

To whom it may concern, ASX Compliance.

The company provides the following responses to ASX Aware Queries received.

Does CCO consider the Roolife Termination to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No. The value of the sales through Roolife, in the period from October – January was less than \$25,000 and do not constitute a material level of sales. The Company's revenue has largely been generated from other sales channels disclosed to the market. Furthermore, the termination arrangements have allowed continuity of the business in China through Tmall, and so there are unlikely to be material lost sales.

When did CCO first become aware of the Roolife Termination?

The company and Roolife held discussions throughout January regarding potentially ending the contract. There was a significant level of complexity to this process and negotiation, with stock held in Hong Kong, a calculation related to buy back of stock from both markets, as well as Accounts Payable (AP) and Receivables (AR) to be reconciled between the companies. In addition, a purchase of and transfer of directorships in a special purpose vehicle company, Fiji Kava Global Pty Ltd, was required to effect the change. The termination was effective from the end of January, with payments made for AP and AR on 29th and 30th of January 2024 and transfer of control of the Special Purpose Vehicle effective from 1st February.

If the answer to question 1 is "yes" and CCO first became aware of the Roolife Termination prior to 31 January 2024 (ie the date the Announcement which contained notice of the Roolife Termination was lodged on MAP by CCO), did CCO make any announcement prior to 31 January 2024 which disclosed the Roolife Termination? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CCO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CCO took to ensure that the information was released promptly and without delay.

Please refer to the responses above.

Please provide details of the revenue generated from CCO's agreement with Roolife prior to the Roolife Termination.

As disclosed in the appendix 4C announcement on 31st January, the total sales to China for the period of the contract were \$25k, and total sales for the period of the contract (April – September 2023) in Australia were \$117k.

Please provide the reasons why the agreement with Roolife was terminated prior to the end of the initial 5 year term.

Given the fees and charges due under the contract, compared to the sales revenue generated over the term to date, efficiencies could be generated by exiting this arrangement, given existing use of Tmall and the Company's ability to control that platform directly in the case of Australia and China.

Have any other contracts and/or partnerships announced by CCO to the market been terminated? If the answer is yes, please provide for each contract and/or partnership:

No

7.1 The date on which the market was initially advised of the contract/partnership,

7.2 The date of the termination,

7.3 The date on which the market was advised that the contract/partnership had terminated.

8. Please confirm that CCO is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Confirmed.

9. Please confirm that CCO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CCO with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed

Yours truly,



Anthony Noble
Managing Director
The Calmer Co. International Limited



6 February 2024

Ms Natalie Climo
The Calmer Co International Limited
96 Victoria Street
West End QLD 4101

By email: natalie.climo@boardroomlimited.com.au

Dear Ms Climo

The Calmer Co International Limited ('CCO'): ASX Query Letter

ASX refers to the following:

- A. The announcement by CCO (previously named Fiji Kava Limited (ASX:FII)) entitled "Fiji Kava Appoints Roolife as China Distributor" lodged on the ASX Market Announcements Platform ('MAP') on 12 April 2023, which includes, amongst other things, the following disclosure:

"12th April 2023, Brisbane Australia: Fiji Kava Limited (ASX:FII), a global functional beverage and natural medicine company has entered into an exclusive distribution agreement with RooLife Group (ASX:RLG) "RooLife" for eCommerce distribution in Australia and China.

Under the terms of the agreement, RooLife has been granted performance rights to achieve retail sales of up to AUD\$15m, with a minimum of AUD\$9m in China over a period of five years."

- B. CCO's announcement entitled "Record Q4 Sales up 80% vs Q3" lodged on MAP on 17 July 2023, which includes, amongst other things, the following disclosure:

"Record Q4 Sales up 80% (vs Q3) from CJ Patel, RooLife and Amazon USA"

- C. CCO's announcement entitled "Quarterly Activity and Cashflow Report" for the quarter ended 30 June 2023 lodged on MAP on 28 July 2023, which includes, amongst other things, the following disclosures:

"The company entered an Australian and China eCommerce partnership with RooLife Group, with sales targets to achieve performance rights of up to \$15m over 5 years and took delivery of first orders valued at \$150k"

..

"..In Australia, from 1st May, Choose Digital, the Australia arm of RooLife Group, has been managing our eCommerce and we have seen solid month on month growth with them."

..

"Financial Overview

Revenues for the quarter were \$690k. This was an increase of 79% vs prior quarter. This result was driven by continued strong sales on Amazon.com USA, new sales channels through Roolife Group in Australia and improved wholesale income to existing tourist channel partners in Fiji and initial orders shipping to new customer, CJ Patel."

- D. CCO's Annual Report for the year ended 30 June 2023 lodged on MAP on 31 August 2023, which includes, amongst other things, the following disclosures:

“RooLife was appointed as exclusive distributor of the Fiji Kava® range of capsules and drinking kava products in China in an important step back into the Asia market for the Company. The contract also extended to future new products including dietary shots and new RTD products that are developed for the China market through eCommerce. Initially, RooLife’s wholly owned subsidiary Choose Digital has taken over management of the Fiji Kava® product range online via www.fjikava.com in Australia as part of preparation to enter the Chinese market to ensure price and positioning alignment.

The size of the opportunity is reflected in the performance rights granted to RooLife which vest on Sales of \$1m & \$2m AUD by 30 June 2026, \$5m & \$10m AUD by 30 June 2027 and \$15m AUD by 30 June 2028.”

..

“Targeting the sports medicine market in China will be central to the strategy, with RooLife to co-market the Fiji Kava powdered drinking kava range alongside their VORA protein range in the lucrative online sports nutrition channel in China. The size of the opportunity compared to the local markets is immense with sports nutrition in China valued at over \$300m USD and dominated by eCommerce which accounts for more than 80% of sales.”

- E. CCO’s announcements entitled “Annual Report 2023 – Results Presentation” lodged on MAP on 31 August 2023 and “Investor Presentation” lodged on MAP on 8 September 2023 which both include, amongst other things, the following disclosure:

“Roolife ecommerce

Targeting \$15m over a 5-year term. Roolife has a track record of success in China. First sales orders of \$150k received and shipped in Q4.”

- F. CCO’s announcement entitled “Quarterly Activity and Cashflow Report” for the quarter ended 30 September 2023 lodged on MAP on 31 October 2023, which includes, amongst other things, the following disclosures:

“Fiji Kava was launched in China on the Alibaba Tmall platform in collaboration with Roolife Group. Chinese consumers can now order directly from our flagship store in Chinese language for product delivery in China”

..

“.. We also took our first steps back into the China market, in partnership with RooLife Group, and we were happy to announce the launch of the Fiji Kava Tmall Flagship store for Chinese consumers.”

..

“In partnership with RooLife Group., FijiKava has launched its flagship store for Chinese consumers on Alibaba’s Tmall Global Platform”

..

“Through the partnership with RooLife group, sales for the Australia market grew to a record AUD81k in the quarter, which was more than double the Q4 sales.

The Calmer Co team has now taken back management of the www.fjikava.com.au Shopify store as the relationship with RooLife has transitioned to the China phase.”

- G. CCO’s announcement entitled “Quarterly Activities/ Appendix 4C Cash Flow Report” for the quarter ended 31 December 2023 lodged on MAP on 31 January 2024 (the ‘Announcement’), disclosing:

“The China partnership with RooLife group has ended in January and we will take back in house management of our China ecommerce channel in the coming month to support penetration into the Asian market which is our fourth growth pillar.”

..

“RooLife Group and The Calmer Co have concluded the Sales and Marketing agreement for the Fiji Kava range of products in China and Australia. After RooLife managed the Australian and China online stores through 1HY FY2024, the company has assumed operational control of the Australian online store and the Special Purpose Vehicle, Fiji Kava Global Pty Ltd which operates the Tmall Global Flagship Store in February 2024. Total sales to China for the period of the contract were \$25k, and total sales for the period of the contract (April – September 2023) in Australia were \$117k. There are no further commitments of fees, charges or performance rights owing to RooLife by Fiji Kava Australia or vice versa.”

(the ‘Roolife Termination’)

H. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

I. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity” and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information.”

J. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

K. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks CCO to respond separately to each of the following questions and requests for information:

1. Does CCO consider the Roolife Termination to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did CCO first become aware of the Roolife Termination?
4. If the answer to question 1 is “yes” and CCO first became aware of the Roolife Termination prior to 31 January 2024 (ie the date the Announcement which contained notice of the Roolife Termination was lodged on MAP by CCO), did CCO make any announcement prior to 31 January 2024 which disclosed the Roolife Termination? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CCO was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CCO took to ensure that the information was released promptly and without delay.
5. Please provide details of the revenue generated from CCO’s agreement with Roolife prior to the Roolife Termination.
6. Please provide the reasons why the agreement with Roolife was terminated prior to the end of the initial 5 year term.
7. Have any other contracts and/or partnerships announced by CCO to the market been terminated? If the answer is yes, please provide for each contract and/or partnership:
 - 7.1 The date on which the market was initially advised of the contract/partnership,
 - 7.2 The date of the termination,
 - 7.3 The date on which the market was advised that the contract/partnership had terminated.
8. Please confirm that CCO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that CCO’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CCO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **Tuesday, 13 February 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CCO’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require CCO to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CCO's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CCO's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CCO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that CCO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

ASX Compliance