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14 July 2023

NEW PRODUCT SEGMENTS, SALES ORDERS & FUNDING FOR GROWTH

- **AULife sales channel partnership (announced 29 June 2023) delivers sales and orders into 2 new lucrative product segments for RLG - Milk Powder and Dairy Food Products**
- **Following first revenue received by RLG of \$190,000 for the sale of Australian milk powder products in June, the Company has received additional sales orders of ~\$250,000 for dairy food products with new partner AULife so far in July**
- **RLG secures funding of \$600,000 by way of a combination of a Convertible Loan of \$200,000 and \$400,000 in unsecured loans from directors to fast track growth**
- **Key terms of the Convertible Loan include 8% p/a interest rate plus 5 RLG shares for every \$1 loaned, with Term of 12 months and right to convert to fully paid shares at \$0.025**
- **Based on the expected growth from the partnership with AULife, as evidenced by the sales orders received, RLG Directors have agreed to provide an unsecured loan of \$400k to accelerate and drive new sales in Q1 FY2024**
- **The working capital designated to fund growth in revenue and gross profit through new product segments and sales channels, bolstering RLG's diversity in proven high consumer demand sectors in China**
- **Cash at bank on 30 June 2023 was \$1.4m and the additional \$0.6m in new working capital funding will fund the Company's growth in new products and sales channels commencing Q1 FY2024**

e-Commerce company RooLife Group Ltd (**ASX:RLG**) ("**RLG**" or "**Company**") is pleased to announce that within the first 2 weeks of its new partnership with China-focused e-Commerce company AULife International Pty Ltd ("**AULife**"), (*ASX announcement 29 June 2023*), it has achieved product sales and sales orders of approximately \$440,000 in milk powder and dairy food products and continues to work on additional opportunities for sales growth and sales channel expansion.

Initial sales revenue of approximately \$190,000 of Australian milk powder products were achieved in the last week of June and sales orders of approximately \$250,000 for dairy food products have been received so far in July through new sales channels established with AULife.

To accelerate growth in new product segments and sales channels, the Company has entered into agreements to obtain funding of an additional \$600,000 by way of a combination of a Convertible Loan to the value of \$200,000 from existing shareholder, Xiaodan Wu, (a Hong Kong based substantial shareholder in RLG) and \$400,000 in loans from directors, with the funds to be applied to drive immediate growth in sales revenue and gross profit for the Company in this quarter.



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The Key Terms of the Convertible Loan Agreement entered into with existing shareholder Xiaodan Wu (a Hong Kong based substantial shareholder in RLG), are as follows:

- Amount \$200,000
- 8% per annum interest rate accrues on the Loan and is repayable at the end of each calendar quarter
- 5 Fully Paid Ordinary Shares in RLG (RLG Shares) will be issued to the lender for every A\$1.00 loaned
- Term is 12 months
- Lender may elect to convert part or all of the Loan into RLG Shares at any time prior to the end of the Term, or to be repaid at the end of the Term
- RLG may elect to repay the Loan in part or in full at any time prior to the end of the Term.
- Any conversion of the Loan into RLG Shares will be at a conversion price of \$0.025 per RLG Share
- If at any time RLG repays the whole or any part of the Loan by way of an issue of RLG Shares then RLG may, for the purpose of calculating the number of RLG Shares to be issued, reduce directly from the value of the relevant loan amount any amounts paid by RLG to that point as interest in respect of the relevant loan amount
- The Loan will be secured by a charge over RLG's inventory, receivable amounts, prepayments and deposits, capped at the value of the Loan amount

Based on the expected growth from the partnership with AULife, as evidenced by the sales orders received to date, two directors Bryan Carr and Warren Barry have provided unsecured short term funding on materially similar terms to the previously announced Working Capital Loan Agreement with Saxby Capital Investments Pty Ltd. The key terms of the loan arrangements are as follows:

Date Effective:	13 July 2023
Amount:	A line of credit of \$400,000 (being \$200,000 from Bryan Carr and \$200,000 from Warren Barry), to be drawn for sale of products into China.
Repayment:	Per transaction, typically 90 days terms for repayment to be agreed between the Lender and Borrower on a case-by-case basis.
Interest Rate:	Calculated at 10% p/a on loan amount drawn down, payable in arrears.
Fees:	There are no establishment fees, draw down fees or unused facility fees.
Security:	Unsecured
Purpose:	The purpose of the facility is to provide additional working capital to be applied to driving the continued growth and expansion of sales to RLG's client base in China.

The funding is to be applied to accelerate sales through the newly established RLG and AULife partnership, focused on selling and distributing leading Australian brands to the Chinese market and the intention is to launch a dedicated e-commerce store for Australian brands on a major Chinese e-commerce platform.

RooLife Group CEO, Bryan Carr said: *"The immediate delivery of new sales and sales orders within the first two weeks of our partnership with AULife is really encouraging and importantly it is making an immediate contribution to gross profit. We look forward to continuing to build on these revenue lines this quarter and the balance of this year as we service the demand for these products in China through the new sales channels we are establishing with AULife."*

ENDS

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RLG China Channel Network



Social/E-commerce



Online & Offline B2B



E-commerce Platforms



High End Retail Grocery



High End Retail Trade



Government Organizations/Events/Seminars/Training

Specialty Retail (Gyms/Clubs/Hotels)

