

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Retech Technology Co., Limited

ARBN

615 153 332

Quarter ended ("current quarter")

30 Sept 2017

Consolidated statement of cash flows	Current quarter RMB	Year to date 30 Sept 2017 RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	12,383,621	33,960,676
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(6,347,058)	(13,023,389)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(6,060,706)	(15,944,203)
(f) administration and corporate costs	(2,670,838)	(5,690,027)
1.3 Dividends received (see note 3)		
1.4 Interest received	100,340	100,884
1.5 Interest and other costs of finance paid	(13,447)	(17,446)
1.6 Income taxes paid	(32,813)	(4,692,119)
1.7 Government grants and tax incentives	67,000	67,000
1.8 Other (provide details if material)	(869,408)	(869,408)
1.9 Net cash from / (used in) operating activities	(3,443,309)	(6,108,032)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10,288)	(10,288)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter RMB	Year to date 30 Sept 2017 RMB
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities	(11,229,672)	(10,559,472)
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(11,239,960)	(10,569,760)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	804,392	93,036,247
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		(11,573,887)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	804,392	81,462,360

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	81,869,728	4,647,211
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,443,309)	(6,108,032)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(11,239,960)	(10,569,760)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	804,392	81,462,360

Consolidated statement of cash flows		Current quarter RMB	Year to date 30 Sept 2017 RMB
4.5	Effect of movement in exchange rates on cash held	2,408,927	967,999
4.6	Cash and cash equivalents at end of quarter	70,399,778	70,399,778

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter RMB	Previous quarter RMB
5.1	Bank balances	70,399,778	70,399,778
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	70,399,778	70,399,778

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
RMB**

-

-

N/A

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
RMB**

-

(11,229,672)

- 7.2 1. Net loan advance to Jiangsu Retech Digital Industry Park Co. – RMB8,729,672
2. Net loan advance to Shanghai Retech Information Technology Co., Ltd – RMB2,500,000

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	RMB
9.1 Research and development	(100,000)
9.2 Product manufacturing and operating costs	(6,910,000)
9.3 Advertising and marketing	(150,000)
9.4 Leased assets	
9.5 Staff costs	(6,666,777)
9.6 Administration and corporate costs	(3,235,000)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(17,061,777)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 31 October 2017

Print name: Mr Ai Shungang

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position.
2. This quarterly report has been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the accounting principles generally accepted in Hong Kong. This quarterly report represented in Renminbi ("RMB"), the currency of the primary economic environment in which the Company and its subsidiaries operate (the functional currency of the Company and its subsidiaries).
3. Item 2.3 represents the loan to related companies Jiangsu Retech Digital Industry Park Co., Ltd and ShangHai Retech Information Technology Co., Ltd. These loans are denominated in RMB and are unsecured, interest-bearing at a fixed rate of 6% per annum and repayable within 12 months from 30 June 2017 (last accounts reporting date)

The carrying amount of the loan approximates its fair value. The ultimate controlling shareholder, being a director at the same time, of the Company. Mr Ai Shungang is also a shareholder and director of Jiangsu Retech Digital Industry Park.

4 Q4 Outlook

Forecast receipts from customers in Q4 are projected to result in surplus cash flow from operating activities exceeding estimated cash outflow by approximately 40%. This positive cash flow trend is forecasted to continue in year 2018.

About Retech

Retech Technology Co., Limited (ASX:RTE) is a company incorporated in Hong Kong together with its subsidiaries ("Retech" or the "Company"), the Company's operations is based in Shanghai, China, which provides technology solutions to, and builds E-Learning platforms and E-Courseware for large companies, government and social organizations and training providers, enabling them to deliver their offline training content online through multiple channels, including the internet, mobile and social media platforms.

Retech is in a strong competitive position as a result of the following factors: national footprint and reputation, customised content, multi-platform delivery capability, specialist digitisation capability, focus on upgrading its existing E-Learning Platforms and innovation, diverse Client base, robust quality assurance systems, and a well-regarded management team.

Retech provides and intends to provide is organised into three business channels comprising:

- E-Learning Solutions - Helping large companies, organisations and institutions design and build E-Learning platforms and E-Courseware that enables Retech to deliver their existing training content online.
- E-Training Partnership –working with training and learning content providers to create E-Learning Platforms and digital content that is then sold on to clients. The content owners provide the content, and Retech provides the technology.
- E-Course Direct – originating original online training content and licensing IP from content owners that is then sold on to corporates and organisations.

Retech offers its E-Learning Solution business channel and intends to offer its other business channels (E-Training Partnership and E-Course Direct) to a diversified user base.