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OF POTENTIAL

25 November 2021

Completion of Distribution Agreement and Strategic Placement Update

- **New sales distribution agreement incentivizes CCTG to achieve up to \$30,000,000 in sales and \$3,000,000 gross profit in first year**
- **Conditions precedent to proposed placement to raise \$1,000,000 at \$0.026, an 18% premium to closing share price on 10 November 2021, completed. Shareholder approval remains outstanding**
- **Deal structure expected to deliver expanded access to general trade sales in China**

Further to its release of 15 November 2021, e-Commerce and digital marketing company RooLife Group Ltd (**ASX:RLG**) ("**RLG**" or "Company") is pleased to advise of the finalisation of the distribution agreement with its new sales distribution channel partner for the sale of RLG's portfolio of products in China ("**Sales Distribution Agreement**").

The Company has entered into the Sales Distribution Agreement with China-focussed sales channel, China Cross Border Trading Group (collectively "**CCTG**"), to market, sell and introduce RLG's portfolio of products to new sales and retail channels in China. In addition, CCTG's role will be to identify and advise of products requested by channels and in high demand, for which RLG will seek to supply.

CCTG is an investment and sales channel consortium made up of Mr Gang Xu and his associates (either individually or through their associated entities): Mr Chuanshui (Frank) Yin, Mr Guoxian (Ted) Zheng, Mr Sikuo Yang, Mr Jiayi (Jack) Cai and Mr Yudong (Jordan) Zhang.

As announced by RLG on 15 November 2021, for every \$1,000,000 in sales revenue with a minimum of \$100,000 gross margin (or equivalent gross profit amount) which CCTG provides directly to RLG between 1 January 2022 to 31 December 2022, CCTG or its nominees will be entitled to earn 1,000,000 unlisted options exercisable at \$0.05 on or before 30 November 2024 ("**Incentive Options**"), capped at 30,000,000 options. The issue of these options remains subject to shareholder approval on or around 30 December 2021.

As such, if CCTG provides RLG with up to \$30,000,000 in revenue with an associated gross margin of 10% or \$3,000,000 (or equivalent) directly to RLG in the first 12 months, it may earn up to 30,000,000 Incentive Options.

The revenue quantum and margin of individual transactions for the sale of RLG's products is to be agreed for each transaction based on product type and order size.

Additionally, as announced on 15 November 2021, CCTG entered into an agreement with RLG for a proposed placement of 38,461,538 new fully paid ordinary shares at an issue price of \$0.026, representing an 18% premium to the closing share price prior to agreement, with 4,807,692 unlisted options exercisable at \$0.05 on or before 30 November 2024, raising \$1,000,000 ("**Proposed Placement**"). The Proposed Placement is also subject to shareholder approval on or around 30 December 2021.

The shares are to be voluntarily held in escrow for a minimum period of 6 months following issue.

RLG is pleased to advise that in respect to the Proposed Placement, the following conditions precedent have now been successfully completed:

- RLG has completed due diligence to its satisfaction in respect of CCTG and its business and operations;
- CCTG has completed due diligence to its satisfaction in respect of RLG and its business and operations;
- CCTG has been appointed to market and sell RLG products with Gang Xu, a member of the CCTG, appointed by the Company as responsible for general trade sales in China and for achievement of revenue targets.

Mr Gang Xu has significant experience in FMCG (Fast Moving Consumer Goods), multi-channel marketing, retail and distribution for global brands in China, cross border trade and technology alongside his ASX senior corporate experience. Mr Xu was a founder of ITM Corporation Ltd, the core business which formed the foundation for AuMake Limited (ASX: AUK).

Completion of this transaction will provide RLG with expanded access and expertise across the comparatively much larger general trade and retail market sector (in addition to its well-established cross border e-commerce trade) in China.

This sales and distribution agreement and investment from CCTG closely aligns the interests of the parties with potential sales and profit margin contribution from new sales channels expected to contribute towards growing the Company's revenue and profitability.

ENDS

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