



3 April 2017

Ms Hayley Pratt
ASX Compliance Pty Ltd
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

By email: hayley.pratt@asx.com.au and tradinghaltspert@asx.com.au

Dear Hayley,

RE: TRANSCENDENCE TECHNOLOGIES LIMITED (“ENTITY” OR “TTL”)

We refer to your letter dated 31 March 2017 and respond to your questions as follows:

1. Please provide specific details of:

i) The steps undertaken by the entity to develop the E-Collate assets since its reinstatement on Friday, 10 June 2016

Since reinstatement, the Company has taken the following key steps to develop the E-Collate product:

- **Initial Development (June to August 2016):**
The initial phase involved revising the specifications and plans for E-Collate including the Axure prototypes for user interaction with the app. This work was conducted by CEO Bowen Plug and built on substantial work by Quinn Cai from February and March 2016.
- **Backend and Initial Web Platform (September to November 2016)**
The second phase post-relisting was to build up a scalable web hosted SQL database schema and database access layer for the app integrating access control as well as administrative functionalities. This work was conducted under the supervision of TTL's Chief Executive Officer (CEO) Bowen Plug by a contracted in-house database developer. Concurrently Mr Plug constructed database access interfaces for prototyping use and as a means to test fit-for-purpose success of the database design work. The contracted in-house database developer has since remained on standby pending further tasks during full commercial release of the product to the SMSF market.



- **Modularisation of Web Platform (December 2016 to February 2017)**
The third phase was to build a highly modular web platform suitable to be used on an ongoing basis and flexible enough to snap in and out revisions of the major functionality of the E-Collate app. This work was conducted by CEO Bowen Plug due to familiarity with the entire scope of the project and in the interests of protecting Intellectual property from potential competitors.
- **User Experience Completion (March 2017 to April 2017)**
The fourth phase was to polish the customer experience in the app, adding help functionality, feedback and bug reporting, user control and streamline the number of clicks required for common actions in the app. This has included copywriting and partial restructuring of the app to align with these various required optimisations. This work was conducted by CEO Bowen Plug due to familiarity with the existing system and rapid iterative nature of the work.
- **Prototype Testing and Product Optimisation (November 2016 to April 2017)**
Simultaneous with technical development, the underlying E-Collate app functionality has been extensively tested and simulated for audit and accounting documentation collections using manual and semi-automatic methods. Further, as the software systems have been improving, they have been tested by current and former SMSF trustees and members at each stage. This work was conducted by CEO Bowen Plug due to familiarity with the existing system and utilised specialists in accounting, corporate administration and project management on an informal free consulting basis. An external contractor assisted by conducting work to de-identify sample documents from actual SMSFs for future use in demonstrating app functionality and simulating actual user interaction with the system.
- **App Development Resource Selection (January 2016 to Present):**
In January 2016, TTL's Chief Executive Officer Bowen Plug conducted a search process through Australia and Asia for a software development company to extend the prototype software following testing to native mobile App platforms (Android and iOS). A result of this process has been that Mr Plug opened and maintained communication with a major software house in Shanghai who has been providing strategic advice regarding selection of development tools and underlying system architecture to ensure a smooth transition from prototype software to app platform. This advice has been on the informal understanding that they will be given an opportunity make a competitive bid on "second generation" app development project work expected to commence mid 2017.

ii) The progress made in the delivery of the E-Collate software platform to streamline administration of the self-managed superannuation funds market since reinstatement



The key progress made in the delivery of the E-Collate software platform since TTL's reinstatement has been the following:

- **Prototypes and Specifications:**
The company has a comprehensive specification for its mobile and web platform in a form suitable for outsourcing and collaboration with external providers. In addition the company has functional prototypes for major aspects of the user interfaces built in the Axure rapid prototyping system to simulate mobile app user interaction.
- **Database Architecture and Database Access Control:**
The company has a full scale SQL database schema with flexible architecture suitable for the multi-user environment envisioned for the E-Collate system. In addition the company has various custom utilities for administrative use to maintain the database.
- **Web Platform:**
The company has a fully integrated web app with document storage, "metadata" editing, and semi-automated export functionality. This functionality comprises the base system on which advanced artificial intelligence features will be able to be built and iteratively released to user accounts. The web platform has multiple layers of abstraction between the web frontend and the database to ensure scalability as the system is rolled out and additional functionality is added.
- **Web Hosting:**
The company has a hosting account with an international cloud services provider and has determined that the services available within that system are sufficient to support the initial commercial release and iterative improvement of the E-Collate software platform. The company is progressively launching the Web Platform in this way and will provide release partners and users direct access in due course.

This substantial progress has been made during the period despite the low overall expenditure indicated in quarterly cash flow reports due to the key development being undertaken by TTL's in-house resources.

2. **Please provide a table stating the actual funds spent by the Entity since its reinstatement on Friday, 10 June 2016 on the following items and explain the variances between those amounts and the amounts the Company anticipated it would spend on these items, as set out in the "Updated Statement of Commitments" lodged on MAP on 8 June 2016.**

- **Marketing Technologies**
- **Technology and Development**



- **Technology Acquisitions**
- **Expenses associated with the Acquisition; and**
- **Working Capital**

Expenditure from 10 June 2016 to 31 December 2016

	Total Budgeted Expenditure Jun 16 – Dec 16 (\$)	Budgeted Percentage of funds (%)	Actual Expenditure Jun 16 – Dec 16 (\$)	Actual Percentage of Expenditure (%)	Explanation for Variance
Marketing Activities	\$239,167	17.89%	\$ -	0%	Note 1
Technology and Development	\$379,167	28.36%	\$137,481	14%	Note 2
Technology Acquisitions	\$262,500	19.63%	\$ -	0%	Note 3
Expenses associated with the Acquisition	\$400,000	29.92%	\$427,771	44%	Note 4
Working Capital	\$56,235	4.21%	\$397,852	41%	Note 5
Total	\$1,337,069	100%	\$963,104	100%	

Note:

1. Marketing spend was nil as the company is unable to incur significant expenditure on marketing until the current product development phase is complete.
2. The Technology and Development spend was around half of the anticipated amount due to an accelerated strategy advocated by the company CEO Bowen Plug and supported by the company board. This has been to essentially construct a fully scalable skeleton version of the web app in-house with all key functionality and then to outsource development work to fully revamp each of the system modules individually. This was so multiple modules could be re-vamped simultaneously by separate software houses and iteratively integrated into the existing system independent to integration progress of the other modules. In addition, so vast improvements could be made on the reliability and timeframes of the outsourcing work while protecting company intellectual property. This approach was to allow building up of a testing customer base at the earliest possible stage in the process.



3. There was no actual expenditure on technology acquisitions due to ongoing work on the core system. This anticipated expenditure has been moved into the subsequent nine months.
4. Expenses associated with the acquisition are in line with planned expenditure.
5. The additional expenditure on working capital is due in part to due diligence by the Company of various opportunities.

3. Please set out in detail what amounts the Company has budgeted to spend on the E-Collate business in its budget for the period to February 2018, referred to in the Company's most recent half yearly report.

E-Collate Projected Expenditure	Projected Expenditure Jan 17 - Feb 2018
Marketing Activities	\$637,778
Technology and Development	\$777,778
Technology Acquisitions	\$427,778
Working Capital	\$231,000
Total	\$2,074,333

4. ASX understands that subject to obtaining a reasonable offer, the Entity is looking to divest the E-Collate assets and to pursue other opportunities. Is this correct? If it is, what has prompted this decision by the Company and when was that decision made?

The Company is not actively looking to divest the E-Collate assets. However, although the Company Board is pleased with progress of work conducted on the E-Collate system, the board will continue to review other opportunities to optimise value for Shareholders.

5. Please advise whether Bowen Plug and Quinn Cai are still employed by the Company and, if so, in what capacity? If they are still employed by the Company, please explain the low level of staff costs disclosed in the Company's quarterly cashflow reports compared to the salaries that the Prospectus disclosed would be paid to them. If they are no longer employed by the Company, when did they leave the Company's employ?

Bowen Plug is employed as Chief Executive Officer of the Company and remains on the salary disclosed in the Prospectus. Half of this salary has been accrued by agreement between the board and the Executive but is now currently payable. Quinn Cai is employed on an hourly rate. This was renegotiated with the board subsequent to reinstatement in alignment with the accelerated development strategy.



Bowen Plug

Month	Gross Pay	Accrued Wages
June (Backpay 1/3/16 – 30/6/16)	\$20,000	\$30,000
July (1/7/16 – 31/7/16)	\$5,000	\$5,000
August (1/8/16 – 31/8/16)	\$5,000	\$5,000
September (1/9/16 – 30/9/16)	\$5,000	\$5,000
October (1/10/16 – 31/10/16)	\$5,000	\$5,000
November (1/11/16 – 30/11/16)	\$5,000	\$5,000
December (1/12/16 – 31/12/16)	\$5,000	\$5,000
January (1/1/17 – 31/1/17)	\$5,000	\$5,000
February (1/2/17 – 28/1/17)	\$5,000	\$5,000
March (1/3/17 – 31/3/17)	\$5,000	\$5,000
Total	\$65,000	\$75,000

Qing Cai

Month	Gross Pay	Accrued Wages
July 2016	\$15,000	-
Total	\$15,000	-

6. Please advise who the “leading team of software engineers” were referred to in the statement on page 34 of the Prospectus: “E-Collate brings with it a leading team of software engineers with the development and commercial skills to complete the development of the E-Collate App and platform”. Does it include anyone other than Bowen Plug and Quinn Cai? If so, are they employed by the Entity?

In addition to Company CEO Bowen Plug and Quinn Cai, Andrei Abrossimov is employed as a consultant to the Company under a consultancy agreement at an hourly rate. His role is to plan, establish and administer database and software structures for the purpose of the E-Collate product backend system prototyping for E-Collate Pty Ltd.

A number of others were anticipated to assist with development including a former colleague of Andrei. However the company has not yet put out these offers, pending appropriate progress with current and ongoing development work.

7. Please advise why the websites referred to above have been suspended?

The correct website address is www.tt-limited.com (not www.tt-limited.com.au as stated above).

Access to the websites located at www.e-collate.com.au and www.tt-limited.com was suspended briefly due to miscommunication between the Company and the web

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hosting company regarding update of payment details. This has been rectified and is not likely to reoccur.

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

TTL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

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

TTL's board of directors has authorised and approved the responses to the questions above.

By Order of the Board

Sarah Smith
Company Secretary
Transcendence Technologies Limited



31 March 2017

Sarah Smith
Company Secretary
Transcendence Technologies Limited
Suite 4, Level 1
11 Ventnor Avenue
West Perth WA 6005

By Email: ss@miradorcorporate.com

Dear Ms Smith,

Transcendence Technologies Limited (“Company”)

ASX Limited (“ASX”) refers to the following:

- A. The Company’s suspension from official quotation on 9 May 2008 pending compliance with Listing Rule 12.1.
- B. The Company’s Prospectus for its recompliance listing lodged on ASX’s Market Announcement Platform (“MAP”) on 14 December 2015 (“Prospectus”), which stated as follows:

*“As announced on 20 October 2015, the Company entered into the Acquisition Agreement with E-Collate Limited ... and Shareholders of E-Collate who together hold 33.33% of E-Collate shares ... to conditionally acquire 100% of the issued capital in E-Collate (**Acquisition**).*

The Company announced to ASX on 5 November 2015 that [Greater Pacific Capital Limited (the former name of the Company)] and E-Collate had completed and satisfied their due diligence enquiries on the other party.

Upon successful settlement of the Acquisition, the Company will focus on developing the E-Collate Business.” (Page 21 of Prospectus)

“E-Collate Pty Ltd is a Melbourne based technology company that builds compliance solutions for consumers, corporate services and the financial services industry. Established in October 2015, the Company develops and is commercialising a mobile app network for online compliance known as E-Collate.” (Page 22 of Prospectus)

“The E-Collate platform is currently being adapted and developed for commercial release to the SMSF sector in Australia. The Company will also adapt, develop and release dedicated versions for corporate compliance, project management, taxation compliance and other major industry sectors in Australia and overseas.” (Page 23 of Prospectus)

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“The concept of the E-Collate technology platform was created by founder Bowen Plug in 2008 for the management of data, resources and communications in the education sector while working in Japan.

...

E-Collate brings with it a leading team of software engineers with the development and commercial skills to complete the development of the E-Collate App and platform.” (Page 34 of Prospectus)

“The Company has entered into an executive services agreement with proposed Executive, Bowen Plug to act as Chief Executive Officer of the Company on the following terms and conditions:

*(a) **Salary:** the Company shall pay Mr Plug a salary of \$120,000 per annum (plus superannuation), which will be reviewed annually by the Company.*

*(b) **Term:** commences on Settlement and will continue until validly terminated in accordance with its terms ...” (Page 88 of Prospectus)*

“The Company has entered into an executive services agreement with proposed executive, Quinn (Qing) Cai to act as Chief Technology Officer of the Company, on the following terms and conditions:

*(a) **Salary:** the Company shall pay Ms Cai a salary of \$90,000 per annum (plus superannuation), which will be reviewed annually by the Company.*

*(b) **Term:** commences on Settlement and will continue until validly terminated in accordance with its terms ...” (Page 89 of Prospectus)*

- C. The Company’s announcement entitled “Extension of Automatic Removal of Long Term Suspended Entities” on 18 December 2015 which stated that ASX had granted the Company an extension from the 1 January 2016 deadline for automatic removal of long-term suspended entities to 11 March 2016.
- D. The Company’s announcement entitled “Extension of Offer Period” lodged on MAP on 7 April 2016 and released on 8 April 2016 which stated that the closing date for the public offer would be extended to 1 June 2016 and the revised date for re-quotation of shares on ASX was 10 June 2016.
- E. The Company’s announcement entitled “Updated Statement of Commitments” lodged on MAP on 8 June 2016 which stated that the Company intended to apply funds raised from the public offer, together with existing cash reserves, in the next two years following re-admission to the official list of the ASX as follows:
- | | |
|--|--------------|
| • Marketing Activities | \$820,000; |
| • Technology and Development | \$1,300,000; |
| • Technology Acquisitions | \$900,000; |
| • Expenses associated with the Acquisition | \$400,000; |
| • Working capital | \$192,807. |
- F. The reinstatement of the Company’s securities to official quotation from the commencement of trading on Friday, 10 June 2016, following the Company’s re-compliance with Listing Rule 11.1.3 and Chapters 1 and 2 of the ASX Listing Rules.

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G. The Company's announcement entitled "Quarterly Report & Appendix 4C" for the period ended 30 June 2016 lodged on MAP on 29 July 2016 which disclosed, amongst other things:

- Cash at the end of the quarter of \$3,481,000;
- Payments for staff costs, advertising and marketing, research and development, and leased assets of \$0;
- Payments for other working capital of \$175,000;
- Director fees paid to directors and or associated entities of \$9,000; and
- Legal fees paid to directors and or associated entities of \$112,711.

H. The Company's announcement entitled "Company Update" lodged on MAP on 22 August 2016 which stated, amongst other things:

"... good progress is being made in the delivery of the E-Collate software product which aims to streamline administration of the growing Self-Managed Superannuation Funds (SMSF) market.

Testing of prototype software is close to completion following extensive scoping and design on a technical and industry level to ensure the highest quality product is delivered to market. Following prototype testing, final development of the E-Collate software will be undertaken.

TTL management has conducted an international selection process of leading software development houses throughout Australia and Asia to participate in the final development of E-Collate. The Company has been pleased by the significant interest in the project, and will conclude the selection process shortly.

In parallel with the development process, the Company is developing its sales strategy targeting both the B2C and B2B markets. TTL plans to include industry participants during the testing phase of the product to continually build its relationships with potential customers."

I. The Company's announcement entitled "Quarterly Report and Appendix 4C" for the period ended 30 September 2016 lodged on MAP on 24 October 2016 which stated, amongst other things:

"During the quarter, the Company made progress in the delivery of the E-Collate software product which aims to streamline administration of the growing Self-Managed Superannuation Funds (SMSF) market.

Testing of prototype software is almost complete, following extensive scoping and design on a technical and industry level to ensure the highest quality product is delivered to market. Final development of the E-Collate software will be undertaken following completion of prototype testing.

The Company's management has conducted an international selection process of leading software development houses throughout Australia and Asia to participate in the final development of E-Collate. The Company has been pleased by the significant interest in the project, and will conclude the selection process shortly.

In parallel with the development process, the Company is developing its sales strategy targeting both the B2C and B2B markets. The Company plans to include industry participants during the testing phase of the product to continually build its relationships with potential customers."

and which also disclosed:

- Cash at the end of the quarter of \$3,001,000;
- Payments for research and development, product manufacturing and operating costs, advertising and marketing, and leased assets of \$0;
- Payments for staff costs of \$39,000; and
- Payments for administration and corporate costs of \$132,000.

J. The Company's announcement entitled "Quarterly Report and Appendix 4C" for the period ended 31 December 2016 lodged on MAP on 30 January 2017 which stated, amongst other things:

"The Company is currently developing an innovative product (E-Collate) for document aggregation to streamline the administration of individual Self-Managed Superannuation Funds. The Company's unique technology uses proprietary software and interfaces to enable rapid arrangement, secure storage and efficient export of compliance sensitive documentation.

Positive progress in the delivery of the E-Collate software product continued during the December 2016 quarter highlighted by advanced prototype testing and engagement with potential Business to Business (B2B) and Business to Consumer (B2C) customers.

Initial testing of prototype software is at an advanced stage and the Company is encouraged with feedback from the recent developments on the various modifications and extensions to E-Collate. The analysis of the improvements in the scope and feature-set of the system allows the Company to further define which software development houses should be utilised in the final technical development and implementation of the software. To this stage, the technical in-house team has been largely responsible for the development of the foundation architecture prior to engaging external technical expertise.

The Company has had initial discussions with B2B and B2C customers for ongoing input and response to the developments of the E-Collate software. Responses from these groups are very positive, although the Company will need to continue these relationships to translate this interest into positive marketplace outcomes. The Company aims to secure pilot sites for future phases of the software development in both the B2B and B2C sectors.

During the quarter the Company also reviewed several business opportunities in the technology sector, and will update shareholders on any progress in respect of these opportunities as required."

and which also disclosed:

- Cash at the end of the quarter of \$2,831,000;
- Payments for research and development of \$8,000;
- Payments for product manufacturing and operating costs, advertising and marketing, and leased assets of \$0;
- Payments for staff costs of \$31,000; and
- Payments for administration and corporate costs of \$161,000.

- K. The Company's announcement entitled "Half Yearly Report & Appendix 4D" for the period ended 31 December 2016 lodged on MAP on 24 February 2017 which repeated the statements quoted above from the quarterly report for the quarter ending 31 December 2016 and included the following statements:

"During the period the Company has also reviewed several business opportunities in the technology sector." (Page 3)

"The ability of the Consolidated Entity to continue as a going concern is dependent on the Consolidated Entity receiving revenues from the development of E-Collate's IT software platform and being able to raise additional funds as required to fund ongoing technology development and for working capital.

The Consolidated Entity's budget for the period to February 2018 indicates that the Consolidated Entity will have sufficient cash to continue the development of E-Collate's software platform without raising additional funds." (Page 11)

- L. The Company's website located at <http://www.tt-limited.com.au> which states, as at 27 March 2017, that:

"This Account has been suspended."

- M. E-Collate's website located at www.e-collate.com.au which states, as at 27 March 2017, that:

"This Account has been suspended."

Listing Rule 12.1

ASX Listing Rule 12.1 provides that the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.

In light of the above, please respond to each of the following questions:

1. Please provide specific details of:
 - (i) the steps undertaken by the Company to develop the E-Collate assets since its reinstatement on Friday, 10 June 2016; and
 - (ii) the progress made in the delivery of the E-Collate software platform to streamline administration of the self-managed superannuation funds market since reinstatement.

In answering this question please explain these activities in the context of the nil or very low levels of expenditure on research and development, product manufacturing and operating costs, advertising and marketing, and staff costs disclosed in the Company's quarterly cash flow reports.

2. Please provide a table stating the actual funds spent by the Company since its reinstatement on Friday, 10 June 2016 on the following items and explain the variances between those amounts and the amounts the Company anticipated it would spend on these items, as set out in the "Updated Statement of Commitments" lodged on MAP on 8 June 2016:

- Marketing Activities
- Technology and Development
- Technology Acquisitions

- Expenses associated with the Acquisition; and
 - Working capital.
3. Please set out in detail what amounts the Company has budgeted to spend on the E-Collate business in its budget for the period to February 2018, referred to in the Company's most recent half yearly report.
 4. ASX understands that, subject to obtaining a reasonable offer, the Company is looking to divest the E-Collate assets and to pursue other opportunities. Is this correct? If it is, what has prompted this decision by the Company and when was that decision made?
 5. Please advise whether Bowen Plug and Quinn Cai are still employed by the Company and, if so, in what capacity? If they are still employed by the Company, please explain the low level of staff costs disclosed in the Company's quarterly cash flow reports compared to the salaries that the Prospectus disclosed would be paid to them. If they are no longer employed by the Company, when did they leave the Company's employ?
 6. Please advise who the "leading team of software engineers" were referred to in the statement on page 34 of the Prospectus: *"E-Collate brings with it a leading team of software engineers with the development and commercial skills to complete the development of the E-Collate App and platform"*. Did it include anyone other than Bowen Plug and Quinn Cai? If so, are they still employed by the Company?
 7. Please advise why the websites referred to above have been suspended?
 8. Please confirm that the Company is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.
 9. Please confirm that the Company'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 the Company 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 **9.00 a.m. AWST on Tuesday, 4 April 2017**.

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, the Company'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.

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 at Hayley.Pratt@asx.com.au and to tradinghaltspert@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 Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately 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. Exceptions to this requirement are set out in Listing Rule 3.1A.

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

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

Yours sincerely,

[sent electronically without signature]

Hayley Pratt

Adviser, Listings Compliance (Perth)