Techniche Ltd
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Website www.tcnglobal.net
ABN 83 010 506 162

28 February 2017

The Manager
Australian Stock Exchange Limited
P O Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir,

Techniche Limited ABN 83 010 506 162 - ASX Code TCN

APPENDIX 4D – HALF YEAR REPORT

Techniche Limited "The Company" lodges herewith the above report including an Interim Financial Report prepared in accordance with AASB 134 for the half year to 31 December 2016 which has been subject to audit review.

Yours faithfully,
TECHNICHE LIMITED

Karl P. Jacoby
Chairman

INTERIM FINANCIAL REPORT

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2016

Results for Announcement to the Market

Key Information	31 December 2016 $	31 December 2015 $	Change $	Change %
Revenue from ordinary activities	3,507,770	4,607,919	(1,100,149)	(23.9%)
Profit after tax from ordinary activities attributable to members	2,026	787,641	(785,615)	(99.7%)
Net profit attributable to members	2,026	787,641	(785,615)	(99.7%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
2016 final dividend – paid 30th September 2016	0.35	nil
On the 26th August 2016, the Company declared a dividend of $782,574 (0.35 cents per ordinary share). This dividend was unfranked and paid on 30 September 2016		
Record date for determining entitlement to the final dividend		
Ordinary Shares – 10th September 2016		
Dividend Reinvestment Plans		
The Group does not have any dividend reinvestment plans in operation.		

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

During the 2016 first half, the Company reviewed the nature of the inter-company loan between the parent entity and Urgent Technology Limited. The loan is now considered part of the net investment in the overseas business and as a result unrealised foreign exchange movements in the value of this loan will now be shown as a movement in the Foreign Currency Translation Reserve. See *Note 1 - Summary of significant accounting policies* for further information. The impact of this change will be to significantly reduce the future impact of unrealized FX gain/losses from the revaluation of intercompany loans.

NTA backing	**Current Period**	**Previous Corresponding Period**
Net tangible asset backing per ordinary security	3.11 cents	3.14 cents

Investment in Associates and Joint Ventures

Material investments in joint venture are as follows:	**Half year ended 31 December 2016**	**Half year ended 31 December 2015**
Network Monitoring Holdings Pty Ltd	50%	50%
As disclosed in the interim financial report, the consolidated entity has recognised an aggregated share of net profit from joint venture listed above amounting to $96,695 for the half year ended 31st December 2016 [2015: $213,483].		

Directors' Report

The Directors of Techniche Limited ("the Company") submit herewith the financial report for the half-year ended 31st December 2016 of the Consolidated Entity, being the Company and its controlled entities.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of Techniche Limited who held office at any time during or since the end of the half year are:

Karl Phillip Jacoby (Chairman)
Bruce Ronald Scott
Andrew Campbell

Principal Activities

The principal activity of the Consolidated Entity during the half year was investing in and managing technology companies.

There has been no change in the business activities of investing in, providing funding to, and providing management assistance to wholly owned entities.

Review of Operations

Consolidated Entity

The Board of Techniche Limited are reporting a consolidated Net Profit After Tax (NPAT) from continuing operations of $2,026, compared to a NPAT of $787,641 for the corresponding period last year. The net operating profit after tax (NOPAT) (excluding foreign exchange gains) was $4,748 [2015: $677,674].

Consolidated revenue from ordinary activities for the period was $3,507,770 [2015: $4,607,919]. Net assets have decreased to $15,087,319 from $16,340,653 at the end of the last annual reporting period (30th June 2016) reflecting a net cash outflow from operating activities for the period, the payment of a dividend of $782,574 [2015: $1,095,603] and Statseeker repaying prior period accumulated interest and management fees.

The Company retained cash reserves of $2,559,334 at 31st December 2016 [31st December 2015: $3,432,082]. This is after the payment of the annual dividend on 30 September 2016. Cash generation was impacted by the first half losses recorded by the Urgent Group as it transitions from a reliance on lumpy project revenue to Software-as-a-Service (SaaS) recurring revenues. Urgent continues to show contracted recurring revenues that are highly weighted to the second half.

While this is a disappointing result, the underlying businesses are sound and are in a good position for future growth. The Company continues to remind shareholders that its revenue and profits are impacted by the size and timing of some orders and major currency fluctuations.

We also report that, notwithstanding the reduction in top-line revenue, the business has recorded a 2% increase in Annualised Recurring Revenues (ARR) (calculated on a 'look-through' basis to include our 50% share of Statseeker revenues). Our recurring revenues now represent approx. 82% of our total look-through revenues (up from 71% in the previous corresponding period).

ARR is a key metric for SaaS businesses and this uplift reflects our deliberate efforts to move away from a historical reliance on one-off project-based revenues and to build a sustainable business that is positioned for profitable long-term growth.

Directors' Report

The Techniche Strategy

Techniche is a listed Australian technology company.

Our strategy is to build a portfolio that is concentrated around a platform company or companies with:

- Scalability and a clear pathway to profitable growth
- A blend of domestic Australian and global market opportunities and operations
- The potential for accelerated growth via synergistic bolt-on acquisitions
- Leadership and expertise in key market niches where we generate recurring revenue streams from deeply embedded enterprise software applications

In doing so we will offer a clear and compelling story to investors as a high-growth, dividend-yielding tech company with a unique market positioning.

European Retail Systems Technology GmbH ("ERST")

ERST Technology develops specific applications and provides ongoing managed services for the transfer of business-critical data. Global businesses use our services to transfer large amounts of transactional and time sensitive data from over 10,000 sites across Europe. ERST is managed by Thomas Huben, the CEO, and a small management team and provides managed services to clients such as BP. https://www.erst-technology.com/

ERST's revenue was down by approx. 15.6% [or 11.6% in Euro] and the profit contribution was down by approx. 27.1% [23.8% in Euro] on the prior year. This is a result of some project revenues slipping into the second half and incurring some preliminary costs associated with searching for potential bolt-on acquisitions.

Whilst we continue to review our strategic options for the ERST business to determine the best pathway to create shareholder value, it remains a profitable and well managed business within our portfolio.

Urgent Technology Limited group ("Urgent")

The Urgent Technology Ltd vision is to become the leading global Computerised Maintenance Management Software (CMMS) vendor for the multi-store fuel and convenience store retailing segment. The Urgent Group is managed by its CEO, Jesse Klebba, with a customer base spanning 16 countries across Europe, North America and Australasia. Our flagship eMaintenance+ platform is in use by numerous major global, national and regional chains across over 30,000 sites worldwide. http://www.urgtech.com/

The Urgent Group has seen a decrease in both revenues and profit contribution when compared with the comparative half year. This is primarily due to the Group's focus on building its SaaS style recurring revenues as it transitions from being dependent on project-based revenues.

However, recent contract wins demonstrate our progress towards this milestone and the Urgent Group's recurring revenues are now approximately equivalent to its cost base. Looking forward, continued organic growth in our pipeline of new client opportunities plus a normal level of project services are expected to show the Urgent Group making a return to profitability in the second half of the year.

We are encouraged by progress in the business transformation and aim to now accelerate our progress through a developing cohort of channel partners and, where appropriate, through synergistic bolt-on acquisitions that expand our customer base, market footprint and product range.

Urgent is strongly positioned to become a major contributor to earnings growth for the Techniche Group in 2018 and beyond.

Directors' Report

Statseeker

Statseeker develops innovative network monitoring solutions for the IT enterprise and OT industrial market space. With active deployments in over 22 countries and many Fortune 100 firms, Statseeker monitors millions of interfaces in real-time. These companies trust Statseeker to deliver big data, make decisions and take action. Statseeker allows them to identify critical issues, isolate what needs work with confidence and fix problems instantly. Statseeker was founded in 1996, is led by CEO Frank Williams and has corporate offices in Brisbane, Australia, San Diego, California and a recent opening of a European sales and channel development office in Berlin, Germany. Further information on Statseeker can be read at www.statseeker.com.

Statseeker's comparative half year total revenues were up 4%. The recurring revenues continued to build and were up approx. 10%, however revenues from new business sales slowed and decreased by 10%. Operating costs for the period rose by approximately 24% driven by an increase in spending on marketing and product trade shows.

Techniche's share of Statseeker's profit contribution (Refer Note 2) was $96,695, which was a disappointing result compared to the same period last year [$213,483]. The overall contribution to the company, including the recovery of Techniche management costs and interest charges (Refer Note 2) was $194,195, which compares with the prior year result of $310,983.

Despite a disappointing half, Statseeker remains a prospective portfolio holding for Techniche. Statseeker continue to build their sales and distribution capability through an expanding channel partner program and this is expected to reflect in an increase to their pipeline of prospects and ultimately increases in new business sales and profits. They have also accelerated the roll-out of their road-map with the release of key product and commercial features including subscription licensing options, advanced analytics and additional net-flow support.

The management of Statseeker continues to show strong cash inflows and no longer has external debt. This has enabled prior period accumulated management fees and interest to be paid to Techniche and its' joint venture partner. The remainder of prior period balances is expected to be fully repaid during the current calendar year.

Group Management and Administration

Head office recorded a 41.1% decrease in after tax profit due to a lower share of the profits from Statseeker and higher Head Office costs associated with the appointment of David Nelson as CEO. Management and licence fee revenues from group investments were 9.8% higher due to a focus on potential bolt-on opportunities for ERST and Urgent.

Directors' Report

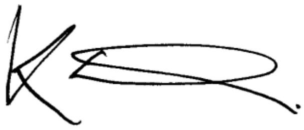
Independence Declaration of Auditor

There is no former partner or director of PKF Hacketts Audit, the Company's auditor, who is or was at any time during the half-year ended 31 December 2016 an officer of the Consolidated Entity.

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001 is set out on page 7 and forms part of this Directors' Report for the half-year ended 31 December 2016.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors



K. P. Jacoby

Brisbane 28 February 2017

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307c OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TECHNICHE LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

PKF HACKETTS

PKF Hacketts Audit

Liam Murphy
Partner

Brisbane, 28 February 2017

PKF Hacketts Audit
ABN 33 873 151 348

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Consolidated Statement of Comprehensive Income

	Notes	Half year to 31 December 2016	Half year to 31 December 2015
		$	**$**
Revenue from ordinary activities			
Revenue from wholly owned subsidiaries	**2**	**3,313,575**	4,296,936
Revenue from joint ventures	**2**	**194,195**	310,983
		3,507,770	4,607,919
Unrealized foreign exchange gain / (loss)		**(2,722)**	109,967
Other income		**12**	50
Expenses			
Auditor remuneration		**(54,440)**	(64,309)
Acquisition costs		**-**	-
Consulting fees		**(116,458)**	(69,498)
Infrastructure costs		**(272,569)**	(242,104)
Depreciation expense		**(24,163)**	(15,128)
Directors remuneration		**(79,562)**	(95,093)
Employee benefits expense		**(2,360,824)**	(2,576,861)
Insurance		**(43,411)**	(43,498)
Motor vehicle and travel expenses		**(92,597)**	(127,156)
Other expenses		**(134,157)**	(174,462)
Premises expenses		**(184,052)**	(253,623)
Share registry and listing fees		**(42,153)**	(37,559)
Profit before income tax		**100,674**	1,018,645
Income tax expense		**(98,648)**	(231,004)
Profit from continuing operations		**2,026**	787,641
Profit for the year attributable to the members of the parent entity		**2,026**	787,641
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**(472,786)**	104,547
Income tax relating to components of other comprehensive income		**-**	-
Other comprehensive income for the year		**(472,786)**	104,547
Total comprehensive income attributable to members of the parent entity		**(470,760)**	892,188
Earnings per share		**Cents**	Cents
Basic earnings per share		**0.001**	0.350
Diluted earnings per share		**0.001**	0.350

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

	Notes	As at 31 December 2016 $	As at 30 June 2016 $
ASSETS			
Current assets			
Cash and cash equivalents		**2,559,335**	3,830,471
Trade and other receivables		**1,733,281**	1,652,796
Other current assets		**220,643**	291,721
Total current assets		**4,513,259**	5,774,988
Non-current assets			
Investments in Joint Ventures	**3**	**1,860,354**	1,763,659
Loan to associated entities		**1,250,000**	1,657,750
Property, plant and equipment		**137,950**	164,232
Intangible assets	**4**	**8,130,014**	8,526,631
Total non-current assets		**11,378,318**	12,112,272
Total assets		**15,891,577**	17,887,260
LIABILITIES			
Current liabilities			
Trade and other payables		**231,977**	324,786
Unearned income		**410,165**	936,835
Current tax liabilities		**-**	66,676
Short term provisions		**162,117**	218,310
Total current liabilities		**804,259**	1,546,607
Non-current liabilities			
Total non-current liabilities		**-**	-
Total liabilities		**804,259**	1,546,607
NET ASSETS		**15,087,319**	16,340,653
Equity			
Issued capital		**70,338,778**	70,338,778
Reserves		**(1,438,007)**	(965,221)
Accumulated losses		**(53,813,452)**	(53,032,904)
TOTAL EQUITY		**15,087,319**	16,340,653

The accompanying notes form part of these financial statements.

Consolidated Statements of Changes in Equity

	Ordinary shares	Retained earnings	FX translation reserve	Total
	$	$	$	$
Balance at 1 July 2015	70,338,778	(52,935,158)	(956,148)	16,447,472
Profit attributable to members of the parent entity	-	787,641	-	787,641
Total other comprehensive income	-	-	104,547	104,547
Sub total		787,641	104,547	892,188
Dividends paid or provided for	-	(1,095,603)	-	(1,095,603)
Balance at 31 December 2015	**70,338,778**	**(53,243,120)**	**(851,601)**	**16,244,057**
Balance at 1 July 2016	**70,338,778**	**(53,032,904)**	**(965,221)**	**16,340,653**
Profit attributable to members of the parent entity	-	2,026	-	2,026
Total other comprehensive income	-	-	(472,786)	(472,786)
Sub total		2,026	(472,786)	(470,760)
Dividends paid or provided for	-	(782,574)	-	(782,574)
Balance at 31 December 2016	**70,338,778**	**(53,813,452)**	**(1,438,007)**	**15,087,319**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	Half year to 31 December 2016 $	Half year to 31 December 2015 $
Cash flows from operating activities			
Receipts from customers		**3,580,539**	4,884,709
Payments to suppliers and employees		**(4,126,681)**	(4,549,767)
Interest received		**-**	-
Income tax refund / (paid)		**(217,150)**	(297,347)
Net cash provided by (used in) operating activities		**(763,292)**	37,595
Cash flows from investing activities			
Purchase of plant and equipment		**(5,245)**	(5,784)
Payment for subsidiaries net of cash acquired		**-**	-
Purchase of shares in joint venture		**-**	-
Repayment of related party loans		**351,500**	-
Net cash provided by (used in) investing activities		**346,255**	(5,784)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	-
Dividends paid		**(782,573)**	(1,095,604)
Net cash provided by (used in) financing activities		**(782,573)**	(1,095,604)
Net increase (decrease) in cash held		**(1,199,610)**	(1,063,793)
Effects of functional currency exchange rate changes		**(71,527)**	181,944
Cash at the beginning of the half year		**3,830,471**	4,313,931
Cash at the end of the half year		**2,559,334**	3,432,082

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

These consolidated interim financial statements and notes represent those of Techniche Limited ("the Company") and controlled entities ("the Group).

Techniche Limited is a public company incorporated and domiciled in Australia.

The interim financial statements were authorised for issue on 28 February 2017 by the directors of the Company.

Note 1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Techniche Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2016, together with any public announcements made during the following half-year.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the year ended 30 June 2016, other than detailed below.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Changes in Judgements

During the half year to 31 December 2016, the group has changed its view with regards to the nature of the inter-company loan between the parent entity and Urgent Technology Limited. Previously the loan was classified as a monetary item, with repayment of the loan expected to be made in due course. The group has reviewed the loan and determined that since there are no current plans to repay this loan, going forward the loan will be treated as a net investment in a foreign operation as allowed under AASB 121: *The Effects of Changes in Foreign Exchange Rates.* As a result of this change in judgement movement in the loan balance when translated to presentation currency is posted against the foreign currency translation reserve as opposed to unrealised gains or losses in the statement of comprehensive income.

The impact to the current reporting period is that the movement of $308,569 in the loan balance is included in the foreign currency translation reserve, rather than unrealised foreign exchange gain / (loss).

Notes to the Financial Statements

Note 2. Revenue from ordinary activities

	CONSOLIDATED ENTITY	
	Half year to 31 December 2016 $	Half year to 31 December 2015 $
Revenue from wholly owned subsidiaries		
Provision of IT services	**3,313,575**	4,296,936
Revenue from joint ventures		
Share of net profit of joint venture accounted for using the equity method	**96,695**	213,483
Management fee received from joint venture associate	**60,000**	60,000
Interest income on subordinated loan to joint venture associate	**37,500**	37,500
	194,195	310,983
Total revenue from ordinary activities	**3,507,770**	4,607,919

Note 3. Investment in Joint Venture

a. Information about investment in Joint Venture

Set out below is the joint arrangement of the Company as at 31 December 2016, which in the opinion of the directors are material to the Group:

Name of Associate	Classification of Joint Arrangement	Place of Business/ Country of Incorporation	Proportion of Ownership Interest/ Participating Share		Measurement at Equity Method or Fair Value
			As at 31 December 2016	As at 31 December 2015	
Network Monitoring Holdings Pty Ltd	Joint Venture	Australia	50%	50%	Equity method

Network Monitoring Holdings Pty Ltd and its' controlled entities (Network Monitoring Investments Pty Ltd, Statseeker Holdings Pty Ltd and Statseeker Pty Ltd), are proprietary limited companies and there is no quoted market price available for their ordinary shares.

Note 3. Investment in Joint Venture (continued)

b. Summarised financial information of Joint Venture

	Half year to 31 December 2016 $	Half year to 31 December 2015 $
Summarised Statement of financial position		
Cash & cash equivalents	**1,394,001**	372,327
Other current assets	**872,607**	724,779
Total current assets	**2,266,608**	1,097,106
Non-current assets	**8,272,177**	8,004,717
Financial liabilities (excluding trade payables)	**-**	-
Other current liabilities	**4,318,077**	2,635,386
Total current liabilities	**4,318,077**	2,635,386
Non-current financial liabilities (excluding trade payables)	**2,500,000**	2,500,000
Other non-current liabilities	**-**	910,500
Total non-current liabilities	**2,500,000**	3,410,500
Net assets	**3,720,708**	3,055,937
Reconciliation of carrying amounts:		
Net assets at the beginning of the financial period	**3,527,318**	2,628,972
Contributions to joint venture during the year		
Profit/(loss) for the period	**193,390**	426,965
Other comprehensive income	**-**	-
Dividends paid	**-**	-
Carrying amount	**3,720,708**	3,055,937
Group's share in %	**50%**	50%
Group's share in $ (carrying value)	**1,860,354**	1,527,968
Summarised statement of profit or loss and other comprehensive income		
Revenue	**3,152,544**	2,954,172
Interest income	**1,515**	16,085
Depreciation and amortisation	**(361,923)**	(252,265)
Interest expense	**(195,000)**	(224,137)
Income tax (expense)/benefit	**108,421**	(59,207)
Profit from continuing operations	**193,390**	426,965
Profit for the period	**193,390**	426,965
Group's share of Joint Venture net profit after tax (50%)	**96,695**	213,483

Note 4. Intangibles

	As at 31 December 2016	As at 30 June 2016
Goodwill	**$**	**$**
Carrying value	**3,038,363**	3,128,526
	3,038,363	3,128,526
Intellectual property rights		
Carrying value	**5,091,651**	6,086,429
	3,038,363	6,086,429
Total Intangible assets	**8,130,014**	8,526,631

Movement in carrying values
Movement in the carrying amounts of each class of intangible asset between the beginning and end of the financial period

Goodwill		
Opening Balance	**3,128,526**	3,041,134
Foreign currency revaluation	**(90,165)**	87,392
Closing balance	**3,038,361**	3,128,526
Intellectual property rights		
Opening Balance	**6,086,429**	6,141,250
Foreign currency revaluation	**(994,778)**	(54,821)
Closing balance	**5,091,651**	6,086,429

Note 5. Contingent liabilities and contingent assets

There are no other contingent liabilities or contingent assets at the date of this interim consolidated financial report.

Note 6. Subsequent Events

There are no matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

Notes to the Financial Statements

Note 7. Operating segments

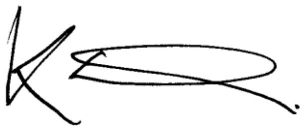
	TCN Corporate		Urgent Group		ERST GmbH		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Provision of IT services	**-**	-	**1,651,128**	2,327,664	**1,662,448**	1,969,272	**3,313,576**	4,296,936
Intra-segment sales	**-**	-	**8,637**	62,028	**-**	-	**8,637**	62,028
Inter-segment sales	**758,495**	693,487	**-**	-	**-**	-	**758,495**	693,487
Segment sales revenue	**758,495**	693,487	**1,659,765**	2,389,692	**1,662,448**	1,969,272	**4,080,708**	5,052,451
Other revenue	**207,950**	107,072	**11**	15	**2**	34	**207,963**	107,121
Total segment revenue before elimination	**966,445**	800,559	**1,659,776**	2,389,707	**1,662,450**	1,969,306	**4,288,671**	5,159,572
Reconciliation of segment revenue to group revenue:								
Elimination entries for revenue on consolidation							**(780,901)**	(765,086)
Total revenue							**3,507,770**	4,394,486
Profit/(loss) with inter-segment charges	**336,318**	530,463	**(678,271)**	(481,923)	**337,967**	756,804	**(3,986)**	805,344
Equity accounted profits of joint ventures	**96,695**	213,483	**-**	-	**-**	-	**96,695**	213,483
Income tax expense	**(3,379)**	(14,339)	**13,810**	27,594	**(109,079)**	(244,258)	**(98,648)**	(231,004)
Segment result after tax	**429,634**	729,607	**(664,461)**	(454,329)	**228,888**	512,545	**(5,939)**	787,823
Intra-group charges							**7,965**	(182)
Total contribution after tax							**2,026**	787,641
Segment assets	**19,640,741**	19,917,325	**6,394,091**	7,450,641	**2,298,878**	1,966,690	**28,333,710**	29,334,656
Inter-segment elimination	**(7,047,665)**	(6,099,192)	**(5,394,468)**	(5,844,021)	**-**	-	**(12,442,133)**	(11,943,213)
Total consolidated assets	**12,593,076**	13,818,133	**999,624**	1,606,620	**2,298,878**	1,966,690	**15,891,577**	17,391,443
Segment liabilities	**664,806**	616,005	**7,422,976**	7,568,204	**212,213**	341,147	**8,299,995**	8,525,356
Inter-segment elimination	**(582,584)**	(571,631)	**(6,824,661)**	(6,625,835)	**(88,490)**	(180,504)	**(7,495,736)**	(7,377,970)
Total consolidated liabilities	**82,220**	44,373	**598,315**	942,369	**123,723**	160,643	**804,259**	1,147,386

Directors' Declaration

In accordance with a resolution of the directors of Techniche Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 16 are in accordance with the *Corporations Act 2001*, including:
    a. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
    b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



K P Jacoby
Director

Brisbane, 28 February 2017

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TECHNICHE LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Techiche Limited ('the Company') which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration. The consolidated entity comprises the company and the entities it controlled during that half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Techniche Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TECHNICHE LIMITED AND CONTROLLED ENTITIES (Continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Techniche Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PKF HACKETTS

PKF Hacketts Audit

Liam Murphy
Partner

Brisbane, 28 February 2017