

12 September 2017

Market Update

Highlights

- **Retech continues to make strong progress since its June listing and is building a strong pipeline of additional clients.**
- **Agreement with PetroChina Company Limited, which was announced in August, will see Retech provide a customised E-Course package for its operations in Anhui province.**
- **Strong growth in 1H2017 with net profit increasing 37.26% to RMB11.79mn (A\$2.25mn) compared to 1H2016's level (RMB8.57mn; \$A1.65mn).**
- **1H2017 revenues also grew strongly with a 54.23% increase year-on-year to RMB40.1mn (A\$7.69mn) (1H2016: RMB25.99mn; A\$4.97mn)**
- **Revenues and profits expected to continue to increase in the second half of the financial year on the back of new clients and billing for the Company's Xinjiang Project contracts as well as the receipt of a Government grant.**
- **Company looking to expand further into Chinese and global markets and is targeting larger and more profitable projects.**

Retech Technology Co., Ltd (ASX:RTE, "Retech" or "The Company") a leading Shanghai-based technology solutions company, is pleased to provide the following market update.

The Company continues to engage with potential clients including large companies, governments and social organisations as it builds its sales pipeline off the back of adding PetroChina Company Limited, a subsidiary of the leading global oil group, China National Petroleum Company (CNPC), as a client in August.

CNPC is the world's third-largest oil company with operations covering the entire oil and gas industry value chain and has oil and gas assets and interests in more than 30 countries.

The agreement adds another leading corporation to Retech's established client base, which includes China state-owned enterprises such as Ping An Insurance and Bank of China and multinational companies such as Mercedes Benz, McDonalds and Sephora.

The Company also posted a strong 1H2017 result, with 1H2017 net profit increasing 37.26% to RMB11.79mn (A\$2.25mn) compared to 1H2016's level (RMB8.57mn; \$A1.65mn). Revenues also grew strongly with a 54.23% increase in 1H2017 to RMB40.1mn (A\$7.69mn).

Retech expects to deliver a solid performance in the second half of FY2017 as it builds its revenues and profits on the back of adding new clients as well as the receipt of billings from the Company's Xinjiang Project together with a government grant which is expected to be received before the end of the financial year.

Going forward, the Company plans to expand its client base even further, including targeting larger and more profitable projects both in China and elsewhere across the globe.

Retech also plans to continue to develop strategic relationships with key offline industry training partners and content producers in order to: transition its existing E-Learning Solutions business to derive a greater proportion of its income; share revenue with its distribution partners in its E-Training Partnership business; and make direct sales of its courseware through E-Course Direct.

Retech also continues to make progress in the Australian market and is actively working with top Australian training organisations to develop future collaborations that will benefit both parties.

"The global corporate training market is growing strongly and we look forward to working with corporations and other strategic partners to further expand our offering globally," said Retech Chief Executive Officer, Cheng Liu.

"We are also working to extend our relationships in the Australian TAFE sector and look forward to working with a greater range of Australian organisations and providing them with access to the lucrative Chinese market."

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About Retech

Retech is one of the largest technology solutions providers in China and provides solutions to companies that enables them to deliver corporate training online. The Company delivers solutions to a diversified and established user base via three channels: E-Learning Solutions, E-Training Partnership and E-Course Direct.