

11 August 2020



### Response by Retech towards COVID-19

Retech Technology Co., Ltd (ASX: RTE, “**Retech**”), a leading Chinese e-Learning technology provider, provides the following update on the impact of COVID-19 on its operations.

The health and safety of our staff and customers is of paramount importance to us. We have closely followed government health guidelines in both our China and Australia operations to protect our stakeholders.

Following the deterioration of the pandemic in Melbourne and the subsequent declaration of a State of Disaster on 2 August 2020, we have temporarily closed our Melbourne offices. All teaching at the XJS Coaching School is now taking place online. All staff involved in our Ai English operations now continue to work from home, using Ai English’s technology to provide high quality live-streamed lessons with a minimal time lag.

For those Melbourne-based teachers who had not already been teaching classes from home, we have adjusted the studio-based live streamed classes in one of two ways. First, for Ai English’s teachers with proper conditions at home, Ai English has installed studio equipment into their homes, enabling studio-like conditions for live-streaming. Second, for the remainder of studio-based teachers, Ai English has replaced the external studio structure with a home-based structure (as agreed with the client) allowing our teachers to continue live-streamed classes by home computer. Ai English has provided a discount to clients utilising the temporary home-based solutions.

Ai English continues to see growth as demand for online, and mixed format teaching services has been accelerated by the pandemic, with new customers and a rapidly scaled operation to deliver online teaching services. In particular, as disclosed in the 30 April 2020 Quarterly Activities Report, Ai English recently signed a cooperation with Pearson to jointly develop international teaching standards for China and to work with them on the development of cross-border live-streamed education in China. Ai English has also deepened its relationship with RISE Education and now provides online English teaching services for Rise+, with a high quality live-streamed, small classes, providing 1,500 lessons per week to RISE students in China. These lessons are taught by Melbourne-based teachers from home and are not impacted by the COVID-19 lockdowns in Melbourne.

With more schools in China reopening, Ai English is shortly due to commence live classes in various public schools. At present, the biggest challenge to Ai English is managing the increasing number of classes that we teach in China under the current home-based teaching environment in Australia. This is a challenge as well as an opportunity for Ai English, which it is working to respond to.

---

Retech is pleased with the resolute response of all of our staff in these challenging times. Retech's results for the half year to 30 June 2020 will be announced to the market on 31 August 2020.

The above announcement was authorised by the Board of Directors of Retech.

## **ENDS**

For more information, please contact:

### **Enquiries**

Investor Relations

Retech Technology Co., Ltd

18/F, Building 2, Fudan Technology Park,

335 Guoding Road, Yangpu District, Shanghai

T: +86 21 5566 6166

E: investors@retech-rte.com

### **About Retech**

*Retech Technology Co., Limited is a leading Chinese e-learning services and technology provider. Retech is incorporated in Hong Kong with its operating subsidiaries located in mainland China, Australia and Hong Kong. Retech's products include e-learning solutions, learning analytics, customized and pre-prepared training courses and digital ESG reporting and training. Customers include Bank of China, Ping An Insurance and Mercedes Benz. In the year to December 2019, Retech's net profit was RMB50.97 million (A\$ 10.49mn equivalent)<sup>1</sup>.*

### **Disclaimer**

*Neither Retech nor any other person warrants or guarantees the future performance of Retech or any return on any investment made in Retech securities. This announcement may contain certain forward-looking statements, including forward-looking statements. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Retech's future developments and the market outlook, are also forward-looking statements. Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Retech and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Readers should not place undue reliance on forward-looking statements. Subject to applicable law (including the ASX Listing Rules), Retech disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.*

---

<sup>1</sup> Exchange rate: AUD/RMB = 4.8602 (30 June 2020, <https://www.oanda.com>)