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29 June 2023

RLG SIGNS BINDING TERMSHEET FOR CHINA SALES & INVESTOR RELATIONS

- **RLG has executed a binding term sheet with cross border e-Commerce company AULife International to market and sell Australian products to an established Chinese customer base**
- **The agreement is immediately revenue-generative, with first sales to be reported in July 2023**
- **AULife holds distribution rights for a leading portfolio of Australian brands and products, and materially expands RLG's existing distribution footprint in the Chinese consumer marketplace**
- **The key objective of the partnership is to launch a unique ecommerce platform dedicated to the sale and distribution of leading Australian brands into China**
- **RLG will generate revenue through multiple channels including margins on all product sales as well as service fees and digital marketing fees**
- **The two parties will incorporate a new entity that will be 51%-owned by RLG and 49%-owned by AULife, with profit sharing of 80% to RLG and 20% to AU Life (net profit basis)**
- **AULife's obligations under the term sheet include marketing and selling RLG's portfolio of products through its established China-based distribution channels**
- **The additional profitability contribution combined with a reduced cost base is expected to significantly contribute towards Company profitability in FY24**
- **Term sheet also provides for the engagement of Martin Place Equity Partners to provide public and investor relations services and to introduce Chinese investors 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 with China-focused e-Commerce company AULife International Pty Ltd ("**AULife**") to partner in marketing and sales initiatives for their respective portfolios of Australian and international products to Chinese consumers and with Martin Place Equity Partners Pty Ltd ("**Martin Place**") to provide investor relations services and to promote the Company to Chinese investors.

Under the terms of the proposed agreement, RLG and AULife will establish a new operating entity which will target additional revenue streams through new product sales, as well as the provision of digital marketing, social media and e-commerce store operations to a new and targeted client base. The new



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entity will be owned 51% by RLG and 49% by AULife, with profit sharing of 80% to RLG and 20% to AULife (net profit basis).

The term sheet provides for the operating entity to be established and a binding operating agreement to be executed by the parties within 30 days (or such later date as the parties may agree). Under the terms of the agreement RLG and AULife will also co-operate and contribute towards the provision of China-based e-Commerce and B2B services and operations with a key objective to launch and provide a specialist e-commerce store dedicated to the sale and distribution of leading Australia brands to the Chinese market, in partnership with a tier-1 e-commerce platform in China.

As an incentive for AULife to maximise sales performance under the arrangement, the term sheet stipulates that AULife (or its nominee) will be issued 32,000,000 performance rights and Martin Place (or its nominee) will receive 8,000,000 performance rights. Upon vesting, these rights can be exercised into fully paid ordinary RLG shares. In aggregate, 1,000,000 performance rights held by the performance rights holders will vest for every \$33,333 of net profit achieved by the operating entity, within the first 12 months after entry into the operating agreement.

The vesting of performance rights will only be determined against profit derived from sales revenue attributable to AULife (with the effect being if, within the first 12 months after entry in the operating agreement, the operating entity achieves \$1,333,320 or more of net profit which is derived from sales revenue attributable to AULife, then all 40,000,000 Performance Rights will vest).

Additionally, RLG will issue 8,000,000 performance rights to AULife (or its nominee) and 2,000,000 performance rights to Martin Place (or its nominee) which vest if, within the first 12 months after entry in the operating agreement, the operating entity enters into an agreement with a Tier 1 Chinese e-commerce platform, local governments and brands (with AULife facilitating the entry into that arrangement) for a National level online store and at least \$50,000 in associated product sales is achieved on that e-commerce platform provider's platform.

Martin Place, who is a party to the term sheet, is focussed on supporting Chinese investors in Australia, advising it has around 20,000 retail and high net worth investors in its network and will collaborate with AULife to identify commercial opportunities and will provide public and investor relations services to RLG. Martin Place is to develop and publish Chinese-language articles on RLG and to introduce the Company to investors and arrange investor meetings.

In consideration for these services, RLG has agreed to issue a further 8,000,000 performance rights to AULife (or its nominees) and 2,000,000 performance rights to Martin Place (or its nominee). The performance rights will be issued in two equal tranches. 5,000,000 performance rights will vest if, within the first 12 months after the date of issue, RLG's market capitalisation is at any time \$12m or more for 20 consecutive trading days. The other 5,000,000 performance rights will vest if, within the first 12 months after the date of issue, RLG's market capitalisation is at any time \$20m or more for 20 consecutive trading days.

All performance rights will be issued under the Company's existing 15% placement capacity in accordance with ASX Listing Rule 7.1 and their issue will be subject to any necessary regulatory approvals. Full details of the vesting conditions for the performance rights are set out in the table below.

RoLife Group CEO, Bryan Carr said: *“We are delighted to be working with AULife to jointly sell both RLG’s product range and AULife’s range of products across our combined sales channels - it broadens our reach and access to the market in China for both Australian and International products. This agreement leverages an established sales channel and customer base and we expect to quickly lift our sales through AULife’s channels.”*

“The structure of the arrangement between the parties is that AULife and Martin Place will be rewarded for provision of direct profit contribution to RLG with Performance Rights which convert to RLG shares upon achievement of agreed milestones. Additionally, the parties share a vision for sales opportunities which can be delivered to Australian companies selling into the China market, and so it makes sense to work together to amplify the sales opportunity.”

“This introduction made by Martin Place Equity Partners and their understanding of the market we operate in, with their strategy to introduce RLG to their Chinese investor client base, presents an exciting new opportunity and phase for RLG and our shareholders, with first demonstration of new sale outcomes expected this month.”

Summary of Performance Rights granted to AULife International Pty Ltd and Martin Place Equity Partners Pty Ltd (Subject to any approvals required)

1.	32,000,000 Performance Rights to be issued to AULife International Pty Ltd or its nominee. 800,000 Performance Rights will vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) for every \$33,333 in gross profit achieved by the operating entity during the first 12 months after entry into the operating agreement which is derived from sales revenue directly attributable to AULife (with the effect being if the operating entity achieves \$1,333,320 or more of gross profit during the first 12 months after entry into the operating agreement which is derived from sales revenue directly attributable to AULife then all 32,000,000 Performance Rights will vest). Vested Performance Rights expire if they are not exercised within 24 months after entry into the operating agreement.
2.	8,000,000 Performance Rights to be issued to AULife International Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after entry into the operating agreement, (a) the operating entity enters into a commercial agreement for a comprehensive project jointly created by the platform, local governments and the relevant parties with (in RLG’s reasonable opinion) a tier 1 e-commerce platform provider in China and AULife facilitates entry into that arrangement, for the operating entity to operate as the online store provider; and (b) at least \$50,000 in associated product sales is achieved on that e-commerce platform provider’s platform. Vested Performance Rights expire if they are not exercised within 24 months after entry into the operating agreement.
3.	4,000,000 Performance Rights to be issued to AULife International Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after the date of issue, RLG’s market capitalisation is at any time \$12m or more for 20 consecutive trading days. Vested Performance Rights expire if they are not exercised within 18 months after the date of issue.
4.	4,000,000 Performance Rights to be issued to AULife International Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after the date of issue, RLG’s market capitalisation is at any time \$20m or more for 20 consecutive trading days. Vested Performance Rights expire if they are not exercised within 18 months after the date of issue.



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5.	8,000,000 Performance Rights to be issued to Martin Place Equity Partners Pty Ltd or its nominee. 200,000 Performance Rights will vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) for every \$33,333 in gross profit achieved by the operating entity during the first 12 months after entry into the operating agreement which is derived from sales revenue directly attributable to AULife (with the effect being if the operating entity achieves \$1,333,320 or more of gross profit during the first 12 months after entry into the operating agreement which is derived from sales revenue directly attributable to AULife then all 8,000,000 Performance Rights will vest). Vested Performance Rights expire if they are not exercised within 24 months after entry into the operating agreement.
6.	2,000,000 Performance Rights to be issued to Martin Place Equity Partners Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after entry into the operating agreement, (a) the operating entity enters into a commercial agreement for a comprehensive project jointly created by the platform, local governments and the relevant parties with (in RLG's reasonable opinion) a tier 1 e-commerce platform provider in China and AULife facilitates entry into that arrangement, for the operating entity to operate as the online store provider; and (b) at least \$50,000 in associated product sales is achieved on that e-commerce platform provider's platform. Vested Performance Rights expire if they are not exercised within 24 months after entry into the operating agreement.
7.	1,000,000 Performance Rights to be issued to Martin Place Equity Partners Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after the date of issue, RLG's market capitalisation is at any time \$12m or more for 20 consecutive trading days. Vested Performance Rights expire if they are not exercised within 18 months after the date of issue.
8.	1,000,000 Performance Rights to be issued to Martin Place Equity Partners Pty Ltd or its nominee. The Performance Rights vest (and thereafter are capable of conversion into RLG fully paid Ordinary Shares) if, within 12 months after the date of issue, RLG's market capitalisation is at any time \$20m or more for 20 consecutive trading days. Vested Performance Rights expire if they are not exercised within 18 months after the date of issue.

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Authorised by: The Board of RooLife Group Ltd

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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)



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