

28 December 2017

CEO's Letter to CDI Holders

Retechnology Co., Ltd (ASX:RTE, “Retechnology” or “The Company”) a Shanghai-based E-Learning solutions technology company, is pleased to provide CDI holders with a business update.

Dear CDI Holders,

I would like to take this opportunity to wish you and your family all the best for the holiday season.

The past six months have been an exciting period for our Company with the achievement of a number of key milestones, including our listing on the Australian Securities Exchange (**ASX**) in June, and a number of key commercial agreements secured, adding to our established global client base.

Listing on the ASX

In June, Retechnology commenced trading on the ASX following a capital raising and Initial Public Offer, led by RM Corporate Finance and Investorlink Group.

Retechnology raised a total of A\$17.9 million through the issue of 35.8 million CHESS Depositary Interests (**CDIs**) at \$0.50 per CDI. The capital raising received backing from a number of prominent global institutional and high net worth investors, including Asian venture capital firm, Vickers Venture Partners and Chinese conglomerate Hailiang Group.

Agreement with PetroChina to provide customised E-Course package

As announced on 31 August 2017, Retechnology also secured an agreement with PetroChina Company Limited, a subsidiary of the leading global oil group, China National Petroleum Company (**CNPC**), to provide a customised E-Course package for its operations in China's Anhui province.

The move was a landmark for Retechnology in terms of its market reach in the petroleum industry and will assist the Company to grow in this sector. It also added another leading corporation to Retechnology'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.

Pursuant to this agreement, Retechnology is providing PetroChina with training to improve security, corporate culture and human resources functions at PetroChina's branch in Anhui province aimed at equipping it with the skills and capabilities needed in the future and creating a sustainable value for the business in the long term.

City Savvy becomes major shareholder

In November, the wholly-owned subsidiary of Huarong Investment Stock Corporation (**Huarong**), City Savvy Limited, became a major shareholder in Retechnology with a 12.00% interest in Retechnology's issued

capital and the ability to achieve a maximum holding of 18.16% of all Retech CHES Depository Interests (**CDIs**) on a fully diluted basis (subject to conversion of a convertible note).

It is anticipated that the transaction may open up commercial opportunities for Retech with Huarong's Chinese corporate network.

Result for 1H2017

The Company achieved a net profit of A\$2.34 million in 1H2017, an increase of 37.26% over the 1H2016 net profit of \$A1.7 million. Gross revenue for 1H2017 was A\$7.96 million, representing a 54.23% increase over the corresponding prior period.

Outlook

Retech will continue to leverage off growth in the corporate training market in 2018 with a view to expanding its client base both within China and globally.

The Company will also continue to work to develop strategic relationships with key offline industry training partners and content providers. The Company's goal is to derive increased revenue from its existing E-Learning Solutions platform together with increased sales of its courseware, E-Course Direct.

I would like to take this opportunity to thank you for your support in 2017. Once again, I wish you and your family the very best for the holidays and I look forward to bringing you further updates in the New Year.

Retech Chief Executive Officer
Cheng Liu

-ENDS-

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About Retech

Retech is one of the largest technology solutions providers in China and provides solutions to companies that enable 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.