

ASX Announcement

10 December 2018

Retech has entered into a non-binding letter of intention to acquire the XJS Coaching School for strategic cooperation

Highlights

- **On 8 December 2018, Retech entered into a non-binding, conditional letter of intention to acquire the Victorian based XJS Coaching School by way of a share and asset acquisition.**
- **XJS Coaching School is a private Chinese training institution located in 6 campuses in Victoria.**
- **The acquisition is strategic and will integrate Retech's E-Learning solutions with an Australian based curriculum educator.**

Retech Technology Co., Ltd (ASX: RTE, “**Retech**”), a leading Shanghai-based E-Learning solution technology company, is pleased to announce that on 8 December 2018 it entered into a non-binding and conditional letter of intention (**Letter of Intention**) to acquire 70% of the issued share capital in Aushen Group Pty Ltd (ACN 165 859 245) (**Sale Shares**) and associated assets held by the vendor of the Sale Shares (**Target Assets**).

Aushen Group Pty Ltd (ACN 165 859 245) is an Australian registered entity that owns the XJS Coaching School located in Victoria, Australia.

The XJS Coaching School has been in operation for 20 years is a private tutoring institution and offers a variety of programs for students from Grade 1 to year 12. Subjects offered include English, Chinese (Mandarin), mathematics, writing and scholarship testing. Courseware is provided face-to-face at one of six coaching schools in Victoria and is provided in both English and Chinese.

The XJS Coaching School is operated from 6 schools and colleges across Victoria, Australia.

Retech is engaged in the E-Learning industry and provides customers with an overall E-Learning solution. Since incorporation, Retech has accumulated a comprehensive team of experts in software platform development, instructional design and curriculum development. In recent years, Retech has focused on online language education, particularly Mandarin language courseware development. Retech believes the integration between Retech's E-learning solutions with an Australian based courseware educator will capitalise on the

strengths of each of Retech and the XJS Coaching School and the growing trend in Chinese education in Australia.

The material terms of the non-binding Letter of Intention are as follows:

Sale Shares and Sale Assets	<ul style="list-style-type: none">• 70% of the issued share capital in Aushen Group Pty Ltd ACN 165 859 245, which owns the XJS Coaching School (Sale Shares); and• The brand and assets related to the XJS Coaching School owned by the vendor of the Sale Shares (Sale Assets).
Purchase Price	Cash purchase, the quantum will be confirmed following technical, legal and financial due diligence on the Sale Shares and Sale Assets.
Conditions precedent	<ul style="list-style-type: none">• technical, legal and financial due diligence;• compliance with the ASX Listing Rules.

The acquisition of the Sale Shares and Sale Assets are anticipated to complete as follows:

- Subject to satisfactory completion of the conditions precedent, Retech anticipates that it will enter into a binding acquisition agreement (**Acquisition Agreement**) within two – three months following this ASX announcement;
- Completion of the Acquisition Agreement is anticipated to occur approximately one month after execution of the Acquisition Agreement.

On execution of the Acquisition Agreement, Retech will release a further announcement to the ASX detailing the binding material terms of the acquisition.

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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 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.