

ASX Announcement

13 January 2023



Market update

Retechnology Co., Limited (ASX : RTE) ("**Retechnology**"), announces that it is continuing to work with Reed Smith LLP, its Hong Kong lawyers in respect of the proceedings commenced by City Savvy against Retechnology for non-payment under the convertible note agreement dated 9 November 2017 (**Convertible Note Agreement**) and the winding up petition received by Retechnology (**Winding Up Petition**).

To that end Retechnology refers to the ASX Announcement of 28 November 2022, the ASX Announcement of 21 December 2022 and the ASX Announcement of 30 December 2022.

As at the date of this announcement, Retechnology's Hong Kong lawyers are continuing to prepare to defend the Winding Up Petition scheduled to be heard in the High Court of the Hong Kong Special Administrative Region on 1 February 2023.

By way of further update:

- Retechnology and its Hong Kong lawyers are still working to finalise responses to the information request received by the Auditor as detailed in the ASX Announcement of 21 December 2022, required for the finalisation of the consolidated financial statements for the 6 months ended 30 June 2022.
- With respect to the capital approval requirement from the Chinese Government Authority necessary for the cross-border cash transfer to pay City Savvy under the terms of the Convertible Note Agreement:
 - While Retechnology's bank account with Shanghai Pudong Development Bank (**SPDB**) was approved to change from an FTN account (Free Trade Non-Resident Account) to an NRA (Non-Resident Account). As part of the signature processes of the SPDB, some additional information was requested. It is expected that this process will be completed in Q1 2023 and the NRA account, required for the cross-border cash transfer, be opened in Q1 2023.
 - Retechnology's new cross-border cash pooling account with the Bank of China (**BOC**), being opened as a back-up account in the event of any delay with the SPDB, is still in the process of being opened. As at the date of this announcement, Retechnology has been asked to provide supplementary information, which it has provided. It is still anticipated that this account will be opened in Q1 2023.

Retechnology reiterates once more that it has full financial capacity to repay the amount owing to City Savvy and intends to do so before 1 February 2023 in the event the cross-border account is opened at that time.

In the event the cross-border account is not opened on or before 1 February 2023 or agreement has not been reached with City Savvy for an extension of payment terms to allow time for the opening of

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the cross-border account such that City Savvy's petition is withdrawn, Retech will vigorously defend City Savvy's petition.

Retech will continue to keep the market updated.

The release of this announcement has been authorised by the Board of Directors.

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For more information, please contact:

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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, English Language learning (AiEnglish) for K-12 kids, Industry and Education integration cooperation with vocational schools and digital ESG reporting and training. Customers include Bank of China, Ping An Insurance, Mercedes Benz, RISE English, Pearson and etc..