

ASX Announcement

2 February 2023



Market update

Retech Technology Co., Limited (ASX : RTE) (“**Retech**”) refers to the proceedings commenced by City Savvy against Retech for non-payment under the convertible note agreement dated 9 November 2017 (**Convertible Note Agreement**) and the winding up petition received by Retech (**Winding Up Petition**).

Retech refers to its ASX announcements on 28 November 2022, 22 December 2022, 3 January 2023 and 16 January 2023.

As previously announced, the Winding Up Petition was scheduled to be heard in the High Court of the Hong Kong Special Administrative Region on 1 February 2023.

Following negotiations between City Savvy against Retech, Retech made a Commitment to City Savvy on 31 January 2023:

- (a) Retech will pay City Savvy HK\$1,000,000 before 1 February 2023;
- (b) Retech will pay City Savvy no less than 40% of the balance outstanding debts before 31 March 2023; and
- (c) Retech will pay City Savvy the balance outstanding debts before 26 April 2023.

On the basis of the payment of HK\$1,000,000 being paid to City Savvy and Deed of Undertaking signed by Retech, receipt of which was confirmed by City Savvy, City Savvy attended the High Court of the Hong Kong Special Administrative Region on 1 February 2023 and was not against the request from Retech that the Winding Up Petition Hearing be postponed from 1 February 2023 to 28 April 2023.

Given the postponement request was not made within the court timeframes, the High Court of the Hong Kong Special Administrative Region agreed to postpone the hearing until 22 February 2023. On 22 February 2023, City Savvy agreed to attend the High Court and will not be against the request from Retech that the Winding Up Petition Hearing to be further postponed to 28 April 2023. This date should be subject to the final confirmation from the Court.

In the event payments (b) and (c) are paid before 26 April 2023, City Savvy will withdraw the Winding Up Petition.

Retech confirms that:

- (a) 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:
 - Retech's bank account with Shanghai Pudong Development Bank (**SPDB**) has been 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. Such information has been provided. It is anticipated that the

NRA account, required for the cross-border cash transfer, will be opened before the end of April 2023.

- Retech'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, Retech has provided all requested supplementary information. It is also anticipated that this account will be opened before the end of April 2023.

Retech will continue to keep the market updated.

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

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 (Ext)1610
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, 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..