

ASX Announcement

30 August 2018

Half Year Financial Update

Retech Technology Co. (ASX:RTE, 'Retech' or 'the Company') a leading Shanghai based E-Learning online platform and courseware technology solutions company, is pleased to provide the following financial update to accompany its Half Year FY2018 report.

Highlights

- Strong growth delivered across all divisions, expected to continue into 2H2018
- Net profit after tax increases by 50%, to RMB17.04 million (A\$3.4 million¹) as compared to RMB11.34 million (A\$2.27 million) in the previous corresponding six-month period
- Net revenue of RMB48.65 million (A\$9.7 million) delivered, up 21% compared to RMB40.1 million (A\$8 million) for the same period in FY17
- RTE continues to target new clients across Asian markets and has a strong sales pipeline for the remainder of 2018

Financial Update

For the six-month period ended 30 June 2018, Retech delivered net profit after tax of RMB17.04 million (A\$3.4 million), up 50% from RMB11.34 (A\$2.27 million). Net profit before tax was RMB20.36 million (A\$4.1 million), an increase of 29%, compared to the previous corresponding six-month period.

Net profit after tax was driven by increased revenue, up 21%, to RMB48.65 million (A\$9.7 million) from RMB40.1 million (A\$8 million). Retech's Chinese subsidiaries benefited from a preferential tax rate as a result of their 'New Technology Enterprise' status.

¹ A\$ 1 – RMB 4.99 (29 August 2018)

Retech's increase in revenue resulted from strong demand for enterprise online training solutions across mainland China, most notably within the finance, auto and high-tech industries.

Operational Update

Strong growth was delivered across all divisions especially within E-learning solutions, as a result of client acquisitions and streamlined operations.

The Company continues to target and engage with new customers across all industries as it builds its sales pipeline to support its expansion across the Asian and Australian markets. As an example Retech signed a software supply agreement with Bank of China in Q2 2018, for the provision of a bespoke online training platform to support the development of its employees in China.

Further to this, the Company is actively developing its online learning operations within Australia

Liu Cheng, Chief Executive Officer Commented:

"I am pleased to be able to report a strong financial result for the Half Year. We continue to focus on expanding our customer base through the optimisation of cutting edge business processes".

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.