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10 July 2024

PLACEMENT AND OPERATIONS UPDATE

- **RLG implements revised Placement and Investment and Sales Distribution Strategy**
- **Placement announced 29 February 2024 limited at \$500,000 following agreement between the parties and following ongoing delayed incorporation of new investment entity by the investor**
- **Receipt of \$100,000 placement funds from commercial partner, Fujian Jushi Supply Chain Management for the Placement announced 04 April 2024. Placement undertaken at \$0.0085 per share, a +113% premium to the most recent closing share price**
- **Agreement with Fujian Jushi Supply Chain Management for it to sell RLG's products in China - first order revenue of \$245,000 and cash profit of \$60,000 received in June**
- **Fujian Jushi Supply Chain Management places orders for health and wellness and beverage products in first week of July**
- **RLG signs agreement with China beer producer, Henan Rock Kangaroo Brand Management for it to provide Kangaroo-brand beer produced from Australian ingredients to RLG for sale in China**
- **First sales orders for high-margin Kangaroo Beer delivered and received in June**
- **Investor Presentation Series in China to sophisticated investment groups to be held 25 July to 01 August 2024 in cities of Shenzhen, Guangzhou, Nanning, Zhengzhou, and Jianshou**
- **Distributor and channel selection seminars to appoint distributors of RLG's products be delivered in China in Henan, Guangxi and Guangdong provinces commencing in August 2024**

e-Commerce company RooLife Group Ltd (ASX:RLG) ("RLG" or "Company") advises that it has elected to not proceed with the Tranche 2 placement to raise \$1,000,000, as announced 29 February 2024 and has determined to proceed instead on the following basis:

- Tranche 1 placement of \$500,000 completed with the issue of 58,823,529 new ordinary shares at an issue price of \$0.0085;
- Placement of \$100,000 to be completed with the issue of 11,764,706 new ordinary shares at an issue price of \$0.0085 (representing a +113% premium to prior day closing price) to Fujian Jushi Supply Chain Management Co., Ltd ("Fujian Jushi Supply Chain");
- Fujian Jushi Supply Chain has been appointed to market and sell RLG's portfolio of products and other requested products which it orders from RLG;
- Subject to shareholder approval, for RLG to issue 210 million Performance Rights to Fujian Jushi Supply Chain, which vest and are convertible into ordinary fully paid RLG shares based on the value of profit delivered to RLG as announced 04 April 2024;
- In the month of June 2024, Fujian Jushi Supply Chain, contributed profit of \$60,000 from sales of RLG products of \$245,000 and this to be attributed towards the vesting milestones of Performance Rights to Fujian Jushi Supply Chain, which remain subject to shareholder approval.

The Company notes the cash profit contributions made by Fujian Jushi Supply Chain having already realised \$60,000 in net profit in cash receipt in Q4 FY2024 from the partnership with Fujian Jushi Supply Chain and looks forward to continuing to build the profitability of this partnership and its contribution towards the Group's overall profitability.



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The realisation of higher margin product sales in combination with the cost minimisation programme successfully implemented throughout FY2024 is expected to generate a significantly lower operating cashflow which the company expects to report in its upcoming Q4 Quarterly Activities and Cashflow Report. The Company continues to deliver on its strategic business review outcomes by pursuing further opportunities that drive sales margin profit growth and contribute to operational cashflow. The Company will continue to evaluate further opportunities with strategic investment and financial partners to raise additional capital to advance its long-term growth strategies.

In support of its positioning as an ASX-listed company with a portfolio of products being sourced globally and sold into China and South East Asia, the Company will be undertaking a series of investor presentations and seminars across China and Hong Kong commencing 25 July with seminars and presentations introducing RLG to sophisticated investors in the cities of Hong Kong, Shenzhen, Guangzhou, Nanning, Zhengzhou, Jianshou.

This will be followed in August 2024 with distributor and channel selection seminars to appoint distributors of RLG's products in the provinces of Henan, Guangxi and Guangdong in China.

In other recent developments, RLG has entered into an agreement with Henan Rock Kangaroo Brand Management Co., Ltd for it to produce and supply beer produced from Australian ingredients to service RLG's distribution network orders for a range of beers to be marketed and sold under the Kangaroo Beer label.

RLG has already secured first sales orders for its high-margin Kangaroo Beer with delivery and payment received in June 2024.



RLG Agreement signing with Henan Rock Kangaroo Brand Management Co., Ltd between Bryan Carr & Bian Jing Du (Left) for supply of beer produced from Australian ingredients and to be sold in China



RLG signing for the sale and distribution of “Kangaroo Beer” with Fujian Jushi Supply Chain’s Gen Yuan Zhang and Gao Yang Ye and Ya Zhen Jiang.

RLG has expanded the partnership by signing an agreement for the supply of beer products made in China from barley and wheat sourced from Australia and sold under the brand, Rock Kangaroo

The Company advises of the key changes in placement structures, that have been previously announced as follows.

The Company had previously announced on 29 Feb 2024 that it entered into an agreement with a strategic investment partner in China to undertake a placement of 176,470,588 new ordinary shares at an issue price of \$0.0085 per share. The placement transaction was proposed in two tranches with Tranche 1 requiring payment of \$500,000 and Tranche 2 requiring payment of \$1,000,000. On 25 March, the Company further announced that it has received the Tranche 1 payment of \$500,000 to complete placement of 58,823,529 new ordinary shares at an issue price of \$0.0085. On 30 April, in its Quarterly Activities and Cashflow Report, RLG advised that the timing of collection of Tranche 2 was now expected to be May 2024 as the investor had cited delays in the ability to remit funds for Tranche 2 due to delays experienced in the incorporation of a new investment entity by the investor. With ongoing delays in the incorporation of a new investment entity and banking facilities by the Investor delaying payment to RLG, the parties have agreed to withdraw the balance of placement at this time. On 29 Feb 2024, the Company also advised of a proposed issue of 30,000,000 unlisted options to Indian Ocean Securities which were subject to the completion of the Placement and shareholder approval. As Tranche 2 of the Placement is not proceeding, the options are also no longer required to be issued.

The Company had previously announced on 4 April 2024 that the placement to Fujian Jushi Supply Chain Management Co., Ltd was subject to shareholder approval as at time of announcement the Company did not have placement capacity under Listing Rule 7.1 and Listing Rule 7.1A due to the capacity being attributed towards Tranche 2 of the Strategic Placement previously announced on 29 February 2024. As the previously entered into agreement to issue the securities under Tranche 2 is not proceeding, it no longer forms part of the placement capacity under Listing Rule 7.1 and Listing Rule 7.1A and is therefore permitted to be utilised to place the ordinary shares for the \$100,000 received.

RoofLife will issue 11,764,706 Ordinary Shares on the following basis:

- (i) 10,260,191 Ordinary Shares will be issued using RLG’s existing ASX Listing Rule 7.1 capacity; and
- (ii) 1,504,515 Ordinary Shares will be issued using RLG’s existing ASX Listing Rule 7.1A capacity;

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. RLG has achieved first product sales under its



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new commercial partnership with Fujian Jushi Supply Chain. Initial sales of \$245,000 for RLG health, wellness and beverage products were delivered in Q4 FY2024. Additional products are being marketed in FY2025 and are expected to generate sales and sales order that will contribute to achieving higher net profit margins in line with the Company's revised strategy.

The commercial sales and distribution partnership with Fujian Jushi Supply Chain was expected to drive sales profit margin growth with RLG not required to contribute to marketing costs and to reward sales achievement with Performance Rights. As announced on 04 April 2024, profit contribution is to be recognised by the provision of 210 million Performance Rights, subject to shareholder approval, which vest and are convertible into ordinary fully paid RLG shares based on the value of profit delivered to RLG. 5,000,000 Performance Rights will vest for every \$85,000 in net profit that RLG realises from these transactions and will be subject to shareholder approval.

RLG has already realised \$60,000 in net profit in Q4 FY2024 from the partnership with Fujian Jushi Supply Chain. The realisation of higher margin product sales in combination with the cost minimisation programme successfully implemented throughout FY2024 is expected to generate a significantly lower operating cashflow which the company expects to report in its upcoming Q4 Quarterly Activities and Cashflow Report. The Company continues to deliver on its strategic business review outcomes by pursuing further opportunities that drive sales margin profit growth and contribute to operational cashflow. The Company will continue to evaluate further opportunities with strategic investment and financial partners.

RooLife Group CEO, Bryan Carr said: *"These first sales and profit margin contribution achieved in Q4 FY2024 through the new commercial partnership with Fujian Jushi Supply Chain is confirmation of the value of this new partnership and we look forward to continuing to build on these revenue and profit lines through FY2025 as we service the strong demand for quality Australian products in China.*

The Company has aligned the objective of this partnership to drive sales and maximise the net profit for RLG and it has been pleasing to see the benefits already achieved and we look forward to seeing its continued contribution to our business and our shareholders.

We are also buoyed by the expressed interest from Chinese investors who appreciate the sales opportunities for consumer products in China and the investment exposure RLG provides for investors on the Australian Stock Exchange.

We look forward to introducing RLG to both investors and new sales channels in China through July and August as we launch this initiative and then to continue these initiatives on an ongoing basis to the benefit of existing and future shareholders."

Issued by: 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)



ENDS