

## ASX and Media Release

31 January 2018

### Appendix 4C – December 2017 Quarterly Cash Flow Report

Hong Kong, 31 January 2018: Retech Technology, Co., Limited, (ASX: RTE) (“Retech” or “the Company”) is pleased to provide its Appendix 4C cash flow report for the period ending 31 December 2017.

#### Operational and Financial Performance<sup>1</sup>

The Company had a cash balance of RMB 159.3 million as at 31 December 2017, which included the following material items:

- 1) Receipts from customers: RMB 53.6 million;
- 2) Net cash from operations: RMB 18.8 million;
- 3) Proceeds from the issue of shares via private placement: RMB 63.9 million;

Receipts from customers for the quarter are in line with prospectus IPO forecasts due to the continued growth trajectory of services to existing customers. The company is well placed and is in negotiation with several major corporations to win new customer contracts. These contracts will be announced to the market when executed.

Overall, management is delighted with the quarterly billings and cash flow of the business and looks forward to further positive reporting to the market.

#### 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.

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<sup>1</sup> Figures based on management accounts that have not been audited or reviewed.

For more information, please contact:

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## 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")**

31 Dec 2017

Consolidated statement of cash flows	Current quarter RMB	Year to date 31 Dec 2017 RMB
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	53,601,804	78,003,303
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(22,489,529)	(25,953,741)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(7,571,702)	(23,515,905)
(f) administration and corporate costs	(2,009,365)	(7,699,392)
1.3 Dividends received (see note 3)		
1.4 Interest received	42,648	143,532
1.5 Interest and other costs of finance paid	(4,963)	(22,409)
1.6 Income taxes paid	(14)	(4,692,133)
1.7 Government grants and tax incentives		67,000
1.8 Other (provide details if material)	(2,798,335)	(3,667,743)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>18,770,544</b>	<b>12,662,512</b>

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

Consolidated statement of cash flows		Current quarter RMB	Year to date 31 Dec 2017 RMB
2.2	(d) intellectual property (e) other non-current assets 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	7,084,361	(3,475,111)
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	7,084,361	(3,485,399)

3.	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	63,942,012	156,978,259
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	<b>Net cash from / (used in) financing activities</b>	<b>63,942,012</b>	<b>145,404,372</b>

4.	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	70,399,778	4,647,211
4.2	Net cash from / (used in) operating activities (item 1.9 above)	<b>18,770,544</b>	<b>12,662,512</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	7,084,361	(3,485,399)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	63,942,012	145,404,372

Consolidated statement of cash flows		Current quarter RMB	Year to date 31 Dec 2017 RMB
4.5	Effect of movement in exchange rates on cash held	-879,486	88,513
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>159,317,209</b>	<b>159,317,209</b>

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	159,317,209	70,399,778
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>159,317,209</b>	<b>70,399,778</b>

6.	Payments to directors of the entity and their associates	Current quarter RMB
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	
N/A		

7.	Payments to related entities of the entity and their associates	Current quarter RMB
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	7,084,361
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
7.2	1. Received from Jiangsu Retech Digital Industry Park Co. 6,575K. 2. Received from Shanghai Retech Enterprise Management Group Co., Ltd 509K.	

8. <b>Financing facilities available</b> <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.		

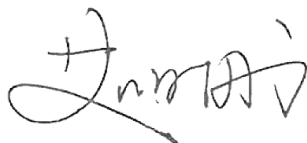
N/A
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9. <b>Estimated cash outflows for next quarter</b>	RMB
9.1 Research and development	(100,000)
9.2 Product manufacturing and operating costs	(7,410,000)
9.3 Advertising and marketing	(150,000)
9.4 Leased assets	-
9.5 Staff costs	(7,856,503)
9.6 Administration and corporate costs	(3,235,000)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(18,051,503)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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 January 2018

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).

### 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.