statements."*

While ASX accepts PH2's position that it does not need to consolidate H2X's accounts in its financial statements, it appears that PH2 exerts 'significant influence' over H2X by owning more than 20% and by having representation on the board of directors. Therefore, it appears that PH2 should use the 'equity method' to account for H2X, which includes PH2's share of H2X's profit or loss.

Please confirm whether PH2 treats its investment in H2X under the 'equity method' as prescribed by AASB 128.

Pure Hydrogen:

Pure Hydrogen notes ASX's advice in relation to the accounting treatment for its investment in H2X.

The Company has started preparation of its financial statements for the financial year ended 30 June 2022 and, as is the Company's usual practice, it is reviewing all accounting policies and treatments. As part of this process, it will engage the Company's auditor about its accounting treatment of its investments. This would include the accounting treatment of Pure Hydrogen's Investments in Associates and Joint Ventures including its investment in H2X.

At this stage the Company is likely to adopt the equity method for its H2X investment for the 30 June 2022 financials and this will be reviewed by its directors when they consider the 30 June 2022 financials.

For the 6 months ended 31 December 2021 Pure Hydrogen's equity share of H2X was not significant with the equity share of H2X's losses being \$29,822 and the decision was made to not record anything further in Pure Hydrogen's 31 December 2021 financials on the basis that it was not material. It was also thought for this period to 31 December 2021 Pure Hydrogen was not involved in any decisions relation to operations or financials and hence it was open to question whether it had significant influence.

3. If the answer to question 2 is "no", please explain why not, commenting specifically on the accounting standards and internal accounting policies that PH2 believes are relevant to the accounting treatment of H2X, and state the quantum of H2X's profit or loss for the half-year ending 31 December 2021.

Pure Hydrogen: see above

4. If the answer to question 2 is "yes" does PH2 consider that its amended financial statements for the period ending 31 December 2021, lodged on MAP on 20 May 2022, were prepared in accordance with AASB 128?

Pure Hydrogen: Pure Hydrogen does not intend amending its financial statements for the period ending 31 December 2021 for the equity accounting of its H2X investment as outlined above.

4.1 If so, please provide the basis for that view, as ASX notes that PH2's statement of comprehensive income did not appear to include any reference to PH2's share of the profit and loss of H2X as required under the 'equity method'.

Pure Hydrogen: N/A

4.2 If not, please lodge re-amended financial statements that are compliant with the relevant accounting standards.

Pure Hydrogen: N/A

Other

5. ASX notes that PH2 has now published its continuous disclosure policy on its website. However, many other policies referred to in PH2's corporate governance statement do not appear to be available online. Please confirm that all required policies have been published on PH2's website.

Pure Hydrogen:

The Company has a significant number of policies on its website under the Corporate Governance tab on the website. Please see <https://purehydrogen.com.au/corporate-governance/>

Pure Hydrogen thanks the ASX for highlighting a technical 'glitch' on its website concerning its policies. This matter has now been rectified.

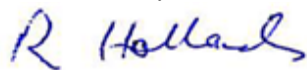
6. Please confirm that PH2 is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Pure Hydrogen: Pure Hydrogen believes it is in compliance with the ASX Listing Rules and Listing Rule 3.1 in particular.

7. Please confirm that PH2'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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.

Pure Hydrogen: Pure Hydrogen confirms that its 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 PH2 with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely



**Ron Hollands - Company Secretary**