

ASX ANNOUNCEMENT

6 August 2018

June 2018 Quarter Update

Highlights

- Online training platform now officially launched with Bank of China demonstrating continued success in existing markets
- Cash receipts increased 31% from RMB20,162,186 (AUD 3,981,139) to RMB26,450,414 (AUD 5,222,790), as a result of customer acquisition and refined accounts receivables processes
- Appointment of Ross Benson and Mr. Kang Li as Non-Executive Director, strengthening the Board's abilities with additional skills and enhanced cross-cultural knowledge
- Strong revenue growth expected in the coming quarter and RTE remain on track to deliver strong growth for the remainder of 2018.

Retech Technology Co. Ltd (ASX: RTE) (ASX: RTE or “the Company”) a leading Shanghai-based E-Learning technology solutions company, is pleased to provide an update for the quarter ended 30 June 2018 to accompany the Company's quarterly cash flow report.

Financial Update

Currency exchange rate AUD 1 – 5.06 RMB – 31 July 2018

Retech delivered cash receipts from customers of RMB 26,450,414 (AUD 5,222,790) during the quarter, up 31% from RMB 20,162,186 (AUD 3,981,139) in Q1. This is as a result of customer acquisitions and customer retention, demonstrating increased demand for RTE's software platforms and improved accounts receivable procedures. The management team remain focussed on business development and expect cash receipts to continue to increase in H2 2018.

Operational Update – Bank of China launches training platform

Longstanding RTE client Bank of China has launched its online training platform for use to support the training and development of its employees across China.

Bank of China reports that the RTE training platform has been integrated into the staff onboarding process and has been adopted by the majority of employees, supporting their ongoing development and demonstrating the ease of use capabilities of the platform.

The positive feedback received from Bank of China represents a benchmark for projects with other state-owned banks.

Corporate Update

Non-Executive director appointed to strategically support growth strategy

A number of board changes have taken place over the quarter to strengthen the Company's growth strategy within Australia.

Mr Ross Benson has been appointed as an independent Non-Executive Director. He brings more than 30 years' experience in the Australian financial services industry and expertise in securities, transaction advisory and internal strategy. He has also acted as lead negotiator on a number of large enterprise divestments and acquisitions, both in Australia and China.

Concurrently, Mr Chris Ryan and Mr Neville Ide, both Non-Executive Directors, retired from the board.

Subsequent to the quarter, the Company appointed a second Australian resident Non-Executive director, Mr Kang Li to the Board, effective 1st August 2018.

Mr Li is an experienced executive, having spent years as the CEO of Montgomery International Consultants, providing immigration, overseas study and investment consulting services. He has a background in successfully developing businesses in Australia and his skills and expertise will help the Company to identify and evaluate potential new opportunities in Australian markets.

AGM well attended by Investor Representative – all resolutions passed

The RTE Annual General Meeting was held successfully on 26 June 2018 in Wuxi, Jiangsu Province, China and a significant number of investor representatives from City Savvy, Fame Best, Vickers Venture attend the meeting. All the resolution has passed on the meeting.

Retech has a thorough communication with the investors on company operation and further plans, which clearly clarify the strategy of company and consolidate the relationship with the investors as well.

Outlook

The June quarter has delivered increased cash flow due to increased sales, business development and the Company's improved efficiency around financial management. This lays a solid foundation for growth for the remaining FY2018 and continuous improvement is expected.

Retech will continue to acquire new clients in 2018 and focus on business development within the financial sector, to cement its position as a leader in the corporate training and educational market.

The Board changes have provided the Company with access to greater cross-cultural knowledge and understanding to facilitate accelerated growth in all regions.

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.