

31 October 2017

## September Quarter Update

### Highlights

- **Retech achieves key milestone in terms of petroleum market share with agreement with China National Petroleum Company (CNPC) subsidiary, PetroChina.**
- **Post quarter end, Retech significantly expands partnership with China CITIC Bank International with fourth commercial agreement secured.**
- **Cash balance as at 30 September of RMB70.4mn; strong balance sheet sufficient to support Company's growth plans.**
- **Retech expects a strong performance in the near term as it pursues a number of growth options including the addition of new clients.**

Retech Technology Co., Ltd (ASX:RTE, "Retech" or "The Company") a leading Shanghai-based technology solutions company, is pleased to provide an update for the quarter ended 30 September 2017 to accompany the Company's quarterly cash flow report.

### Operational Overview

During the quarter, Retech secured a number new clients, including PetroChina Company Limited, a subsidiary of the leading global oil group, China National Petroleum Company (CNPC).

Under the agreement with PetroChina that was secured in August, Retech will provide a customised E-Course package for the company's operations in China's Anhui province.

The agreement marks a key milestone for Retech in terms of its market reach in the petroleum industry and will enable the Company to grow in this sector as CNPC is the world's third-largest oil company. It has operations covering the entire oil and gas industry value chain and has oil and gas assets and interests in more than 30 countries.

The move also added 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.

Under the agreement, Retech will provide CNPC training to improve security, corporate culture and human resources functions at the company's branch in Anhui province to enhance CNPC's growth and equip the company with the skills and capabilities needed in the future and create sustainable value for the business in the long term.

Post quarter end, Retech signed a fourth commercial agreement with China CITIC Bank International, significantly expanding its partnership with the leading commercial bank.

China CITIC Bank International is China's seventh-largest lender in terms of total assets with HK\$327.6 billion in assets under management as at 1H2017. The bank operates in almost 130 countries and maintains a strong foothold in China's mainland banking industry.

Under this latest agreement, Retech will launch a WeChat University Program for China CITIC Bank, which will leverage the leading Chinese mobile-messaging service to provide a broader range of education, training and evaluation services for the bank's employees on mobile and WeChat channels.

The WeChat University Program will be launched across all China CITIC Bank branches to the bank's over 40,000 employees.

Retech expects the program will enable China CITIC Bank to further develop its human resources management system which will enable it to maintain competitiveness, lower training costs, upgrade staff's skill and efficiency over the long term.

### **Corporate and Financials**

The Company had RMB70.4 million in cash as at 30 September 2017 with the Company's strong balance sheet sufficient to support its ongoing growth and commercialisation needs.

### **Outlook**

Retech expects a strong performance for the remainder of FY17 as it builds its revenues and profits on the back of a number of growth options including the addition of new clients.

The Company is targeting larger and more profitable projects both in China and elsewhere across the globe in order to expand its client base.

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.

-ENDS-

For more information, please contact:

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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.