



tTech Limited
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Report to Shareholders For the 3 months ended June 30, 2017

The Board of Directors of tTech Limited is pleased to submit the unaudited results for the three months ended June 30, 2017.

Financial Performance:

For the quarter the Company recorded revenues of \$51.2 million, a decrease of 12.3% over the corresponding period in 2016 (\$58.4 million). Revenues in 2016 were boosted by the partial billing for a large PBX system, but no comparable projects were realized in this quarter.

Expenses for the period were \$45.8 million, a decrease of 8.0% over 2016 (\$49.8 million). The decrease being due largely to the higher cost of goods sold in 2016 associated with the PBX system.

Net Profit (Total Comprehensive Income) for the period was \$6.8 million, a decrease of 35.2% over 2016 (\$10.5 million).

Highlights:

During the quarter the Company signed contracts with new customers primarily in the public sector for security and consulting services. New contracts with existing customers were also realized for Microsoft and server related projects.

Despite the new customers and projects, the Company's performance for the quarter was disappointing as revenues were below expectations. To reverse the downturn our marketing campaigns are being reviewed and updated to attract more qualified leads. Other changes that have been made are a repackaging of our managed services offerings to simplify how our pricing proposals are presented.

In addition, new services are being assessed and we anticipate the launch of a new cloud service for enterprise and mid-sized companies in the third quarter. This service has significant revenue potential, is proven in other markets, and should be very competitive compared to similar solutions in the market.

In the quarter, the board approved the formation of a Corporate Governance Committee which will be chaired by our chairman, Mr. Philip Alexander. The Directors also received training in Cybersecurity.

Summary:

Growing the Company's revenues is the main area of focus at this time. While we have experienced a slowdown in our conversion rates, we are confident that the performance will improve in the second half as there is considerable interest in tTech's services in the market and we have a strong sales pipeline.

On behalf of the board I would like to thank our team for their dedication and professionalism, and our valued customers who continue to show confidence in tTech and our services.

Edward Alexander
Chief Executive Officer

tTech Limited

Financial Statements

For the six months ended 30 June 2017

(Unaudited)

tTech Limited

FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

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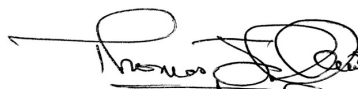
tTech Limited
STATEMENT OF FINANCIAL POSITION
SIX MONTHS ENDED 30 JUNE 2017
(Unaudited)

Expressed in \$'000	Notes	As at 30-Jun-17	As at 30-Jun-16	Audited 31-Dec-16
Current assets				
Cash and cash equivalents	2d	21,521	34,835	24,153
Securities purchased under resale agreements		94,395	80,029	93,908
Accounts receivable		31,603	30,519	47,151
Other receivables		13,899	19,305	15,194
		<u>161,418</u>	<u>164,688</u>	<u>180,406</u>
Current liabilities				
Accounts payable		27,555	33,819	32,079
Taxation payable		-	1,120	-
		<u>27,555</u>	<u>34,939</u>	<u>32,079</u>
Net current assets		<u>133,863</u>	<u>129,749</u>	<u>148,327</u>
Non-current assets				
Investments		28,382	2,207	2,027
Property, plant and equipment		13,133	14,465	13,615
		<u>41,515</u>	<u>16,672</u>	<u>15,642</u>
		<u>175,378</u>	<u>146,421</u>	<u>163,969</u>
Financed by:				
Shareholders' equity:				
Share capital		51,727	51,727	51,727
Unappropriated profit		123,651	94,694	112,242
		<u>175,378</u>	<u>146,421</u>	<u>163,969</u>

Approved and authorised by the Board of Directors on August 09, 2017 and signed on its behalf by:



Director



Director

tTech Limited

STATEMENT OF COMPREHENSIVE INCOME

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

Expressed in \$'000	Notes	Qtr Ended 30-Jun-17	Qtr Ended 30-Jun-16	YTD 30-Jun-17	YTD 30-Jun-16	Audited Y/E 31-Dec-16
Revenue		51,247	58,426	107,832	105,568	223,164
Expenses		45,847	49,798	98,473	90,640	195,108
Profit from operations		5,401	8,628	9,360	14,928	28,056
Other income		692	249	800	353	2,740
Investment income		793	1,649	1,223	2,537	7,425
Profit before taxation		6,886	10,526	11,383	17,818	38,221
Taxation		-	-	-	-	1,120
Net profit being						
total comprehensive income		6,886	10,526	11,383	17,818	39,341
Earnings per share	2e	\$0.07	\$0.09	\$0.11	\$0.15	\$0.37

tTech LimitedSTATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 30 JUNE 2017
(Unaudited)

Expressed in \$'000	Share Capital	Unappropriated Profit	Total
Balance at 31 December 2015, as restated	51,727	76,876	128,603
Net profit being total comprehensive income		17,818	17,818
Balance at 30 June 2016	<u>51,727</u>	<u>94,694</u>	<u>146,421</u>
Balance at 31 December 2016	51,727	112,242	163,969
Net profit being total comprehensive income		11,383	11,383
Balance at 30 June 2017	<u>51,727</u>	<u>123,625</u>	<u>175,352</u>

tTech Limited

COMPANY STATEMENT OF CASH FLOWS

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

Expressed in \$'000	YTD Ended 30-Jun-17	YTD Ended 30-Jun-16	Audited 31-Dec-16
SOURCES/(USES) OF CASH			
Cash Flows From operating activities			
Net profit being total comprehensive income	11,383	17,818	39,341
Adjustments for:			
Bad debts provision	66	-	590
Depreciation	2,080	1,674	4,034
Taxation	-	-	(1,120)
Contingency provision write off	-	-	(1,500)
Investment income	(793)	-	(7,425)
	<u>12,735</u>	<u>19,492</u>	<u>33,920</u>
Operating cash flows before movements in working capital			
Receivables	15,548	(4,084)	(21,305)
Other receivables	1,295	43,354	47,910
Directors account	-	-	(4,549)
Accounts payable	(4,524)	(4,198)	(4,672)
Tax paid	-	(4,672)	-
Dividend received	34	-	79
Interest received	661	-	1,328
	<u>25,749</u>	<u>49,892</u>	<u>52,711</u>
Net cash provided/(used in) by operating activities			
Cash flows Used For investing activities			
Additions to property, plant and equipment	(1,598)	(2,102)	(3,612)
Securities purchased under resale agreements	(40)	-	(13,604)
Investments	(26,873)	(201)	(76)
	<u>(28,510)</u>	<u>(2,303)</u>	<u>(17,292)</u>
Net cash provided/(used in) by investing activities			
Cash flows from financing activities			
Dividends paid	-	-	(3,865)
	<u>-</u>	<u>-</u>	<u>(3,865)</u>
Net cash provided by financing activities			
Increase in cash and cash equivalents	(2,761)	47,589	31,554
Effect of exchange rate on cash and cash equivalents	562	-	5,629
Cash and cash equivalents at beginning of the year	104,457	67,274	67,274
	<u>102,257</u>	<u>114,863</u>	<u>104,457</u>
Net cash and cash equivalents at end of the period			
Comprised of:			
Cash and bank balances	21,521	34,834	24,153
Short term investments	80,736	80,029	80,304
	<u>102,257</u>	<u>114,863</u>	<u>104,457</u>
Net cash and cash equivalents at end of the period			

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

1. GENERAL INFORMATION

tTech Limited ("Company") is a limited liability company, which was incorporated under the Companies Act and is domiciled in Jamaica with registered office located at 69 1/2 Harbour Street, Kingston.

The principal activity of the Company is that of information technology service providers and consultants.

The Company increased the number of the authorized ordinary shares (Shares) from 1,000 to 106,000,000 on November 11th, 2015 and on that date the 274 Shares, then in issue, were split to 80,348,000 Shares. The Company made an Initial Public Offering (IPO) under which 25,652,000 additional Shares were issued on December 28, 2015. On January 7, 2016, the Company's ordinary shares were listed on the Junior Market of the Jamaica Stock Exchange.

2. ACCOUNTING POLICIES

(a) Statements of Compliance

These interim financial statements for the period ended 30 June 2017, have been prepared in accordance with IAS34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016.

The accounting policies followed in these interim financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

(b) Reporting Currency

These financial statements are presented in Jamaican dollars unless otherwise indicated.

(c) Tax Status

Under the Income Tax Act (Jamaica Stock Junior Market Remission Notice 2010), 100% of the Company's income tax liability is relieved for 5 years (2016 to 2020), provided the Company remains on the Stock Exchange for a total of 15 years.

(d) Cash & Cash Equivalents

Cash & cash equivalents includes investments with settlement dates of 90 days or less.

(e) Earnings per Share

Earnings per stock unit have been calculated by dividing the 'Net Profit' by the total number of weighted average stock units at the end of the respective period 106,000,000 (2016 - 106,000,000).

(f) Restatement

These financial statements have been adjusted in accordance with the review of the accounting policies at the last audit.

tTech Limited

NOTES TO THE FINANCIAL STATEMENTS (Cont'n)

SIX MONTHS ENDED 30 JUNE 2017

(Unaudited)

3. SHAREHOLDERS' INFORMATION AT JUNE 30, 2017

(a) Top 10 Shareholders

EDWARD CHARLES / CHARMAINE DAWN ALEXANDER	41,284,834
AUCTUS HOLDINGS INC	15,478,795
ENQUEUE INC.	15,391,566
HUGH O'BRIAN ALLEN	8,806,028
MAYBERRY WEST INDIES LIMITED	2,833,884
MARCELLE SMART	2,379,105
GRACEKENNEDY (2009) PENSION PLAN	1,604,893
DOUGLAS ORANE	881,448
RAVERS LIMITED	806,448
JA. CREDIT UNION PENSION FUND	806,448

(b) Shareholding of Directors and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,284,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,478,795
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Uriah Philip Alexander	267,965
Thomas J. Chin	100,000
Joan-Marie Powell	32,000
Gregory Craig Henry	NIL

(c) Shareholding of Senior Managers and Connected Parties

Edward Charles Alexander/Charmaine Dawn Alexander	41,284,834
Gordon Christopher Reckord (Auctus Holdings Inc.)	15,478,795
Norman Abraham Chen (Enqueue Inc.)	15,391,566
Hugh O'Brian Allen	8,806,028
Marcelle Smart	2,379,105
Hortense Althea Gregory-Nelson (Janelle Nelson)	734,523
John Samuel Gibson	722,727
Omar St. Elmor Bell	240,909
Eldin Reynolds	NIL