

ROOLIFE GROUP LTD

ABN 14 613 410 398

ANNUAL REPORT

30 June 2024

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CORPORATE INFORMATION

ABN 14 613 410 398

Directors

Grant Pestell	Non-Executive Chairman
Ye (Shenny) Ruan	Non-Executive Director
Bryan Carr	Managing Director and Chief Executive Officer
Terence Leung	Non-Executive Director

Company Secretary

Jyotika Gondariya

Registered office

Unit B11, Level 1, 431 Roberts Rd
Subiaco WA 6008

Tel: +61 (8) 6444 1702

Principal place of business

Unit B11, Level 1, 431 Roberts Rd
Subiaco WA 6008

Tel: +61 (8) 6444 1702

Share register

Computershare Investor Services Pty Limited
Level 17
221 St Georges Terrace
Perth WA 6000

Tel: +61 (8) 9323 2000

Solicitors

MPH Lawyers
Suite 183, Level 6
580 Hay Street
Perth WA 6000

Bankers

National Australia Bank
Level 14, 100 St Georges Terrace
Perth WA 6000

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Securities Exchange Listing

RooLife Group Ltd shares are listed on the Australian Securities Exchange (ASX: RLG)

Website address

www.roolifegroup.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of RooLife Group Ltd ("RLG" or the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Grant Pestell LL.B.

Non-Executive Chairman

Experience and expertise

Independent non-executive chairman since July 2016. Founding director of Murcia Pestell Hillard solicitors, who act for the Company. Over 20 years' experience in commercial litigation, corporate and commercial law with extensive experience advising both listed and private companies particularly in the Information & Technology, Energy Resources and Mining Resources Industries; and Managing Director of Murcia Pestell Hillard since 2000.

Other current listed directorships

Non-Executive Director of COSOL Limited from August 2019.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

9,909,959 ordinary shares in RLG.

2,333,334 performance shares in RLG.

Ye (Shenny) Ruan BEcon, MBA, FINSIA, GAICD

Non-Executive Director

Experience and expertise

Ms Ruan carries 26 years of experience in various financial management roles in global companies and has worked in various APAC counties including China, Singapore, Indonesia and Australia. Her previous roles include CFO of Noble Group China (currently COFCO), Managing Director/Coverage Head of Rabobank China and Finance Head for Cargill's Starch and Metals business units. In her most recent role as Group CFO and Director of FKS Food and Agri, and Indonesian Conglomerate, Ms Ruan covered all aspects of financial and treasury operations and led key strategic initiatives, including investor sourcing, debt financing, M&A's and Risk Management of commodity merchandising business in the Group.

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

Nil ordinary shares in RLG.

1,166,667 performance shares in RLG.

DIRECTORS REPORT (Continued)

Directors (Continued)

Terence Leung BCom. LL.B.

Non-Executive Director (appointed 12 December 2023)

Experience and expertise

Mr Leung has over 15 years of professional experience in the financial services industry in Australia and Asia, spanning investment banking and capital markets, principal investment and asset management. He has previously worked for international investment bank Credit Suisse; China's largest securities brokerage Huatai; and an Asian hedge fund manager. More recently, he has been engaged in various business ventures involving China cross-border trade. Mr Leung holds Bachelor Degrees in Commerce and Law from the University of Sydney. He is currently a licensed representative of Sunwah Kingsway Holdings Limited in Hong Kong.

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

34,619,888 ordinary shares in RLG.

Nil performance shares in RLG.

Bryan Carr BSC.

Managing Director and Chief Executive Officer

Experience and expertise

Mr Carr is an experienced ASX public company Managing Director and Chief Executive Officer with extensive operating experience in Australia and China. He has over 20 years' experience working in technology companies in the private and public company environment where he has developed proven business development skills and comprehensive corporate governance, finance, capital markets and risk management expertise. In addition to his experience in the Australian corporate environment, Mr Carr has a highly developed understanding of Asia-based business operations, including 10 years based in China during which time he developed an in-depth understanding of China and Hong Kong's commercial, corporate and regulatory operating requirements.

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

18,950,000 ordinary shares in RLG.

8,750,000 performance shares in RLG.

DIRECTORS REPORT (Continued)

Directors (Continued)

Warren Barry BSC, MBA.

Executive Sales Director (resigned 12 December 2023)

Experience and expertise

Mr Barry has been involved in the digital space for over 22 years and has been actively involved in taking several companies to ASX listing. He has setup and sold several digital agencies over the years as well as being a former CEO of publicly listed Company, Gruden. Mr Barry has a BSC from UNSW and a MBA from UWA. Mr Barry's key area of focus is developing online strategies for companies but also working with them on developing ways to commercialise and monetise their digital footprint. Over his journey to date, Mr Barry has worked with very high-profile clients including Telstra, AFL, CUB, Betta, Sydney Airports, Adelaide Airports, Curves Gym, Shop a Docket, Sealink and The Agency.

Other current listed directorships

None.

Former listed directorships in the last 3 years

None.

Interests in shares, options and performance shares

29,650,801 ordinary shares in RLG (on resignation).

10,500,000 performance shares in RLG (on resignation).

Company Secretary

Jyotika Gondariya CA

Mrs Gondariya was appointed to the position of company secretary in March 2022. Mrs Gondariya is a well-credentialled finance professional with over 10-years' experience with publicly listed and private entities in the technology, resources and construction sectors, including in assurance and advisory services. Mrs Gondariya has been involved in financial reporting, initial public offerings, advising and implementation of expansion strategies and is well versed in technical accounting concepts.

DIRECTORS REPORT (Continued)

Principal Activities

RLG is an e-commerce and digital marketing provider delivering integrated marketing services and e-commerce operations leveraging RLG's cross-cultural expertise in Australia, China, Hong Kong and more broadly across South-east Asia.

RLG specialises in market entry and cross-border e-commerce, providing a comprehensive sales platform, RLG Marketplace, for brands to enter and sell into new markets.

The company markets and sells food, beverage and health and wellness products exclusively in the markets it operates in and also sells its own health and food brand – VORA through its online RLG Marketplace:

- With a global Client Base – 7 Countries
- Platform Product Sales of \$36 million delivered (FY2020 to current)
- A growing margin on product sales
- A growing number of online and offline sales channels.

RLG CONNECTS GLOBAL BRANDS DIRECTLY TO NEW MARKETS AND NEW CONSUMERS



The Company has strong sales and distribution partnerships, both online and offline, through which it sells its food, health and wellbeing portfolio of products.



DIRECTORS REPORT (Continued)

Review of Operations

Through FY2024, RLG continued expansion of its marketing, distribution and sales of consumer health, wellness and food and beverage products with additional sales channels added with tactical product brand selection. RLG has been working closely and extensively, identifying and building out new partnerships in China and other markets where we are working with well-established, highly credible businesses seeking quality Australian ingredients for product manufacturing for sale of those products in China and internationally.

In addition to RLG's established online stores in Australia and China, the Company is developing additional stores and sales channel partnerships to be launched, including in new markets, through the balance of calendar year 2024.

Your investment in RLG provides diversified exposure to the largest e-Commerce market in the world – China (which is nearly 3 times the size of the next biggest market, being the U.S.), and where RLG is focussed on the food and wellness sector being marketed and delivered to a growing and increasingly affluent consumer base.

Operational highlights

- The Company entered into agreements to source and supply health, wellness and food products to be sold both online and through physical pharmacies in a variety of wholesale and retail businesses in China with a range of health and food products delivered into the retail pharmacy market in 2024.
- RLG expanded its portfolio of health and wellness products with the appointment by The Hydration Pharmaceuticals Company Limited (ASX:HPC) for RLG to exclusively market, sell and distribute the Hydralyte range of electrolyte-rich tablets, liquids and powders in China.
- Service and product distribution contracts were also signed with Australian beauty products company, About Time We Met, Australian Pharmaceutical company, Care Pharmaceuticals and a European entertainment group.
- RLG's portfolio of products focussed on the functional food, general health and wellness sectors and was further extended with RLG appointed by Minijumbuk to market and sell its well-known Australian premium wool bedding products including quilts, mattress toppers and pillows in China, achieving initial sales of approximately \$725,000 in the first 3 months of launch, driven by marketing activities implemented in FY2024.
- RLG attended and promoted its product portfolio at China International Import Expo (CIIE) in Shanghai, the annual major initiative of the Chinese government. RLG was supported at the CIIE by Austrade, Trade & Investment Queensland, Global Victoria and Western Australia's DPIRD. RLG was showcased on CCTV on a livestream broadcast attracting 46,000 views and in People's Daily news coverage.



- Media coverage in China showcasing RLG's achievements and range of products in market, including the Company's own VORA Health range of products and the successful launch and positioning of Remedy Drinks Kombucha, including coverage in the People's Daily (<http://world.people.com.cn/n1/2023/1108/c1002-40114059.html>) and online media.

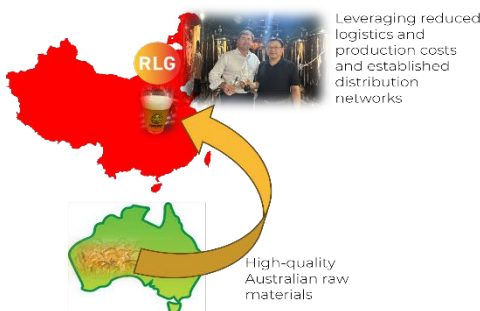


DIRECTORS REPORT (Continued)

Review of Operations (Continued)

Operational highlights (Continued)

- RLG operated and managed the online sales platforms and digital marketing of the Kava range of products on behalf of The Calmer Co in China and Australia for the majority of FY2024.
- In December 2023, RLG implemented strategic changes to its Board, with Mr Terence Leung joining the Board as an independent Non-Executive Director and Mr Warren Barry stepping down as a Director to focus exclusively on sales and business development in an executive role with the Company. Mr Leung, based in Hong Kong and with extensive China-based business and financial markets expertise, is working closely with both the China-based and Australia teams to progress new sales opportunities.
- RLG 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.
 - This new sales channel is expected to drive product profit margin growth of sales of RLG's products, with marketing the responsibility of the sales channel which is to be incentivised for provision of profit to RLG with Performance Rights. RLG proposed 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.
 - In further alignment of objectives, Fujian Jushi Supply Chain Management agreed to acquire \$100,000 of RLG shares at \$0.0085, with proceeds received during the financial year and the share allotment processed subsequent to year end.
 - First high-margin sales with Fujian Jushi Supply Chain Management Co., Ltd for RLG's health and wellness products were achieved with sales of \$245,000 and cash profit of \$60,000 received in June 2024.
- Strategic investment placement with Guizhou Yuanzhuang Jiangjiu Supply Chain., Ltd Co. completed to raise \$500,000. Guizhou Yuanzhuang Jiangjiu Supply Chain manufactures and sells premium beverages in China and has strong distribution and commercial supply networks.
- RLG entered into an agreement with Henan Rock Kangaroo Brand Management Co., Ltd for it to manufacture and supply beer produced from Australian ingredients which RLG sells through its online and offline channels in China. The agreement with Henan Rock will service orders from RLG's distribution network for a range of beers which are to be marketed and sold under the Kangaroo Beer label. First sales in June 2024 achieved 50% profit margin contribution to RLG with further orders completed in July 2024 and further monthly orders under negotiation.



Following a period of investment in growth and sales channel expansion, RLG continues to optimise its sales conversion methods, delivering lower costs across the company and higher profit margin contribution from product sales, with the following financial outcomes agreed in FY2024.

- Lower margin product sales and channels on hold as the Company focuses on product and sales channel optimisation to contribute positively to operating cashflow and profitability;
- Continued development of own brand VORA health & wellness products targeting expanded range and sales platforms growth.
- Additional products are being marketed in FY2025 and are expected to generate sales that will contribute to achieving higher net profit margins in line with the Company's strategy.

DIRECTORS REPORT (Continued)

Review of Operations (Continued)

Strategic and structural changes to the business were implemented throughout FY2024 with key business financial improvements achieved as follows as the Company focussed in 2HY on identifying higher margin products and sales channels.

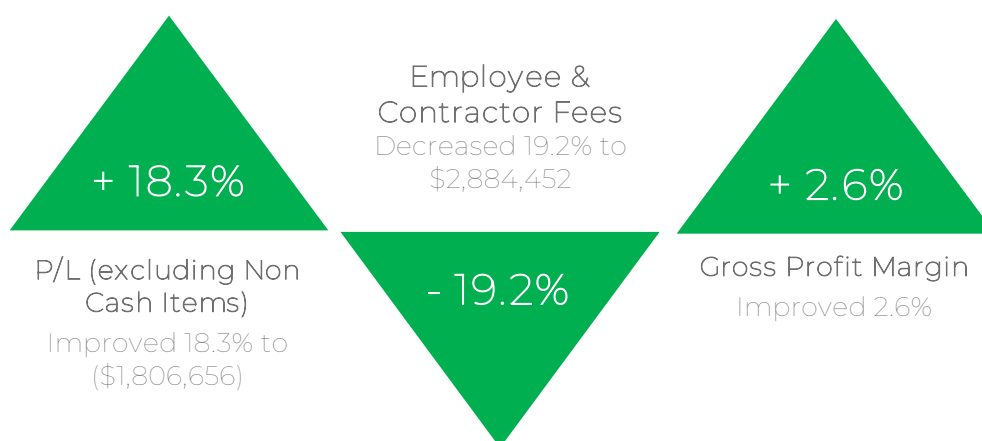
- **Gross profit margin** improved by 2.6% from FY2023 and new sales channels contributed a Gross profit margin of 25% in just the first month of sales in June 2024.
- **Employee & Contractor Fees*** decreased 19.2% to **\$2,732,181** ↓ -19.2% from FY2023
- **P/L** improved 9.5% to **\$2,105,751** ↑ +9.5% from FY2023
- **P/L (excl. Non Cash Items)** improved 18.3% to **\$1,806,656** ↑ +18.3% from FY2023

(* Excluding Investor Relations and Corporate Advisory Fees which also decreased 24% to \$152,270 in FY2024.)

A continued focus on expense reduction while focusing on higher margin product sales contributed to the improving P/L position with a reduced loss of (\$1,806,656), after adjustment for non-cash items, in FY2024 as compared to FY2023 (\$2,212,481).

The Company is optimising all sales channels transactions with the Company focussing on driving higher profit margin revenue by product and sales channel alignment. Higher margin product sales orders were launched with new sales channel partners in June 2024 achieving 25% gross profit margins on product sales.

The Company is continuing to optimise sales conversion methods, expansion of sales platforms and geographic reach as we work with our sales channels to target the supply and sale of higher-margin and identified, high demand products and looks forward to updating shareholders on the Company's progress.



Our recently announced sales channel partnerships are already making profitable contributions to the business and we look forward to continued growth in these areas of focus. Securing distribution in an increasing number of physical stores in China and growing sales and distribution partnerships is a key expansion priority that will continue in FY2025, leveraging RLG's exclusive product sales agreements and strong online presence with dedicated digital marketing and e-commerce teams in China and Australia.

DIRECTORS REPORT (Continued)

Operating results for the year

The Group has earned revenue from continuing operations of \$9,480,574 (30 June 2023: \$12,320,889) with cash receipts of \$12,217,060, (30 June 2023: \$12,093,533) with the consolidated loss attributable to members of the Group being \$2,087,044, (30 June 2023: \$2,326,748) which includes non-cash based items totalling \$299,096.

During the period the Company continued the implementation of cost minimisation across business operations along with a strategic review of all sales channels transactions, with the objective to invest in higher margin products, increasing focus on selling its own VORA range, appointing high margin sales channels and removing low margin sales channels, and aiming to drive improved profitability across the Group.

As a result of a higher focus on product selection, revenue performance decreased but this was offset by a higher decrease in cost of sales, with the Company realising a net improvement in gross margin. Effective product selection and cost minimisation has also seen an improvement in other business metrics linked directly to delivery and importantly improved P/L financial performance by \$239,704 and by \$424,533 with non-cash items excluded..

Following on from the strategic review, the Company commenced the implementation of high margin sales channels with the appointment of Fujian Jushi Supply Chain Management. First sales from this channel have contributed \$245,000 in revenue and \$60,000 in profit in just the first month of trading. Further transactions have been delivered at the commencement of FY2025 and the Company expects to secure further orders to contribute meaningful net profit contributions, which in combination with reduced operating costs, is expected to contribute positively to operating cashflow and profitability.

Other expenses are \$209,215 lower in FY2024, with the exclusion of a one-off bad debt expense of \$162,197 in FY2023 results that was attributable to the write-off of a receivable inherited on the acquisition of QBID Pty Ltd in October 2019. Other expenses also include \$148,025 in interest costs paid on the Company's short and long term borrowings.

Other income for FY2023 also included a one-off income on extinguishment of a financial liability which is related to a financial liability inherited on the acquisition of QBID Pty Ltd.

Significant changes in the state of affairs

Other than disclosed elsewhere in this report, there have been no significant changes in the state of affairs of the Group to the date of this report.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Significant events after balance date

On 15 July 2024, the Company issued 11,764,706 ordinary shares to Fujian Jushi Supply Chain Management to raise proceeds of \$100,000 which were received prior to 30 June 2024 and held in escrow, subject to issue of shares.

On 14 August 2024, the Company made repayment of \$200,000 for the Convertible Loan arrangement with Xiaodan Wu. The 8,000,000 Convertible Debt Securities with a conversion price of \$0.025 lapsed on repayment of the loan.

On 28 August 2024, the Company announced that it will undertake a renounceable entitlement issue, key details of which are as follows:

- 1 share for every 1 share held by shareholders registered at the record date at an issue price of \$0.004 per share, together with 1 free attaching Option for every 2 shares held.
- Based on the capital structure of the Company (assuming no existing options or performance shares are exercised prior to record date), a maximum of 794,146,368 shares and 397,073,184 options will be issued pursuant to the entitlements issue to raise up to \$3,176,585. No funds will be raised from the issue of the options.
- The options will have an exercise price of 1 cent and a term of 2 years.
- Included in the entitlement issue is a shortfall offer which will allow Shareholders to apply for additional shares and attaching options in excess of their entitlements.

DIRECTORS REPORT (Continued)

Significant events after balance date (continued)

- All directors and key management personnel intend to participate and are sub-underwriting additional \$200,000 thousand from the shortfall.
- The Rights Issue is partially underwritten to \$1,500,000 by Lead Manager and Underwriter Mahe Capital Pty Ltd.

There has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

Directors' Meetings

The number of board meetings of the Company's board of directors held during the year ended 30 June 2024, and the number of meetings attended by each director are set out below. As set out in the Company's Corporate Governance Statement, the Company does not currently have any fully constituted committees, however, matters typically dealt with by an Audit and Risk Committee, and a Remuneration and Nomination Committee are dealt with in full board meetings as and when required.

Number of meetings held:	Board Meetings	
	Number of meetings attended:	Number of meetings eligible to attend
		6
Grant Pestell	5	6
Shenny Ruan	6	6
Terence Leung	4	4
Bryan Carr	6	6
Warren Barry	2	2

Other matters of Board business have been resolved by circular resolution of directors, which are a record of decisions made at a number of informal meetings of the directors held to control, implement and monitor the Company's activities throughout the year.

Interests in the ordinary shares, options and performance shares of the Company and related bodies corporate

At the date of this report, ordinary shares, options and performance shares granted to Directors of the Company and the entities it controlled are:

Directors	Fully paid ordinary shares Number	Share options Number	Performance Shares Number
Grant Pestell	9,909,959	-	2,333,334
Shenny Ruan	-	-	1,166,667
Terence Leung	34,619,888	-	-
Bryan Carr	18,950,000	-	8,750,000
	63,479,847	-	12,250,001

DIRECTORS REPORT (Continued)

Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
30 December 2021	34,807,691	\$0.05	30 November 2024

Shares issued during or since the end of the year as a result of exercise of options

No ordinary shares were issued during the year as a result of the exercise of an option.

No ordinary shares have been issued by the Company since the end of the financial year as a result of the exercise of an option.

Remuneration report

The Remuneration Report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel of the Group for the financial year ended 30 June 2024 and is included on page 13.

Environmental legislation

The Group is not subject to any significant environmental legislation.

Key Risks

The Board is cognisant of certain principal risks that may impact the ability of the Group to achieve its business objectives which include:

- **Exchange rates** - the income and expenditure of the Group can and often will be accounted for in United States dollars and other currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between these currencies and the Australian dollar as determined in international markets. The Group monitors and managed this risk in the way of a natural hedge by negotiating supply and purchase contracts in the same currency and retaining cash balances in the required foreign currency to eliminate risks of exchange rate movements.
- **Reliance on key management** - The Group relies on its key senior management, each of whom has knowledge and experience of the Company's products and services that cannot be replicated by others in the short term. In the event that key senior management terminate their employment relationship with the Company the loss could harm the Company's business. The Group manages this risk by specifying relevant periods of notice in their employment agreements with the Company to allow the Group the time to recruit suitable replacements.
- **Contract risks** - The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations. The Group continues to monitor and closely manage contractual and supply chains risks (which includes use of more than one key supplier or sales channel for our products).
- **Capital requirements** - the continued operations of the Group are dependent on its ability to obtain financing through debt and equity means, or generating sufficient cash flows from future operations. Depending on whether the Group executes its strategic plans to achieve budgeted outcomes, additional capital may be required (beyond current ongoing capital raising activity) to support RLG's growth and strategic plans. The Group continually monitors and manages this risk by diversifying the use of available sources of financing between debt and equity to ultimately achieve the most beneficial outcome for shareholders.

DIRECTORS REPORT (Continued)

Key Risks (Continued)

- **Regulatory risk** – The Group will continue to have operations overseas jurisdictions and will be exposed to a range of different legal and regulatory regimes. This will give rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, and other issues. Possible sovereign risks include (without limitation) changes in legislation, a shift in political attitude, changes in economic and social conditions, political instability, the imposition of operating restrictions, government participation, changes to taxation rates and/or concessions, exchange control, licensing, duties or imposts, repatriation of income, or return of capital. Any of these factors may, in the future, adversely affect the financial performance and financial position of the Company.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 26 to the financial statements. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2024.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the directors.



Bryan Carr
Managing Director and Chief Executive Officer
Perth, 30 August 2024

REMUNERATION REPORT

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of RooLife Group Ltd for the financial year ended 30 June 2024. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

Key Management Personnel

The directors and other key management personnel of the Group during or since the end of the financial year were:

Directors

Grant Pestell	Non-Executive Chairman
Ye (Shenny) Ruan	Non-Executive Director
Terence Leung	Non-Executive Director (appointed 12 December 2023)
Bryan Carr	Managing Director and Chief Executive Officer
Warren Barry	Executive Sales Director (resigned 12 December 2023)

Executives

Jyotika Gondariya	Chief Financial Officer and Company Secretary
Warren Barry	Head of Sales

Except as noted, the named persons held their current positions for the whole of the financial year and since the financial year.

Remuneration philosophy

The performance of the Company depends upon the quality of the directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Other than the performance bonus scheme applicable to certain employees, remuneration is not linked to Group performance.

Remuneration Committee

The Company does not have a separate remuneration committee until such time as the board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company.

The full board carries out the duties that would ordinarily be assigned to that committee, ensuring that the level and composition of remuneration provided to attract and retain high quality directors and employees is commercially appropriate and targeted to align with the interests of the Company whilst not resulting in a conflict with the objectivity of its independent directors.

The board of directors of the Company is responsible for determining and reviewing compensation arrangements for the directors, the CEO and the executive team.

The board assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

REMUNERATION REPORT (Continued)

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Use of remuneration consultants

Independent external advice is sought from remuneration consultants as required. No advice was sought for remuneration during the financial year.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The Constitution of the Company provides that the directors may determine the remuneration of directors prior to the first annual general meeting of the Company. The fees determined by the directors are set out below. The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The Company will seek the approval of shareholders in the event the directors' fees are increased beyond the levels stated.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors will be reviewed annually. The Board may consider advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a director of the Company. An additional fee will also be paid for each board committee on which a director sits when such board committees are established. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

The Company has entered into non-executive director contracts for services with each of Mr Pestell and Ms Ruan and Mr Leung. Each such contract is on broadly similar terms, which include the following:

- Term: Continuation of appointment is subject to and contingent upon the fulfilment of the obligations of a non-executive director under the ASX Listing Rules, the Constitution of the Company and the Corporations Act, and the successful re-election by the Company shareholders.
- Fixed fee:
 - Mr Pestell: A\$71,175 per annum;
 - Ms Ruan: A\$45,000 per annum plus superannuation; and
 - Mr Leung: A\$45,000 per annum.

Mr Pestell and Ms Ruan received Performance Shares as incentivisation in FY2022. The conversion of the Performance Shares is conditional upon the achievement of certain milestones. Each Performance Share converts to one fully paid ordinary share upon conversion.

The non-executive directors may be entitled to such additional fees or other amounts as the board determines (in its absolute discretion) where performing special duties or otherwise performing services outside the scope of the ordinary duties of a director.

The non-executive directors may also be reimbursed for out-of-pocket expenses incurred as a result of their respective directorships or any special duties upon production of the relevant receipts.

The non-executive directors are expected to attend regular board meetings involving a minimum commitment of 10 hours per month, as well as attending the annual general meeting of the Company and informal meetings and consider general correspondence from time to time.

REMUNERATION REPORT (Continued)

Executive director and senior manager remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

Fixed Remuneration

Fixed remuneration is reviewed annually by the board. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The board has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component is detailed in the Key Management Personnel remuneration table for the year ended 30 June 2024.

Variable Remuneration

The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

The aggregate of annual payments available for executives across the Group is subject to the approval of the board. The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

Executive Director Consultancy Agreements

(a) Managing Director and Chief Executive Officer

The terms and conditions of the employment contract entered into between the Company and Mr Carr are as follows:

Commencement date:	20 December 2018;
Term:	The consultancy agreement continues until either party terminates by giving the other not less than six months' prior notice in writing;
Fixed fee:	\$273,750 per annum, reviewable annually;
Equity incentivisation:	Mr Carr has received Performance Shares (as set out in the below table) as incentivisation. The conversion of the Performance Shares is conditional upon the achievement of certain milestones, (each Performance Share converts to one fully paid ordinary share upon conversion);
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, the CEO will be eligible every 12 months for a lump sum bonus payment of up to 50% of base fee, payable as either cash or fully paid shares in the capital of the Company;
Intellectual property:	Mr Carr acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by him within the course of his consultancy services; and
Non-solicitation:	Mr Carr will not, for a period of 24 months after termination of consultancy agreement, solicit any customer or employee of the Group (other than in connection with businesses which are not competitive with those operated by the Group).

REMUNERATION REPORT (Continued)

Other Key Management Personnel Employment Contracts

(a) Head of Sales' contract

The terms and conditions of the employment contract entered into between the Company and Mr Barry are as follows:

Commencement date:	13 December 2023;
Term:	The employment contract continues until either party terminates by giving the other not less than three months' prior notice in writing;
Remuneration:	\$250,000 per annum plus superannuation, reviewable annually;
Equity incentivisation:	Mr Barry has received Performance Shares (as set out in the below table) as incentivisation. The conversion of the Performance Shares is conditional upon the achievement of certain milestones, (each Performance Share converts to one fully paid ordinary share upon conversion);
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, Mr Barry will be eligible every 12 months for a lump sum bonus payment of up to 50% of base fee, payable as either cash or fully paid shares in the capital of the Company;
Intellectual property:	Mr Barry acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by Mr Barry in the course of his employment; and
Non-solicitation:	Mr Barry will not, for a period of 24 months after termination of employment, solicit any customer or employee of the Company (other than in connection with businesses which are not competitive with those operated by the Company).

(b) Chief Financial Officer and Company Secretary's contract

The terms and conditions of the employment contract entered into between the Company and Mrs Gondariya are as follows:

Commencement date:	7 May 2021;
Term:	The employment contract continues until either party terminates by giving the other not less than three months' prior notice in writing;
Remuneration:	\$240,000 per annum plus superannuation, reviewable by the Company from time to time;
Equity incentivisation:	Mrs Gondariya will receive Performance Shares as incentivisation. The conversion of the Performance Shares is conditional upon the achievement of certain milestones, (each Performance Share converts to one fully paid ordinary share upon conversion);
Performance bonus scheme:	Subject to meeting key performance measures, which will be set by the board, Mrs Gondariya will be eligible every 12 months for a lump sum bonus payment of \$10,000 payable in cash and to participate in Company's performance bonus scheme.
Intellectual property:	Mrs Gondariya acknowledges that the Company is the exclusive owner of all rights, title and interest in all intellectual property created by Mrs Gondariya in the course of her employment; and
Non-solicitation:	Mrs Gondariya will not, for a period of 24 months after termination of employment, solicit any customer or employee of the Company (other than in connection with businesses which are not competitive with those operated by the Company).

REMUNERATION REPORT (Continued)

Remuneration of Key Management Personnel

30 June 2024	Short-term employee benefits		Post-employment benefits	Share-based payments ¹	Relative proportions of remuneration of KMP that are linked to performance		
	Salary & fees	Other	Super	Shares / Share options	Total	Fixed remuneration	Remuneration linked to performance
	\$	\$	\$	\$	\$	%	%
Directors							
Grant Pestell	71,175	-	-	4,265	75,440	94%	6%
Ye Ruan	45,000	-	4,950	2,132	52,082	96%	4%
Terence Leung	25,040	-	-	-	25,040	100%	0%
Bryan Carr	273,750	-	-	15,994	289,744	94%	6%
Warren Barry	112,329	-	12,356	4,312	128,997	97%	3%
Executives							
Jyotika Gondariya ²	240,000	10,000	27,550	4,738	282,288	95%	5%
Warren Barry	137,671	-	15,144	5,285	158,100	97%	3%
	904,965	10,000	60,000	36,726	1,011,691		

¹ Share-based payments to Directors and Executives comprise of the vested component of performance shares granted in previous financial years. The performance shares were valued at the closing market price on grant date as disclosed in previous annual reports. The expense for FY2024 relates to the vested component of performance shares with market based conditions. Although the conditions were not achieved, due to the existence of a market based condition, a reversal of the expense is not permitted under AASB 2 Share Based Payments.

² Other benefits for Mrs Gondariya comprise a cash bonus of \$10,000. The amount remains unpaid and is included in amounts payable as at 30 June 2024.

30 June 2023	Short-term employee benefits		Post-employment benefits	Share-based payments ¹	Relative proportions of remuneration of KMP that are linked to performance		
	Salary & fees	Other	Super	Shares / Share options	Total	Fixed remuneration	Remuneration linked to performance
	\$	\$	\$	\$	\$	%	%
Directors							
Grant Pestell	71,175	-	-	10,867	82,042	87%	13%
Ye Ruan	45,000	-	4,725	5,433	55,158	90%	10%
Bryan Carr	273,750	-	-	40,749	314,499	87%	13%
Warren Barry	250,000	568	12,855	24,449	287,872	91%	9%
Executives							
Jyotika Gondariya ²	240,000	10,000	24,742	21,476	296,218	89%	11%
	879,925	10,568	42,322	102,974	1,035,789		

¹ Share-based payments to Directors and Executives comprise of the vested component of performance shares granted in the previous financial year. The performance shares were valued at the closing market price on grant date as disclosed in previous annual reports.

² Other benefits for Mrs Gondariya comprise a cash bonus of \$10,000. The amount remains unpaid and is included in amounts payable as at 30 June 2023.

REMUNERATION REPORT (Continued)

Employee share, right and option plans

Options granted as compensation

No options were granted as compensation during the current year and previous year.

Performance rights granted as compensation

30 June 2024

No performance rights were granted as compensation during the current year.

30 June 2023

No performance rights were granted as compensation during the previous year.

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2024	Balance at beginning of year Number	Conversion of vested performance rights Number	Net change other Number	Purchased on market Number	Disposal Number	Balance at end of year Number	Balance held nominally Number
Directors							
Grant Pestell ¹	9,909,959	-	-	-	-	9,909,959	-
Ye Ruan	-	-	-	-	-	-	-
Terence Leung	-	-	34,619,888 ²	-	-	34,619,888	-
Bryan Carr	18,950,000	-	-	-	-	18,950,000	-
Warren Barry	29,650,801	-	(29,650,801) ³	-	-	-	-
Executives							
Jyotika Gondariya	1,229,090	1,000,000	-	-	-	2,229,090	-
Warren Barry	-	-	29,650,801 ³	338,250	-	29,989,051	-
	59,739,850	1,000,000	34,619,888	338,250	-	95,697,988	-

¹ Mr Pestell's shareholding includes shares held directly and indirectly. G Pestell owns 25% of Digrevni Investments Pty Ltd ("Digrevni"), which is the holder of 2,500,000 ordinary shares in RLG. G Pestell also has a 25% interest in Artemis Corporate Limited which holds 2,264,107 ordinary shares in the Company and a 24% interest in Storm Enterprises Pty Ltd which holds 2,045,847 ordinary shares in the Company.

² Mr Leung's shareholding is held indirectly via Xiaodan Wu (spouse of Mr Leung) and represents the balance held on initial appointment as a Director. Xiaodan Wu directly holds 7,081,346 shares and 27,538,542 shares are held through custodian BNP Paribas Nominees Pty Ltd.

³ Net change other represents 29,650,801 shares held at resignation date as Director transferred to holdings disclosable as an Executive.

REMUNERATION REPORT (Continued)

Key management personnel equity holdings (continued)

Fully paid ordinary shares (continued)

30 June 2023	Balance at beginning of year Number	Conversion of vested performance right Number	Acquired on market Number	Disposal on market Number	Balance at end of year Number	Balance held nominally Number
Directors						
Grant Pestell ¹	8,576,626	1,333,333	-	-	9,909,959	-
Ye Ruan	-	666,666	-	(666,666)	-	-
Bryan Carr	12,750,000	5,000,000	1,200,000	-	18,950,000	-
Warren Barry	25,325,267	3,000,000	1,325,534	-	29,650,801	-
Executives						
Jyotika Gondariya	229,090	1,000,000	-	-	1,229,090	-
	46,880,983	10,999,999	2,525,534	(666,666)	59,739,850	-

¹ Mr Pestell's shareholding includes shares held directly and indirectly. G Pestell owns 25% of Digrevni Investments Pty Ltd ("Digrevni"), which is the holder of 2,500,000 ordinary shares in RLG. G Pestell also has a 25% interest in Artemis Corporate Limited which holds 2,264,107 ordinary shares in the Company and a 24% interest in Storm Enterprises Pty Ltd which holds 2,045,847 ordinary shares in the Company.

Share options

30 June 2024

There were no share options held by any Directors during the year ended 30 June 2024.

30 June 2023	Balance at beginning of year Number	Lapsed Number	Balance at end of year Number	Balance vested at end of year Number	Vested but not exercisable Number	Vested and exercisable Number	Options vested during the year Number
Directors							
Grant Pestell	1,500,000	(1,500,000)	-	-	-	-	-
Ye Ruan	-	-	-	-	-	-	-
Bryan Carr	-	-	-	-	-	-	-
Warren Barry	-	-	-	-	-	-	-
Executives							
Jyotika Gondariya	-	-	-	-	-	-	-
	1,500,000	(1,500,000)	-	-	-	-	-

REMUNERATION REPORT (Continued)

Key management personnel equity holdings (continued)

Performance rights and Performance shares

30 June 2024	Balance at beginning of year Number	Granted during the year Number	Converted during the year Number ¹	Net change other Number	Balance at end of year Number
Directors					
Grant Pestell	4,666,667	-	-	-	4,666,667
Ye Ruan	2,333,334	-	-	-	2,333,334
Terence Leung	-	-	-	-	-
Bryan Carr	17,500,000	-	-	-	17,500,000
Warren Barry	10,500,000	-	-	(10,500,000) ²	-
Executives					
Jyotika Gondariya	2,000,000	-	(1,000,000)	-	1,000,000
Warren Barry	-	-	-	10,500,000 ²	10,500,000
	37,000,001	-	(1,000,000)	-	36,000,001

¹ The company has entered into performance rights based payment arrangement with Directors and Executives in previous years.

² Net change other represents 10,500,000 performance shares held at resignation date as Director transferred to holdings disclosable as an Executive.

30 June 2023	Balance at beginning of year Number	Granted during the year Number	Converted during the year Number ¹	Net change other Number	Balance at end of year Number
Directors					
Grant Pestell	6,000,000	-	(1,333,333)	-	4,666,667
Ye Ruan	3,000,000	-	(666,666)	-	2,333,334
Bryan Carr	22,500,000	-	(5,000,000)	-	17,500,000
Warren Barry	13,500,000	-	(3,000,000)	-	10,500,000
Executives					
Jyotika Gondariya	3,000,000	-	(1,000,000)	-	2,000,000
	48,000,000	-	(10,999,999)	-	37,000,001

¹ The company has entered into performance rights based payment arrangement with Directors and Executives in previous years.

REMUNERATION REPORT (Continued)

Key management personnel equity holdings (continued)

Convertible debt securities

30 June 2024	Balance at beginning of year Number	Granted during the year Number	Converted during the year Number	Net change other Number	Balance at end of year Number
Directors					
Grant Pestell	-	-	-	-	-
Ye Ruan	-	-	-	-	-
Terence Leung	-	-	-	8,000,000	8,000,000
Bryan Carr	-	-	-	-	-
Warren Barry	-	-	-	-	-
Executives					
Jyotika Gondariya	-	-	-	-	-
Warren Barry	-	-	-	-	-
	-	-	-	-	-

¹ Mr Leung's Convertible Debt Securities holding is held indirectly via Xiaodan Wu (spouse of Mr Leung) and represents the balance held on initial appointment as a Director.

30 June 2023

There were no convertible debt securities held by any Directors during the year ended 30 June 2023.

Loans to key management personnel

No loans have been provided to any member of the Group's key management personnel in the year.

REMUNERATION REPORT (Continued)

Key management personnel transactions

In addition to the above remuneration, related party transactions with key management personnel are described below.

	2024	2023
	\$	\$
<i>The following amounts were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr Pestell:</i>		
- provision of general legal services	109,663	36,690
- provision of capital raising service	24,665	-
<hr/>		
<i>The following amount were paid to ITS Consulting Pty Ltd and Shabaz Family Trust, the organizations related to Mr Carr:</i>		
- Interest on long-term borrowings	20,493	-
As at 30 June 2024, the long-term loan provided to the company is for \$200,000 ¹		
<hr/>		
<i>The following amount were paid to Barry Consulting Pty Ltd, a company related to Mr. Barry:</i>		
- Interest on short-term borrowings	12,713	-
<hr/>		
<i>The following amount were paid to Xiaodan Wu, a person related to Mr. Leung:</i>		
- Interest on convertible note	8,811	-
As at 30 June 2024, the convertible note with Xiaodan Wu is for \$200,000 ¹		
Total:	176,345	36,690

¹Please refer to Note 16 for terms and conditions.

END OF REMUNERATION REPORT

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of RooLife Group Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 August 2024



D I Buckley
Partner

hlb.com.au

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Continuing operations			
Revenue	2, 4	9,480,574	12,320,889
Other income	2	146,636	364,246
		<u>9,627,210</u>	<u>12,685,135</u>
Direct product, logistics and marketing costs		(7,549,827)	(9,928,945)
Staff and contactor costs of providing goods and services		(893,832)	(1,203,729)
Other costs of providing goods and services		(51,217)	(226,199)
Depreciation expense	12	(6,706)	(12,163)
Amortisation expense	13	(55,936)	(42,254)
Impairment of assets	11	(65,900)	(13,789)
Share based payment expense	20	(75,007)	(127,974)
Business development costs		(351,620)	(332,785)
Consulting and investor relation fees		(266,503)	(552,745)
Employee costs		(1,372,497)	(1,480,366)
Other expenses	2	(1,043,916)	(1,090,934)
Loss before income tax		<u>(2,105,751)</u>	<u>(2,326,748)</u>
Income tax benefit	3	-	-
Net loss for the year		<u>(2,105,751)</u>	<u>(2,326,748)</u>
Other comprehensive loss, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		28,911	39,626
Other comprehensive income for the year, net of income tax		<u>28,911</u>	<u>39,626</u>
Total comprehensive loss for the year		<u>(2,076,840)</u>	<u>(2,287,122)</u>
Loss for the year is attributable to:			
Non-controlling interest		(18,707)	-
Owner of Roolife Group Limited		(2,087,044)	(2,326,748)
		<u>(2,105,751)</u>	<u>(2,326,748)</u>
Basic loss per share (cents per share)	5	(0.28)	(0.33)
Diluted loss per share (cents per share)	5	(0.28)	(0.33)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,035,051	1,419,586
Trade and other receivables	8	583,079	3,768,615
Financial asset	9	162,414	297,414
Other current assets	10	524,879	235,230
Inventories	11	196,312	331,255
Total current assets		2,501,735	6,052,100
Non-current assets			
Property, plant and equipment	12	12,313	16,383
Deferred tax assets	3	17,815	21,839
Financial asset non-current	9	80,000	80,000
Other intangible assets	13	89,859	189,491
Goodwill	14	2,389,085	2,389,085
Total non-current assets		2,589,072	2,696,798
Total assets		5,090,807	8,748,898
Liabilities			
Current liabilities			
Trade and other payables	15	1,209,607	3,690,788
Short-term borrowing	16	1,200,000	600,000
Deferred revenue	2	104,775	517,208
Total current liabilities		2,514,382	4,807,996
Non-current liabilities			
Deferred tax liabilities	3	17,815	21,839
Long-term borrowing	16	200,000	-
Provisions	17	6,235	6,235
Total non-current liabilities		224,050	28,074
Total liabilities		2,738,432	4,836,070
Net assets		2,352,375	3,912,828
Equity			
Issued capital	18	31,209,387	30,724,007
Reserves	19	1,648,427	1,588,509
Accumulated losses		(30,486,732)	(28,399,688)
Equity attributable to the owners of Roolife Group Limited		2,371,082	3,912,828
Non-controlling interest		(18,707)	-
Total equity		2,352,375	3,912,828

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

Year ended 30 June 2024

	Notes	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non-controlling interest	Total equity \$
Balance as at 1 July 2023		30,724,007	1,592,643	(4,134)	(28,399,688)	-	3,912,828
Loss for the year		-	-	-	(2,087,044)	(18,707)	(2,105,751)
Other comprehensive income, net of income tax		-	-	28,911	-	-	28,911
Total comprehensive loss for the year		-	-	28,911	(2,087,044)	(18,707)	(2,076,840)
Share issued during the year	18	500,000	-	-	-	-	500,000
Share issue costs	18	(58,620)	-	-	-	-	(58,620)
Conversion of performance shares	18,19	14,000	(14,000)	-	-	-	-
Share-based payments	20	30,000	45,007	-	-	-	75,007
Balance as at 30 June 2024		31,209,387	1,623,650	24,777	(30,486,732)	(18,707)	2,352,375

Year ended 30 June 2023

	Notes	Issued capital \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Non-controlling interest	Total equity \$
Balance as at 1 July 2022		30,411,425	1,777,251	(43,760)	(26,072,940)	-	6,071,976
Loss for the year		-	-	-	(2,326,748)	-	(2,326,748)
Other comprehensive income, net of income tax		-	-	39,626	-	-	39,626
Total comprehensive loss for the year		-	-	39,626	(2,326,748)	-	(2,287,122)
Conversion of performance shares	19	312,582	(312,582)	-	-	-	-
Share-based payments	19	-	127,974	-	-	-	127,974
Balance as at 30 June 2023		30,724,007	1,592,643	(4,134)	(28,399,688)	-	3,912,828

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		12,217,060	12,093,533
Payments to suppliers and employees		(14,132,294)	(13,746,985)
Interest received		31,811	25,448
Interest paid		(135,983)	(27,575)
Government grants and tax incentives		51,889	78,979
Net cash outflow from operating activities	7	<u>(1,967,517)</u>	<u>(1,576,600)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(385)	(14,144)
Proceeds from / (payments for) security deposits (net)		63,413	(18,523)
Proceeds from / (payments for) intellectual property		24,000	(58,272)
Proceeds from sale of investments		1,000	-
Proceeds from repayment of convertible note		135,000	50,000
Net cash inflow/ (outflow) from investing activities		<u>223,028</u>	<u>(40,939)</u>
Cash flows from financing activities			
Proceeds from issue of shares		500,000	-
Proceeds from shares to be issued		100,000	-
Payments for share issue costs		(58,620)	-
Proceeds from the issue of convertible notes		1,200,000	-
Proceeds from borrowings		400,000	600,000
Payment for borrowings		(800,000)	-
Net cash inflow from financing activities		<u>1,341,380</u>	<u>600,000</u>
Net decrease in cash and cash equivalents		(403,109)	(1,017,539)
Cash and cash equivalents at the beginning of the year		1,419,586	2,414,299
Effect of exchange rate fluctuations on cash held		18,574	22,826
Cash and cash equivalents at the end of the year	7	<u>1,035,051</u>	<u>1,419,586</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 1: Statement of material accounting policies

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The consolidated financial statements are for the Group consisting of Roolife Group Ltd and its subsidiaries. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia, China and Hong Kong. The entity's principal activities are the provision of fully integrated digital marketing and customer acquisition services driving online sales of products and services for clients in Australia and China.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2024

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates makes amendments to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements change the way in which accounting policies are disclosed in financial reports. The amendments require disclosure of material accounting policy information rather significant accounting policies and are effective for annual reporting periods beginning on or after 1 January 2023. Accounting policy disclosure has been updated in line with this standard. All other new standards had no material effect.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and have no material impact.

(c) Statement of compliance

The financial report was authorised for issue on 30 August 2024.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of goodwill:

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(d) Significant accounting estimates and judgements (continued)

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. For share-based payments that do not contain market conditions, the fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 20. For share-based payments that contain market conditions, the fair value is determined using a Monte Carlo model, using the assumptions detailed in Note 20.

(e) Going concern

The directors are of the opinion that the Group is a going concern for the following reasons:

- As at the reporting date the Group had cash on hand amounting to \$1,035,051 and net assets amounting to \$2,352,375. The Group had a working capital deficiency of \$12,647, noting that the working capital deficiency included a liability to issue shares to the value of \$100,000 (refer to Note 15 for further details).
- Subsequent to year end, on 15 July 2024, the Company issued 11,764,706 ordinary shares to Fujian Jushi Supply Chain Management to extinguish the liability to issue shares of \$100,000. On allotment of the shares, the proceeds received are no longer held in escrow and become available for use and the liability is transferred to issued capital, thereby contributing positively to working capital.
- Subsequent to year end, on 28 August 2024, the Company announced that it will undertake a renounceable entitlement issue, key details of which are as follows:
 - 1 share for every 1 share held by shareholders registered at the record date at an issue price of \$0.004 per share, together with 1 free attaching Option for every 2 shares held.
 - Based on the capital structure of the Company (assuming no existing options or performance shares are exercised prior to record date), a maximum of 794,146,368 shares and 397,073,184 options will be issued pursuant to the entitlements issue to raise up to \$3,176,585. No funds will be raised from the issue of the options.
 - The options will have an exercise price of 1 cent and a term of 2 years.
 - Included in the entitlement issue is a shortfall offer which will allow Shareholders to apply for additional shares and attaching options in excess of their entitlements.
 - All directors and key management personnel intend to participate and are sub-underwriting additional \$200,000 thousand from the shortfall.
 - The Rights Issue is partially underwritten to \$1,500,000 by Lead Manager and Underwriter Mahe Capital Pty Ltd.
- Funds raised from the renounceable entitlement issue will be used to enable the Company to:
 - Continue expansion and reach of its sales platform in both existing and new markets and drive increased profit margin with the marketing and sales of higher-margin, high-demand products, including the Company's own food and health brand VORA;
 - Repay the outstanding convertible note.

The company has received a commitment from the convertible note holder to invest up to \$1 million under the rights issue.

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(f) Basis of consolidation (continued)

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of RooLife Group Ltd.

(h) Foreign currency translation

Both the functional and presentation currency of RooLife Group Ltd is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(h) Foreign currency translation (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currencies of the foreign operations are:

- OpenDNA (Singapore) Pte Ltd: Wholly owned Singaporean subsidiary. Currency: SGD
- RooLife (HK) Limited: Wholly owned Hong Kong subsidiary. Currency: HKD
- Roolife China: Wholly owned Chinese subsidiary. Currency: CNY
- Qualis Holdings Pty Ltd: Wholly owned Australia subsidiary. Currency: USD

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of RooLife Group Ltd at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to the partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange rate differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences are recognised in other comprehensive income.

(i) Revenue recognition

Revenue arises mainly from the provision of services in the areas of digital marketing, website services, application development and subscription, and marketing consulting. The Group generates revenue largely from its China operations.

To determine whether to recognise revenue, the Group follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related items in the statement of financial position (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(i) Revenue recognition (continued)

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

Transaction price

For contracts with multiple components to be delivered such as Web Development management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Group expects to be entitled and has rights to under the present contract.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Group allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Group determines if revenue will be recognised over time or at a point in time. Where the Group recognises revenue over time for long term contracts, this is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Group recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Group often uses a method of time elapsed which requires minimal estimation. Certain long term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Performance obligations

The nature of contracts or performance obligations categorised within these revenue types include the following:

a) Digital marketing services

This category includes:

- SEO services and media management with performance conditions linked to the completion of the contracts;
- Marketing consulting which is invoiced as the service is being performed with the performance obligations satisfied during the delivery of the service;
- Application development and subscription services which include content fees, page view fees and user subscription fees linked to the activity of subscribers; and
- Website services which include bespoke website builds, hosting fees and creative and design services. Performance obligations are linked to milestone events and for hosting, on an ongoing delivery basis.

Revenue in relation to digital marketing services is recognised over time.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(i) Revenue recognition (continued)

Performance obligations (continued)

b) Product and Platform sales

This category includes the sale of products and sale of products via platforms. Performance obligations are satisfied on delivery of the goods to the customer. Revenue is recognised at a point in time.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by contract type, which includes Digital Marketing and Product and Platform sales as management believe this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows.

Contract assets and contract liabilities

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(j) Impairment of tangible and intangible assets other than goodwill

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(k) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(k) Financial instruments (continued)

Subsequent measurement of financial assets (continued)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI.

Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss.

Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

This category includes unlisted equity securities that were previously classified as 'available-for-sale' under AASB 139. Any gains or losses recognised in other comprehensive income (OCI) are not recycled upon derecognition of the asset.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to "hold to collect" the associated cash flows and sell financial assets; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(k) Financial instruments (continued)

Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(l) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with AASB 8 Operating Segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or groups of cash-generating units, to which the goodwill relates. When the recoverable amount of the cash-generating unit or groups of cash-generating units is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit or groups of cash-generating units and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(m) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(m) Intangible assets (continued)

Internally generated intangible assets – research and development expenditure (continued)

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Amortisation is calculated on a straight-line basis over the estimated useful life of 2-5 years. The assets' residual value, useful lives and amortisation are reviewed and adjusted if appropriate, at each financial year end.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 1: Statement of material accounting policies (continued)

(o) Share-based payments

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a Black-Scholes model or a Monte Carlo model, further details of which are given in Note 20.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of RooLife Group Ltd (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cost of equity-settled transactions with those other than employees are measured at the fair value of the goods or service received, unless fair value cannot be estimated reliably.

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss on comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 2: Revenue and expenses

Revenue

The Group derives its revenue from the sale of goods and the provision of services at a point in time and over time.

	2024	2023
	\$	\$
Revenue from contracts with customers	9,480,574	12,320,889
<i>Reconciliation of revenue from contracts with customers</i>		
<i>At a point in time</i>		
Product and Platform sales	6,828,187	9,044,994
	6,828,187	9,044,994
<i>Over time</i>		
Digital marketing services	2,652,387	3,275,895
	2,652,387	3,275,895
Total Revenue	9,480,574	12,320,889

Unearned revenue at year end in relation to incomplete performance obligations amounted to \$104,775 (2023: \$517,208).

	2024	2023
	\$	\$
Interest income	38,551	25,652
Gain on disposal of fixed assets	2,000	-
Gain on sale of investment	1,000	-
Gain on extinguishment of financial liability	-	260,642
Grants and subsidies	105,085	77,952
	146,636	364,246

	2024	2023
	\$	\$
Other expenses		
Accountancy fees	18,604	46,133
Auditors' remuneration	71,363	65,592
Bad and doubtful debts	48,740	180,324
Foreign exchange (gain) /loss	(1,186)	8,977
Interest expense	148,025	42,534
Legal fees	135,140	58,920
Rent and associated costs	101,474	141,833
Subscriptions and fees	105,663	116,399
Travel and accommodation	114,928	90,761
Loss on disposal of intangible assets	20,000	-
Other expenses	281,165	339,461
	1,043,916	1,090,934

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 3: Income tax

Income tax recognised in profit or loss

The major components of tax benefit are:

	2024 \$	2023 \$
Current tax benefit	-	-
Deferred tax benefit relating to the origination and reversal of temporary differences	-	-
Total tax benefit	-	-

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

Accounting loss before tax from continuing operations	(2,105,751)	(2,326,748)
Income tax benefit calculated at 25% (2022: 25%)	(526,438)	(581,687)
Tax adjustment for foreign companies	752	(19,990)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
• Effect of expenses that are not deductible in determining taxable profit	37,986	37,561
• Effect of unused tax losses and timing differences not recognised as deferred tax assets	489,341	409,474
• Effect of changes in tax rates on timing difference	-	-
• Effect of adjustment in tax from prior period	(1,641)	154,642
Income tax benefit reported in the consolidated statement of comprehensive income	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax assets comprise:

Tax losses - revenue	17,815	21,839
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Deferred tax liabilities comprise:

Timing differences	17,815	21,839
	17,815	21,839

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

Tax losses – revenue	5,202,961	4,721,175
Timing differences	95,288	57,028
Blackhole expenditure	40,504	75,884
	5,338,753	4,854,087

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereof.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 4: Segment reporting

Description of segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of directors in order to allocate resources to the segment and to assess its performance. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group primarily reports on a geographical segment basis as its risks and rates of return are affected predominantly by differences in the various locations in which it operates and this is the format of the information provided for management purposes.

Segment information

The following tables present revenue and profit/loss information and certain asset and liability information regarding geographical segments for the year ended 30 June 2024. Revenue is attributed to geographical location based on the location of the target market.

30 June 2024	Australia \$	Singapore \$	China \$	Consolidation adjustments \$	Total \$
Revenue					
Sales to external customers	1,760,573	-	7,820,322	(100,321)	9,480,574
Total	1,760,573	-	7,820,322	(100,321)	9,480,574
Segment result	(1,978,047)	(83)	(127,621)	-	(2,105,751)
Interest income	38,372	-	179	-	38,551
Grants and subsidies	30,000	-	75,085	-	105,085
Depreciation	(5,403)	-	(1,303)	-	(6,706)
Amortisation	(40,924)	-	(15,012)	-	(55,936)
Impairment expense	(39,132)	-	(26,768)	-	(65,900)
Segment assets	17,403,164	-	3,339,841	(15,648,174)	5,094,831
Segment liabilities	(4,179,211)	(4,007,671)	(5,484,933)	10,929,359	(2,742,456)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 4: Segment reporting (continued)

Segment information (continued)

30 June 2023	Australia \$	Singapore \$	China \$	Consolidation adjustments \$	Total \$
Revenue					
Sales to external customers	2,224,297	-	10,208,052	(111,460)	12,320,889
Total	2,224,297	-	10,208,052	(111,460)	12,320,889
Segment result	(2,249,764)	(87,745)	10,761	-	(2,326,748)
Interest income	25,502	-	150	-	25,652
Grants and subsidies	-	-	77,952	-	77,952
Depreciation	(11,611)	-	(552)	-	(12,163)
Amortisation	(13,368)	-	(28,886)	-	(42,254)
Impairment expense	-	-	(13,789)	-	(13,789)
Segment assets	18,155,726	-	6,451,120	(15,857,948)	8,748,898
Segment liabilities	(3,470,113)	(4,007,589)	(8,497,502)	11,139,134	(4,836,070)

Major customers

During the year ended 30 June 2024, approximately \$4,822,030 (2023: \$6,351,248) of the Group's external revenue was derived from sales to three major China, Hong-Kong and Australia based customers, through the China operating segment.

Other segment information

Segment revenue reconciliation to the statement of comprehensive income

	2024 \$	2023 \$
Total segment revenue	9,580,895	12,432,349
Inter-segment sales elimination	(100,321)	(111,460)
Total	9,480,574	12,320,889

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 5: Loss per share

Basic and diluted loss per share

	2024 Cents per share	2023 Cents per share
Total basic and diluted loss per share attributable to the ordinary equity holders of the Company	(0.28)	(0.33)

Reconciliation of loss used in calculating loss per share

	\$	\$
Loss attributable to the ordinary equity holders of the Company used in the calculation of basic and diluted loss per share	(2,087,044)	(2,326,748)

Weighted average number of shares used as the denominator

	Number	Number
Weighted average number of ordinary shares used in the denominator in calculating loss per share	737,517,682	708,020,198

Information concerning classification of securities

Options granted are considered to be potential ordinary shares and have been included in the determination of diluted loss per share to the extent to which they are dilutive (the options are not considered to be dilutive). The options have not been included in the determination of basic loss per share. Details relating to the options are set out in Note 20.

Note 6: Dividends

There were no dividends paid or declared to equity holders during the year ended 30 June 2024.

Note 7: Cash and cash equivalents

	Note	2024 \$	2023 \$
Cash at bank and on hand	(i)	1,035,051	1,419,586

- (i) \$100,000 of the cash balance relates to proceeds received for issue of ordinary shares. At balance date these funds were held in escrow subject to issue of shares. The shares were issued subsequent to the financial year end on 15 July 2024.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2024, the Group had an undrawn amount of \$249,999 (2023: \$449,999) from its committed borrowing facilities in respect of which all conditions precedent had been met.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 7: Cash and cash equivalents (continued)

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024	2023
	\$	\$
Cash at bank and on hand, as above	1,035,051	1,419,586
Balance per statement of cash flows	<u>1,035,051</u>	<u>1,419,586</u>

Reconciliation of loss for the year to net cash flows from operating activities

	2024	2023
	\$	\$
Net loss for the year	(2,105,751)	(2,326,748)
Unrealised foreign exchange loss/ (gain)	26,806	(1,596)
Equity settled share-based payment	75,007	127,974
Bad and doubtful debts	48,740	180,324
Depreciation	6,706	12,163
Amortisation	55,936	42,254
Impairment of assets	65,900	13,789
Profit on sale of investment	(1,000)	-
Profit on sale of fixed assets	(2,000)	-
Loss on sale of intangible assets	20,000	-
Gain on extinguishment of financial liability	-	(260,642)
Change in net assets and liabilities:		
(Increase)/Decrease in assets:		
Trade and other receivables	2,434,035	(243,045)
Inventories	69,043	(59,383)
Increase/(Decrease) in liabilities:		
Trade and other payables	(2,660,939)	938,310
Net cash from operating activities	<u>(1,967,517)</u>	<u>(1,576,600)</u>

Changes in liabilities arising from financing activities:

	Note	Short-term borrowing	Long-term borrowing
		\$	\$
Balance at 30 June 2023	16	600,000	-
Net cash from financing activities		600,000	200,000
Balance at 30 June 2024	16	<u>1,200,000</u>	<u>200,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 8: Trade and other receivables

	Note	2024 \$	2023 \$
Trade debtors	(i)	559,713	3,751,014
Allowance for impairment		(48,740)	-
Total		<u>510,973</u>	<u>3,751,014</u>

(ii) the average credit period on sales of goods is 60 days and rendering of services is 30 days.

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The concentration of credit risk is limited due to the customer base being large and unrelated. The above allowance for impairment relates to specific debtors which management has deemed to be non-recoverable. Accordingly, the Directors believe that there are no further credit provisions required in excess of the allowance for impairment.

Reconciliation of trade and other receivables

	2024 \$	2023 \$
Trade debtors, noted above	510,973	3,751,014
Accrued revenue	66,396	17,601
GST/VAT receivable	494	-
Other receivables	5,216	-
Total	<u>583,079</u>	<u>3,768,615</u>

Note 9: Financial assets

	Note	2024 \$	2023 \$
Financial asset – current	(i)	162,414	297,414
Financial asset – non-current	(ii)	80,000	80,000

- (i) Convertible note granted in settlement of services provided. The note is repayable in 6 months and accrues interest at 10% per annum. The note is convertible to equity at the discretion of the holder. The fair value of the conversion feature is not material. The financial asset is measured at amortised cost.
- (ii) Shares held in a private company which were granted in settlement for services provided in a web development project. The shares are valued using the price at the most recent capital raise of the entity.
- (iii) The financial assets are Level 3 instruments in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 10: Other current assets

	2024	2023
	\$	\$
Prepayments	376,492	75,672
Security deposits	145,377	156,547
Other	3,010	3,011
Total	<u>524,879</u>	<u>235,230</u>

Note 11: Inventories

	2024	2023
	\$	\$
Inventories at cost	303,742	372,785
Impairment allowance	(107,430)	(41,530)
Total	<u>196,312</u>	<u>331,255</u>

Impairment of inventories:

The Group has identified inventories that are slow moving and inventories held for brands that the Company no longer procures products from. Whilst the Group intends to continue to invest in marketing activities to realise proceeds on the sale of these inventories, it is considered prudent to record an allowance for these inventories to ensure that carrying value is not stated in excess of expected net realisable value. An impairment loss of \$65,900 has been recorded during the year (2023: \$nil).

Note 12: Property, plant and equipment

Carrying value

30 June 2024	Office equipment \$	Computer equipment \$	Total \$
Cost	16,163	37,414	53,577
Accumulated Depreciation	(6,563)	(34,701)	(41,264)
Carrying value	<u>9,600</u>	<u>2,713</u>	<u>12,313</u>

30 June 2023	Office equipment \$	Computer equipment \$	Total \$
Cost	16,163	41,967	58,130
Accumulated Depreciation	(5,459)	(36,288)	(41,747)
Carrying value	<u>10,704</u>	<u>5,679</u>	<u>16,383</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 12: Property, plant and equipment (continued)

Reconciliation

30 June 2024	Office equipment \$	Computer equipment \$	Total \$
Opening balance	10,704	5,679	16,383
Additions	-	2,636	2,636
Depreciation expense	(1,104)	(5,602)	(6,706)
Closing balance	9,600	2,713	12,313

30 June 2023	Office equipment \$	Computer equipment \$	Total \$
Opening balance	4,198	10,583	14,781
Additions	8,231	5,534	13,765
Depreciation expense	(1,725)	(10,438)	(12,163)
Closing balance	10,704	5,679	16,383

Impairment of fixed assets:

The recoverable amount of fixed assets is estimated to be in line with the carrying values, therefore, no impairment loss has been recognised during the year (2023: \$nil).

Note 13: Other intangible assets

Carrying value

30 June 2024	Technology \$	Customer contracts \$	Trademark \$	Total \$
Cost	169,322	-	40,036	209,358
Accumulated amortisation	(86,315)	-	(33,184)	(119,499)
Carrying value	83,007	-	6,852	89,859

30 June 2023	Technology \$	Customer contracts \$	Trademark \$	Total \$
Cost	163,195	50,000	40,036	253,231
Accumulated amortisation	(63,740)	-	-	(63,740)
Carrying value	99,455	50,000	40,036	189,491

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 13: Other intangible assets (continued)

Reconciliation

30 June 2024	Note	Technology \$	Customer contracts \$	Trademark \$	Total \$
Opening balance		99,455	50,000	40,036	189,491
Addition		6,000	-	-	6,000
Amortisation		(22,752)	-	(33,184)	(55,936)
Disposal	(i)	-	(50,000)	-	(50,000)
Impairment		-	-	-	-
Foreign currency difference		304	-	-	304
Carrying value		83,007	-	6,852	89,859

(i) The customer contracts were sold during the year for a cash consideration of \$30,000, resulting in a loss on disposal of \$20,000.

30 June 2023		Technology \$	Customer contracts \$	Trademark \$	Total \$
Opening balance		129,538	50,000	-	179,538
Addition		8,000	-	40,036	48,036
Amortisation		(42,254)	-	-	(42,254)
Impairment		-	-	-	-
Foreign currency difference		4,171	-	-	4,171
Carrying value		99,455	50,000	40,036	189,491

Impairment of intangible assets:

The recoverable amount of intangible assets is estimated to be in line with the carrying values, therefore, no impairment loss has been recognised during the year (2023: nil).

Note 14: Goodwill

Carrying value

	2024 \$	2023 \$
Cost	4,405,266	4,405,266
Accumulated impairment	(2,016,181)	(2,016,181)
Carrying value	2,389,085	2,389,085

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 14: Goodwill (continued)

Reconciliation

	2024 \$	2023 \$
Opening balance	2,389,085	2,389,085
Impairment	-	-
Carrying value	<u>2,389,085</u>	<u>2,389,085</u>

Impairment

Goodwill acquired through business combinations has been allocated to the following cash generating units:

- Australia focused digital marketing
- China focused digital marketing and e-commerce

Carrying amount of goodwill allocated to each of the cash generating units:

	2024 \$	2023 \$
Australia focused digital marketing	958,333	958,333
China focused digital marketing and e-commerce	1,430,752	1,430,752
Carrying value	<u>2,389,085</u>	<u>2,389,085</u>

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a one year projection period approved by management and extrapolated for a further five years using a steady rate, together with a terminal value.

Key assumptions used in value-in-use calculations

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

		30 June 2024		30 June 2023	
	Not e	Australia focused digital marketing	China focused digital marketing and e-commerce	Australia focused digital marketing	China focused digital marketing and e-commerce
Pre-tax discount rate	(i)	19.2%	19.2%	17.6%	17.6%
Revenue growth rate	(ii)	5.0% - 9.3%	3.2% - 10.0%	(1.6%) - 15%	10% - 32.5%
Cost of sales growth rate	(iii)	(8.0%) - 5%	3% - 9%	(17%) - 10%	7% - 27%
Overheads growth rate	(iv)	(0.6%) - 2%	(31.1%) - 2%	1.3% - 5%	(3.3%) - 5%

- (i) The discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the relevant cash generating unit, the risk free rate and the volatility of the share price relative to market movements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 14: Goodwill (continued)

Impairment (continued)

Key assumptions used in value-in-use calculations (continued)

- (ii) The revenue growth rate for the Australia focused digital marketing unit has been estimated by management based on past performance and contracted sales wins. The revenue growth estimation remains comparable to the prior period.

The revenue growth rate for the China focused digital marketing and e-commerce unit has been estimated by management based on past performance and contracted sales wins. Compared to prior year, the revenue growth rate estimation has reduced as the Group has adopted a prudent approach in estimating growth given the reduced growths of the China economy.

- (iii) The cost of sales growth rate for the Australia focused digital marketing unit has been based by management on past performance adjusted for incremental costs for sales wins.

The cost of sales growth rate for the China focused digital marketing and e-commerce unit has been estimated by management in accordance with past performance, adjusted for cost reductions achieved from a strategic review of China operations. Compared to prior year, the costs of sales growth rate estimation has reduced as the Group has made significant headway in the identification of the optimal structure for delivery of services.

- (iv) The overheads growth rate for the Australia focused digital marketing unit has been based by management on past performance adjusted for cost savings resulting from a restructure of the operations team.

The overheads growth rate for the China focused digital marketing and e-commerce unit has been based by management on past performance adjusted for cost savings initiatives implemented by the Group. Compared to prior year, the overheads growth rate has decreased as further cost savings are expected to be realised in FY2025 following the strategic review of China operations and following that are expected to increase at a conservative rate for the remainder of the projection period.

Impact of possible changes in key assumptions

As disclosed in Note 1, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

Revenue would need to decrease by more than 6% (2023: 12%) for the Australia focused digital marketing unit and 2% (2023: 5%) for the China focused digital marketing and e-commerce unit before goodwill would need to be impaired, with all other assumptions remaining constant.

The discount rate would be required to increase by 12% (2023: 22%) for the Australia focused digital marketing unit and 3% (2023: 3%) for the China focused digital marketing and e-commerce unit before goodwill would need to be impaired, with all other assumptions remaining constant.

The directors believe that other reasonable changes in the key assumptions on which the recoverable amount of, both the Australia focused digital marketing unit and China focused digital marketing and e-commerce unit, goodwill is based on would not cause the cash-generating units' carrying amounts to exceed their recoverable amounts.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment charge for the goodwill of both the Australia focused digital marketing unit and the China focused digital marketing and e-commerce unit.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 15: Trade and other payables (current)

	Note	2024 \$	2023 \$
Trade payables	(i)	629,233	3,273,879
Accruals		149,018	122,883
Deferred remuneration and bonuses payable		48,135	36,525
Payroll liabilities		188,383	199,397
Security deposits payable		51,694	35,349
GST/VAT payable		-	833
Shares to be issued	(ii), 7(i)	100,000	-
Other payables		43,144	21,922
		1,209,607	3,690,788

- (i) Trade payables are non-interest bearing and are normally settled on 30-day terms.
- (ii) \$100,000 in proceeds were received in respect of shares that were not formally issued at year end. The share issue was completed subsequent to year end on 15 July 2024. On allotment of shares this balance is transferred to issued capital.

Note 16: Borrowing

		2024 \$	2023 \$
Working capital loan	(i)	-	600,000
Convertible Note - Westcap Pty Ltd	(ii)	1,000,000	-
Convertible Note - Xiaodan Wu	(iii)	200,000	-
Short-term borrowing		1,200,000	600,000
		2024 \$	2023 \$
Loan from Director (Long-term)	(iv)	200,000	-

- (i) Working Capital Loan Agreement entered into with Saxby Capital Investments Pty Ltd to provide the Group with a line of credit facility to the value of \$1,000,000 which was available to be drawn down and applied by the Group to fund supply of products for sale. The key terms of the facility were:
- Repayment: Per transaction, typically 60-90 days terms for repayment to be agreed between the lender and borrower on a case-by case basis. The loan was repaid in full on 1 April 2024.
 - Interest rate: 10% p/a on loan amount drawn down, payable in arrears.
 - Security: Secured by a fixed and floating charge over receivables and inventory to the equivalent value of amount outstanding of the loan.
 - Other Terms: The net current assets of the Group need to be maintained at 300% or greater of the drawn down loan amount at all times, prior to the repayment of the loan amount, any accrued interest and any default interest if due.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 16: Borrowing(continued)

- (ii) Convertible note Agreement entered into with Westcap Pty Ltd to provide the Group with convertible note of \$1,000,000. The key terms of the convertible note are:
- 8% per annum interest rate accrues on the Loan and it repayable at the end of each calendar quarter.
 - Provision of 2,000,000 Fully Paid Ordinary Shares in RLG (RLG Shares) to be issued to the lender upon execution.
 - Term is 13 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 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.
 - The Loan will be secured by a charge over RLG's inventory directly purchased with and capped at the value of the Loan amount.
- (iii) Convertible note Agreement entered into with Xiaodan Wu to provide the Group with convertible note of \$200,000. The key terms of the convertible note are:
- 8% per annum interest rate accrues on the Loan and it repayable at the end of each calendar quarter.
 - 5 Fully Paid Ordinary shares in RLG 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 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 directly purchased with and capped at the value of the Loan amount.
- (iv) Unsecured Loan Agreement entered into with Director Bryan Carr to provide the Group with a line of credit facility to the value of \$200,000 which is available to be drawn down and applied by the Group to fund supply of products for sale. The key terms of the facility are:
- Repayment date is 15 August 2025.
 - 10% per annum interest rate on loan amount drawn down, payable in arrears.

Note 17: Provisions

	2024	2023
	\$	\$
Long service leave	6,235	6,235

Note 18: Issued capital

Share capital

	2024	2023
	\$	\$
782,381,662 (30 June 2023: 719,558,133) Ordinary shares issued and fully paid	31,209,587	30,724,007

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 18: Issued capital (continued)

Share capital (continued)

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Movement in ordinary share capital

30 June 2024

Date	Details	Note	Number	\$
	Opening balance		719,558,133	30,724,007
07/08/2023	Shares issued to convertible note holder	(i)	1,000,000	8,000
02/10/2023	Shares issued to convertible note holder	(ii)	2,000,000	22,000
27/03/2024	Shares issued to private investors		58,823,529	500,000
27/03/2024	Conversion of employee performance rights	(iii)	1,000,000	14,000
	Less: Transaction costs arising on share issue		-	(58,620)
	Closing balance		782,381,662	31,209,387

- (i) Shares issued to Xiaodan Wu on receipt of funding under Convertible Note Agreement.
- (ii) Shares issued to Westcap Pty Ltd on receipt of funding under Convertible Note Agreement
- (iii) Shares issued to directors and employee under share-based payment plans entered in FY2022.

30 June 2023

Date	Details	Note	Number	\$
	Opening balance		702,230,863	30,411,425
10/02/2023	Conversion of employee performance rights	(i)	4,327,272	60,582
10/02/2023	Conversion of director performance rights	(i)	6,499,999	143,000
10/02/2023	Shares issued to consultant	(ii)	2,500,000	25,000
14/04/2023	Conversion of employee performance rights	(i)	499,999	7,000
03/05/2023	Conversion of director performance rights	(i)	3,500,000	77,000
	Closing balance		719,558,133	30,724,007

- (i) Shares issued to directors and employee under share-based payment plans entered in FY2022.
- (ii) Shares issued to consultant in consideration for services provided.

Options over ordinary shares

Options to subscribe for ordinary shares in the Company have been granted as follows:

- (i) to employers and consultants under share based payment plans, details of which are disclosed in Note 20; and
- (ii) to shareholders as free attaching options under placements offered by the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 18: Issued capital (continued)

Movement in options over ordinary shares

30 June 2024

Grant date	Expiry date	Exercise Price	Opening balance	Options issued	Options lapsed	Closing balance
Unlisted options:						
30 December 2021	30 November 2024	\$0.05	4,807,691	-	-	4,807,691
Unlisted performance options:						
30 December 2021	30 November 2024	\$0.05	30,000,000	-	-	30,000,000
			34,807,691	-	-	34,807,691

30 June 2023

Grant date	Expiry date	Exercise Price	Opening balance	Options issued	Options lapsed	Closing balance
Unlisted options:						
9 September 2016	30 June 2023	\$0.40	3,000,000	-	(3,000,000)	-
9 September 2021	31 March 2023	\$0.05	10,000,000	-	(10,000,000)	-
30 December 2021	30 November 2024	\$0.05	4,807,691	-	-	4,807,691
Unlisted performance options:						
30 December 2021	30 November 2024	\$0.05	30,000,000	-	-	30,000,000
			47,807,691	-	(13,000,000)	34,807,691

Note 19: Reserves

	2024 \$	2023 \$
Share based payments reserve	1,623,650	1,592,643
Foreign currency translation reserve	24,777	(4,134)
	1,648,427	1,588,509

Nature and purpose of reserves

Share based payments reserve

This reserve is used to record the value of equity benefits provided to directors and executives as part of their remuneration, as well as to consultants and advisors for provision of services.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 19: Reserves (continued)

Movement in reserves

Share-based payments reserve

	Note	2024 \$	2023 \$
Opening balance		1,592,643	1,777,251
Performance rights granted to Directors in prior year vested	20	31,988	81,498
Performance rights granted to employees and consultants in prior year vested	20	7,181	21,476
Shares issued to consultant	20	-	25,000
Conversion of performance right to ordinary shares for employees and consultants	18	(14,000)	(92,582)
Conversion of performance right to ordinary shares for directors	18	-	(220,000)
Performance rights granted to consultant	20	5,838	-
Closing balance		<u>1,623,650</u>	<u>1,592,643</u>

Foreign currency translation reserve

Opening balance	(4,134)	(43,760)
Currency translation differences arising during the year	28,911	39,626
Closing balance	<u>24,777</u>	<u>(4,134)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 20: Share-based payment plans

Performance rights

30 June 2024

The Company has entered into the agreement on 16th August 2023 with AULife International Pty Ltd (AULife) and Martin Place Equity Partners Pty Ltd (Martin Place) with following performance rights:

	Condition A	Condition B	Condition C	Condition D
AULife	32,000,000	8,000,000	4,000,000	4,000,000
Martin Place	8,000,000	2,000,000	-	-
	40,000,000	10,000,000	4,000,000	4,000,000

The performance rights granted were in three tranches with separate market and non-market conditions for each tranche as outlined below. The market conditions were incorporated into the measurement of fair value.

	Vesting conditions	Number	Expiry date
Condition A	800,000 Performance Rights will vest 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 40,000,000 Performance Rights will vest).	40,000,000	16/08/2025
Condition B	Within 12 months after entry into the operating agreement: 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 the Company'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 at least \$50,000 in associated product sales is achieved on that e-commerce platform provider's platform.	10,000,000	16/08/2025
Condition C	Within 12 months after the date of issue, the Company's market capitalisation is at any time \$12 million or more for 20 consecutive trading days.	4,000,000	16/02/2025
Condition D	Within 12 months after the date of issue, the Company's market capitalisation is at any time \$20 million or more for 20 consecutive trading days.	4,000,000	16/02/2025

The fair value of the rights on grant date was \$0.007 using the underlying share price of the company on measurement date for a total fair value of \$358,400.

No vesting expense has been recognised for condition A and B as the Company has deemed that achievement of the performance conditions is not probable. Condition C and D have a vesting expense of \$5,838 during the year.

30 June 2023

No performance rights have been issued during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 20: Share-based payment plans (continued)

Performance rights (continued)

Movement in performance rights

30 June 2024

Movement	Number Opening balance	Number Shares issued	Number Shares converted to ordinary shares	Number Closing balance
Class A Director	6,600,000	-	-	6,600,000
Class B Director	13,400,001	-	-	13,400,001
Class C Director	7,500,000	-	-	7,500,000
Class D Director	7,500,000	-	-	7,500,000
Employee	9,500,000	-	(1,000,000)	8,500,000
Condition A	-	40,000,000	-	40,000,000
Condition B	-	10,000,000	-	10,000,000
Condition C	-	4,000,000	-	4,000,000
Condition D	-	4,000,000	-	4,000,000
Total	44,500,001	58,000,000	(1,000,000)	101,500,001

30 June 2023

Movement	Number Opening balance	Number Shares issued	Number Shares converted to ordinary shares	Number Closing balance
Class A Director	9,900,000	-	(3,300,000)	6,600,000
Class B Director	20,100,000	-	(6,699,999)	13,400,001
Class C Director	7,500,000	-	-	7,500,000
Class D Director	7,500,000	-	-	7,500,000
Employee	14,327,271	-	(4,827,271)	9,500,000
Total	59,327,271	-	(14,827,270)	44,500,001

Share-based payment expense

	2024	2023
	\$	\$
Performance rights issued to directors, employees and consultants	45,007	102,974
Shares issued to convertible note holders	30,000	-
Shares issued to employees for services rendered	-	25,000
	75,007	127,974

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 20: Share-based payment plans (continued)

Share Options

The Company has an Incentive Share Option Plan ("ISOP") under which options to subscribe for the Company's shares have been granted to certain directors and executives. In addition, further options were issued to certain directors and executives outside of the ISOP, but substantially on the same terms and conditions. The Company refers to these as Special Purpose Options and whilst no formal plan has been adopted for these options, the Company refers to any issues outside of the shareholder approval ISOP as being issued under the Special Purpose Option Plan ("SPP").

The purpose of both the SPP and ISOP is to Special Purpose Share Option Plan ("SPP") is to:

- assist in the reward, retention and motivation of eligible participants;
- link the reward of eligible participants and the creation of shareholder value;
- align interests of eligible participants more closely with the interest of shareholders by providing an opportunity for eligible participants to receive shares;
- provide eligible participants with the opportunity to share in any future growth in value of the Company; and
- provide greater incentive for eligible participants to focus on the Company's longer-term goals.

The following share option based payment arrangements were in place during the current and prior periods:

30 June 2024

No share options have been issued during the year.

30 June 2023

	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
Unlisted Options:						
Private investors	4,807,691	30 December 2021	30 November 2024	\$0.05	\$18,902	30 December 2021
Unlisted Performance Options:						
Private investors	30,000,000	30 December 2021	30 November 2024	\$0.05	\$117,948	(i)

- (i) 1,000,000 Incentive Options will vest for every \$1,000,000 revenue (minimum \$100,000 Gross Margin), commencing when an initial \$200,000 Gross Margin has been achieved. As the minimum gross margin has not been achieved at balance date, the incentive options are considered to have not vested and accordingly no expense has been recorded through the statement of profit or loss and other comprehensive income.

The fair value of the equity settled unlisted share options, with non-market conditions, granted to private investors are estimated at grant date using the Black & Scholes model, taking into account the terms and conditions upon which the options were granted, as follows:

	Note	
Expected volatility (%)	(i)	74.83%
Risk-free interest rate (%)		0.96%
Expected life of option (days)	(ii)	426
Exercise price (cents)		5.0
Grant date share price (cents)	(iii)	2.1

- (i) The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

- (ii) The expected life of the options is not based on historical data and is not necessarily indicative of exercise patterns that may occur. The number of days is calculated by the number of days between the grant date and expiry date of the option.

- (iii) The options have been valued at grant date which was 30 December 2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 20: Share-based payment plans (continued)

Share Options (continued)

The following table illustrates the movement (number) in share options issued under share based payment arrangements:

	2024 Number	2023 Number
Outstanding at the beginning of year	34,807,691	47,807,691
Granted during the year	-	-
Lapsed during the year	-	(13,000,000)
Expired during the year	-	-
Outstanding at the end of year	34,807,691	34,807,691
Exercisable at the end of year	34,807,691	34,807,691

The weighted average exercise price for all options noted above was \$0.05 (2023: \$0.05).
The weight average remaining life of options is 0.42 years.

Note 21: Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents	1,035,051	1,419,586
Trade and other receivables	583,079	3,768,615
Other current assets	524,878	235,230
Other financial assets	162,414	297,414
Financial liabilities		
Trade and other payables	1,209,607	3,690,788
Short-term borrowing	-	600,000
Convertible note	1,200,000	-
Long-term borrowing	200,000	-

Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 21: Financial instruments (continued)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2024	2023	2024	2023
	\$	\$	\$	\$
United State Dollars (USD or US\$)	(287,707)	(2,779,330)	664,764	3,731,698
Singapore Dollars (SGD or S\$)	(163)	(82)	-	-
Hong Kong Dollars (HKD or H\$)	(5,918)	(6,564)	24,372	24,995
Chinese Yuan (CNY)	(2,077)	(2,070)	2,639	5,639

Foreign currency sensitivity analysis

The Group is exposed to USD, SGD, HKD and CNY currency fluctuations.

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	Profit or loss (i)		Equity (ii)	
	2024	2023	2024	2023
	\$	\$	\$	\$
USD Impact	34,278	85,579	(47,164)	85,579
SGD Impact	(14)	(8)	(364,312)	(8)
HKD Impact	1,677	1,675	(4,242)	1,675
CNY Impact	51	324	(2,111)	324

- (i) This is mainly attributable to the exposure outstanding on foreign currency denominated net assets at year-end in the Group.
- (ii) This is mainly as a result of the restating of the intercompany loans between the Company and its foreign subsidiaries, where on consolidation the exchange rate difference on restating loans into their AUD equivalent is transferred to the foreign exchange translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 21: Financial instruments (continued)

Interest rate risk management

The Group is limited in its exposure to interest rate risk as the Group fixes interest rates, where possible, on its borrowings to manage its interest rate risk. The only exposure to interest rate risk is on the Group's exposures on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group has no non-derivative financial liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

30 June 2024

	Interest rate	1 year or less	1 year to 3 year	Remaining contractual maturities
Non-derivatives				
Non-interest bearing				
Trade and other payables		1,209,607	-	1,209,607
Interest bearing				
Convertible note	8%	1,232,263	-	1,232,263
Long-term borrowing	10%	20,000	202,521	222,521
Total non-derivatives		2,461,870	202,521	2,664,391

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 21: Financial instruments (continued)

Liquidity risk management (continued)

Remaining contractual maturities (continued)

30 June 2023

	Interest rate	1 year or less	1 year to 3 year	Remaining contractual maturities
Non-derivatives				
Non-interest bearing				
Trade and other payables		3,690,788	-	3,690,788
Interest bearing				
Short-term borrowing	10%	645,205	-	645,205
Total non-derivatives		4,335,993	-	4,335,993

Fair value of financial instruments

The Group has a number of financial instruments which are not measured at fair value in the statement of financial position. The directors consider that the carrying value of the financial assets and financial liabilities are considered to be a reasonable approximation of their fair values.

Note 22: Commitments and contingencies

Lease commitments – Group as lessee

The Group has entered into commercial leases on certain premises. These leases have an average life of less than 1 year with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. These leases have not been accounted for under AASB 16 as they are exempt due to the short term nature of the leases.

Future minimum rentals payable under the leases are as follows:

	2024	2023
	\$	\$
Within one year	-	48,893
After one year but not more than five years	-	-
More than five years	-	-
	-	48,893

Capital commitments

As at 30 June 2024 and 30 June 2023 the Group has no capital commitments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 23: Related party disclosure

Parent entity

RooLife Group Ltd is the ultimate Australian parent entity and ultimate parent of the Group.

Subsidiaries

Interests in subsidiaries are set out in Note 24 below.

Key management personnel compensation

The aggregate compensation made to directors and other key management personnel of the Group is set out below:

	2024	2023
	\$	\$
Short-term employee benefits	914,965	890,493
Post-employment benefits	60,000	42,322
Share-based payments	36,726	102,974
	<u>1,011,691</u>	<u>1,035,789</u>

During the year ended 30 June 2024 and 30 June 2023, no share options were exercised by, and no loans were made to key management personnel.

Key management personnel transactions

Related party transactions with key management personnel are described below. These payments were made based on normal commercial terms and conditions.

The following amounts were paid to Murcia Pestell Hillard Pty Ltd, a company related to Mr. G Pestell:

	2024	2023
	\$	\$
Provision of general legal services	109,663	36,690
Provision of capital raising services	24,665	-
	<u>134,328</u>	<u>36,690</u>

The following amounts were paid to ITS Consulting Pty Ltd and Shabaz Family Trust, organisations related to Mr. B Carr:

Interest on long-term borrowings	20,493	-
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The following amount were paid to Barry Consulting Pty Ltd, a company related to Mr. W Barry:

Interest on short-term borrowings	12,713	-
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The following amount were paid to Xiaodan Wu, a person related to Mr. T Leung:

Interest on convertible note	8,811	-
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Total	<u>176,345</u>	<u>36,690</u>
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As at 30 June 2024, the outstanding balance on the long-term loan provided to the company from Mr. B Carr is \$200,000. Refer to Note 16 for further details.

As at 30 June 2024, the outstanding balance on convertible note arrangement with Xiaodan Wu is \$200,000. Refer to Note 16 for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 24: Interests in subsidiaries

The consolidated financial statements include the financial statements of RooLife Group Ltd and the subsidiaries listed in the following table.

Name of entity	Country of incorporation	% Equity interest		Investment	
		2024 %	2023 %	2024 \$	2023 \$
OpenDNA (Singapore) Pte Ltd	Singapore	100	100	98	98
CHOOSE Digital Pty Ltd	Australia	100	100	658,333	658,333
RooLife Pty Ltd	Australia	100	100	558,334	558,334
RooLife (HK) Limited	Hong Kong	100	100	-	-
Blackglass Pty Ltd	Australia	100	100	300,000	300,000
QBID Pty Ltd	Australia	100	100	652,851	652,851
QBID Holdings Pty Ltd	Australia	100	100	-	-
Qualis Holdings Pty Ltd	Australia	100	100	-	-
Qualis Brands Pty Ltd	Australia	100	100	-	-
RooLife China Ltd	China	100	100	-	-
Remedy Drinks China Pty Ltd	Australia	100	100	-	-
Vora Health Group Pty Ltd	Australia	100	100	38,157	38,157
RLG Marketplace Pty Ltd (i)	Australia	51	-	-	-
Hydralyte Global Pty Ltd	Australia	100	-	-	-

- (i) The voting rights in RLG Marketplace Pty Ltd are held 51% by RooLife Group Ltd and 49% by the non-controlling interests. Under the binding term sheet, and subsequently the operating agreement executed with AuLife International Pty Ltd and its related entity, Asia Pacific Capital Holding Pty Ltd, the profit sharing in RLG Marketplace Pty Ltd is attributable 80% to RooLife Group Ltd and 20% by the non-controlling interests.

. RooLife Group Ltd is the ultimate Australia parent entity and the ultimate parent of the Group. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Note 25: Parent entity disclosures

	2024 \$	2023 \$
<u>Financial position</u>		
Current assets	496,758	564,770
Non-current assets – equipment	7,955	9,827
Non-current assets – investments in, and loans to, subsidiaries	3,720,147	4,265,391
Current liabilities	(1,672,485)	(927,160)
Non-current liability	(200,000)	-
Net assets	<u>2,352,375</u>	<u>3,912,828</u>
<u>Equity</u>		
Issued capital, net of capital raising costs	31,209,387	30,724,007
Share-based payments reserve	1,623,650	1,592,643
Accumulated losses	(30,480,662)	(28,403,822)
Total equity	<u>2,352,375</u>	<u>3,912,828</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 25: Parent entity disclosures (continued)

	2024 \$	2023 \$
<u>Financial performance</u>		
Loss for the year	(2,076,840)	(2,287,122)
Other comprehensive loss	-	-
Total comprehensive loss	<u>(2,076,840)</u>	<u>(2,287,122)</u>

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- Investments in associates are accounted for at cost, less any impairment, in the parent entity;
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

As at 30 June 2024, the Company has not entered into any cross guarantees with any of its subsidiaries (30 June 2023: Nil).

Contingent liabilities of the parent entity

As at 30 June 2024 the Company has no contingent liabilities (30 June 2023: Nil).

Capital commitments

As at 30 June 2024 the Company has no capital commitments (30 June 2023: Nil).

Note 26: Auditor's remuneration

The auditor of RooLife Group Ltd is HLB Mann Judd.

	2024 \$	2023 \$
Auditor of the parent entity		
Audit or review of the financial statements	71,363	60,760
	<u>71,363</u>	<u>60,760</u>

Network firm of the parent Company auditor

Audit of financial statements for Roolife (HK) Limited	-	4,832
Other services for RooLife (HK) Limited	-	3,363
	<u>-</u>	<u>8,195</u>
	<u>71,363</u>	<u>68,955</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 June 2024

Note 27: Events subsequent to the reporting date

On 15 July 2024, the Company issued 11,764,706 ordinary shares to Fujian Jushi Supply Chain Management to raise proceeds of \$100,000 which were received prior to 30 June 2024 and held in escrow, subject to issue of shares.

On 14 August 2024, the Company made repayment of \$200,000 for the Convertible Loan arrangement with Xiaodan Wu. The 8,000,000 Convertible Debt Securities with a conversion price of \$0.025 lapsed on repayment of the loan.

On 28 August 2024, the Company announced that it will undertake a renounceable entitlement issue, key details of which are as follows:

- 1 share for every 1 share held by shareholders registered at the record date at an issue price of \$0.004 per share, together with 1 free attaching Option for every 2 shares held.

Based on the capital structure of the Company (assuming no existing options or performance shares are exercised prior to record date), a maximum of 794,146,368 shares and 397,073,184 options will be issued pursuant to the entitlements issue to raise up to \$3,176,585. No funds will be raised from the issue of the options..

- The options will have an exercise price of 1 cent and a term of 2 years.
- Included in the entitlement issue is a shortfall offer which will allow Shareholders to apply for additional shares and attaching options in excess of their entitlements.
- All directors and key management personnel intend to participate and are sub-underwriting additional \$200,000 thousand from the shortfall.
- The Rights Issue is partially underwritten to \$1,500,000 by Lead Manager and Underwriter Mahe Capital Pty Ltd.

There has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of Entity	County of Incorporation	Equity interest %	Tax Residency	Foreign Jurisdiction
Roolife Group Ltd	Australia	Parent Entity	Australian	Not applicable
OpenDNA (Singapore) Pte Ltd	Singapore	100	Australian	Singapore
CHOOSE Digital Pty Ltd	Australia	100	Australian	Not applicable
Roolife Pty Ltd	Australia	100	Australian	Not applicable
Roolife (HK) Limited	Hong Kong	100	Australian	Hong Kong
Blackglass Pty Ltd	Australia	100	Australian	Not applicable
QBID Pty Ltd	Australia	100	Australian	Not applicable
QBID Holdings Pty Ltd	Australia	100	Australian	Not applicable
Qualis Holdings Pty Ltd	Australia	100	Australian	Not applicable
Qualis Brands Pty Ltd	Australia	100	Australian	Not applicable
Roolife China Ltd	China	100	Australian	China
Remedy Drinks China Pty Ltd	Australia	100	Australian	Not applicable
Vora Health Group Pty Ltd	Australia	100	Australian	Not applicable
RLG Marketplace Pty Ltd	Australia	51	Australian	Not applicable
Hydralyte Global Pty Ltd	Australia	100	Australian	Not applicable

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of the tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3a)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

DIRECTORS' DECLARATION

1. In the opinion of the directors of RooLife Group Ltd ('the Company'):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. The consolidated entity disclosure statement on page 68 is true and correct.
 - c. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - d. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the board of directors.



Bryan Carr
Managing Director and Chief Executive Officer
Dated: 30 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of RooLife Group Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of RooLife Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying Value of Intangible Assets including Goodwill</p> <p>Notes 13 and 14 of the financial report</p> <p>In accordance with AASB 136 <i>Impairment of Assets</i>, the Group was required to assess at balance date whether there was any indication that the Group's intangible assets may have been impaired. If any such indication existed, the Group was required to estimate the recoverable amount of the asset.</p> <p>The Group was also required to test goodwill for impairment.</p> <p>We focused on this area as the intangible assets including goodwill represent significant assets of the Group. We planned our work to address the audit risk that the intangible assets including goodwill may have been impaired.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> - We reviewed management's assessment of whether any impairment indicators existed that would require the definite life intangibles to be tested for impairment; - We critically evaluated the assumptions used in management's value-in-use model to support the carrying value of the goodwill and the basis for key assumptions; - We reviewed the mathematical accuracy of the value-in-use model; - We performed sensitivity analyses around the key inputs used in the model; and - We examined the disclosures made in the financial report.
<p>Going concern</p> <p>Note 1(e) of the financial report</p> <p>The financial report is prepared on the going concern basis, which contemplates continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.</p> <p>If the going concern basis of preparation of the financial statements was inappropriate, the carrying amount of certain assets and liabilities may have significantly differed.</p> <p>The going concern basis of accounting was a key audit matter due to the significance to users of the financial report and the significant judgement involved with forecasting cash flows.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - We considered the appropriateness of the going concern basis of accounting by evaluating the underlying assumptions in cash flow projections prepared by the Group including sensitivity analysis and subsequent events. <p>Our responsibilities in respect of the going concern basis of accounting are included below under Auditor's responsibilities for the audit of the financial report.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of RooLife Group Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 August 2024


D I Buckley
Partner

ADDITIONAL SECURITIES EXCHANGE INFORMATION

The shareholders information set out below was applicable as at 28 August 2024.

(a) Distribution of equity securities

The following is a distribution schedule for fully paid ordinary shares:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	40	5,837	0.00
1,001 - 5,000	32	131,761	0.02
5,001 - 10,000	52	445,675	0.06
10,001 - 100,000	575	25,671,576	3.23
100,001 Over	442	767,891,519	96.69
Total	1,141	794,146,368	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$0.0050 per unit	100,000	633	19,654,849

(b) Equity security holders

The following is a listing of the top 20 holders of fully paid ordinary shares.

Rank	Name	Units	% Units
1	MEGA HOLDINGS PTY LTD	80,660,954	10.16
2	CHINA HONG KONG YUANZHUANG SAUCE WINE SUPPLY CHAIN LTD	58,823,529	7.41
3	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	57,152,456	7.20
4	MR JAY SHAH	32,338,332	4.07
5	MR LINCOLN HO	27,500,000	3.46
6	MR WARREN LESLIE BARRY + MRS SONIA ANNE BARRY <BARRY FAMILY SUPERFUND A/C>	22,158,388	2.79
7	BNP PARIBAS NOMS PTY LTD	22,103,041	2.78
8	HEDLAND BUS LINES PTY LTD	13,832,523	1.74
9	MR BRYAN EDWARD CARR <SHABAZ FAMILY A/C>	12,250,000	1.54
10	FUJIAN JUSHI SUPPLY CHAIN MANAGEMENT CO LTD	11,764,706	1.48
11	MR MARK AUGUST NICKEL	11,000,000	1.39
12	MR FRANCO ANTONELLO	10,100,000	1.27
13	MORCKSTOW PTY LTD	10,000,000	1.26
14	MR BRADLEY SAXBY	9,087,323	1.14
15	PELLICCIONE SF PTY LTD <PELLICCIONE S/F A/C>	8,963,782	1.13
16	MR PETER GRAEME FAULL	8,891,276	1.12
17	NEXT GENERATION FISHERIES PTY LTD	8,245,614	1.04
17	CITICORP NOMINEES PTY LIMITED	7,939,704	1.00
19	BARRY CONSULTING PTY LTD <BARRY FAMILY A/C>	7,830,663	0.99
20	MR DUMINDA SUDATH AMARAKOON + MRS GERALDINE GEETHANI ROSHINI AMARAKOON <DURO SUPERFUND A/C>	7,450,000	0.94
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		428,092,291	53.91
Total Remaining Holders Balance		366,054,077	46.09

ADDITIONAL SECURITIES EXCHANGE INFORMATION (Continued)

(c) Options, Performance Options and Performance Rights on Issue

The following unlisted options are on issue:

Number of Options	Number of holders	Option Terms
4,807,691	6	Options exercisable at \$0.05 expiring 30 November 2024.
4,807,691		

The following performance unlisted options are on issue:

Number of Options	Number of holders	Option Terms
30,000,000	6	Performance Options exercisable on vesting at \$0.05 expiring 30 November 2024.
30,000,000		

The following performance rights are on issue:

Number of Rights	Number of holders	Rights Terms
3,300,000	4	Performance Rights convert to ordinary shares on vesting, expiring 1 December 2024.
6,700,001	4	Performance Rights convert to ordinary shares on vesting, expiring 1 December 2024.
7,500,000	4	Performance Rights convert to ordinary shares on vesting, expiring 1 December 2024.
1,000,000	1	Performance Rights convert to ordinary shares on vesting, expiring 15 March 2029.
50,000,000	2	Performance Rights convert to ordinary shares on vesting, expiring 16 August 2025
8,000,000	2	Performance Rights convert to ordinary shares on vesting, expiring 16 February 2025.
76,500,001		

The following convertible debt securities are on issue:

Number of debt securities	Number of holders	Option Terms
40,000,000	1	Convertible Debt securities with a conversion price of \$0.025 expiring 28 October 2024.
40,000,000		

(d) Restricted Securities

There are no Restricted Securities on Issue.

(e) Voting rights

Every ordinary shareholder present in person or by proxy at meetings of shareholders shall have one vote for every share held.

Option holders and Performance Share Holders have the right to attend meeting but have no voting rights until the options are exercised or the performance shares convert to ordinary shares.

ADDITIONAL SECURITIES EXCHANGE INFORMATION (Continued)

(f) Substantial holders

The following shareholders are considered substantial shareholders of the Company:

- Mega Holdings Pty Ltd: 80,660,954 Shares (Representing 10.16% of total issued shares)

(g) Corporate governance statement

In accordance with ASX Listing Rule 4.10.3, the Company's Corporate Governance Statement can be found on its website at www.roolifegroup.com.au.