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04 April 2024

AGREEMENT WITH CHINA E-COMMERCE COMPANY

- RLG has executed a binding term sheet with e-Commerce, digital marketing and supply chain company, Fujian Jushi Supply Chain Management, for it to sell RLG's products in China
- Fujian Jushi Supply Chain Management markets and sells a range of high-end alcoholic beverages, health supplements and luxury goods and is to sell products supplied by RLG
- Fujian Jushi Supply Chain Management to acquire \$100,000 of RLG shares at \$0.085, via placement, subject to shareholder approval
- RLG to issue 210 million performance rights to Fujian Jushi Supply Chain Management for provision of up to \$3.57m in net profit which will vest in the ratio of 5,000,000 performance rights for every \$85,000 in net profit, subject to shareholder and regulatory approval
- The commercial relationship is for RLG to provide products which Fujian Jushi Supply Chain Management will sell to its customers in China with aligned interest for maximising net profit to RLG

e-Commerce company RooLife Group Ltd (**ASX:RLG**) ("**RLG**" or "**Company**") is delighted to announce that it has executed a binding term sheet agreement with China-based e-commerce and supply chain business, Fujian Jushi Supply Chain Management Co., Ltd ("**Fujian Jushi Supply Chain**") for it to market and sell RLG's portfolio of products and other requested products which it orders from RLG.

Under the terms of the agreement between the parties, Fujian Jushi Supply Chain will purchase products from RLG via a special purpose vehicle which will be a wholly-owned subsidiary of RLG ("**NewCo**") to on-sell through its channels. Profits from the sale of RLG's products to Fujian Jushi Supply Chain are to be recognised by the provision of 210 million Performance Rights, which vest and are convertible into ordinary fully paid RLG shares based on the value of profit delivered to RLG.

The vesting of the Performance Rights will be determined based on the net profit derived from sales of RLG's products purchased by Fujian Jushi Supply Chain. 5,000,000 Performance Rights will vest for every \$85,000 in net profit that RLG realises from these transactions. The effect of this is that if RLG achieves \$3,570,000 of net profit from the sale of products to Fujian Jushi Supply Chain, then all 210,000,000 Performance Rights will vest. The Performance Rights may vest at any time during the period commencing on the date of their issue (**Issue Date**) until the date that is three years after the Issue Date. Any Performance Right that fails to vest by that date will automatically lapse. Additionally, any vested Performance Right that has not been converted into an RLG share prior to the date that is four years after the Issue Date will automatically lapse.

In support of the Company and to further align the commercial performance of transactions between the parties, it is proposed for Fujian Jushi Supply Chain Management to acquire \$100,000 of RLG shares at \$0.085 via a placement, with this and the issue of the Performance Rights subject to shareholder approval and any regulatory approvals required. The proposed placement price represents a **42% premium** to the most recent closing share price, with shareholder approval for the placement and the issue of the Performance Rights to be sought at a general meeting to be convened in due course.

RooLife Group CEO, Bryan Carr said: *"This new sales and distribution partnership comes out of the business development with our recently announced strategic investor, Guizhou Yuanzhuang Jiangjiu, to identify opportunities*



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for RLG's products with their retail distribution client base and suppliers and we are excited to have appointed and agreed terms with an established online and offline sales distribution channel such as Fujian Jushi Supply Chain.

The fact that Fujian Jushi Supply Chain has expertise in digital marketing, e-commerce and supply chains – all the things required to sell our products in China – and we have the aligned objective to drive sales and maximise the net profit for RLG, which rewards both parties, makes this a perfect partnership that we expect will be extremely valuable for our business and our shareholders."

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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)



ENDS