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## **LIFE CORPORATION LIMITED: SUBMISSION OF TENDER FOR LAND PARCEL IN SINGAPORE**

**Australia 10 July 2014**

Life Corporation Limited (“LFC”) announces that on 8 July it submitted a tender with a government Statutory Board in Singapore to lease a land parcel with a site area of 2,000 square meters and a maximum allowable gross floor area of 3,200 square meters for a period of 30 years (“Land”).

The provisional results issued by the Statutory Board showed the LFC’s tender price of S\$5,200,988.00 for the Land as the highest bid. A final decision on the award of the tender by the Statutory Board will be made after all bids have been fully evaluated. It is anticipated that this decision will be published within four weeks. As part of its assessment process the Statutory Board reserves the right to reject the highest or any tender submitted.

The tender if successful represents an important progression for LFC’s business model of providing a full suite premium funeral service. The addition of the Land will enable LFC to further enhance its business model by the development of a Chinese temple with an integrated columbarium.

Development of the Land will be subject to the usual approvals from authorities.

Details of LFC’s proposed development of the Land and business strategy will be announced once the tender process is finalised.

If successful the tender consideration of S\$5,200,988.00 will be financed through a convertible bond.

Annexure A to this announcement is a summary of the convertible bond.

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Life Corporation through its wholly owned SFS Care Group in Singapore operates a full suite of premium funeral services with personalised planning and organisation of funeral ceremonies for Singapore's multi religious and ethnic customer base. SFS Care group pioneering one-stop full suite service model of premium funeral services includes funeral event advisory, venue management, certified professional embalming care, caskets sales, facilitation of cremation and burials, conducting of funerals rites and ceremony services and along with other ancillary services.

***For more information, please contact:***

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Annexure A  
Summary – Convertible Bond Terms

Term	Description
<b>Issue of Bonds</b>	Conditional Convertible Bonds ( <b>Bonds</b> ) to be issued for an aggregate amount of S\$6 million subscription ( <b>Subscription Amount</b> ) to specified sophisticated wholesale investors. The principal and accrued interest on the Bonds, subject to the Conversions Limits detailed below, are convertible into fully paid ordinary shares ( <b>Shares</b> ) in the capital of the Company.
<b>Maturity Date</b>	5 years from the Effective Date (defined below).
<b>Security</b>	All Bonds shall be unsecured.
<b>Issue Date</b>	The Bonds are to be issued after satisfaction of the Conditions Precedent.
<b>Condition Precedent</b>	An obligation to subscribe the Subscription Amount under the Bonds is subject to the condition, and due for payment upon the date ( <b>Effective Date</b> ), the Company receives written confirmation that the Company's Tender has been accepted as the final successful tender for the Development.
<b>Use of Funds</b>	The Company has been short listed as the success tenderer for a tender ( <b>Tender</b> ) submitted for the purchase of land in Singapore for the development of a columbarium business ( <b>Development</b> ). The funding under the Bonds is to be used for the purchase of the land which is the subject of the Tender.
<b>Interest rate</b>	Subject to conditions relating to early redemption or early conversion (see below), the interest at the rate of 9% per annum applies, except in the case where an Event of Default occurs, in which case the rate of 11% per annum applies. Interest accrues, but is not payable, for the initial 2 years from the issue of the Bond ( <b>Initial Period</b> ), after which interest accrued for the Initial Period will be paid and thereafter is payable 6 monthly in

	<p>arrears.</p> <p>All accrued interest upon a Bond may, when the Bonds are being converted into Shares (<b>Converted</b>), also be converted into Shares (subject to the Conversion Limitations below) at the price of A\$0.16 per Share (<b>Conversion Price</b>), upon the basis that the interest being Converted shall be re-calculated as from the Effective Date at the annual rate of 11% (<b>Higher Rate</b>) upon the Subscription Amount.</p> <p>An additional interest of 2% per annum is payable with respect to any overdue payments.</p>
<b>Expiry</b>	<p>Between 3 and 6 months prior to the Maturity Date, a bond holder can elect whether they require the Company to repay the Bonds (<b>Redeem</b>) or convert the Bonds into Shares (<b>Convert</b>). If no election is made, the Bonds will be redeemed.</p>
<b>Repayment</b>	<p>Unless converted, the Face Value of the Bonds will be repaid by the Company, along with any outstanding and accrued interest on the Maturity Date.</p>
<b>Early Redemption or Conversion</b>	<p>The Company may elect at any time after the Initial Period to Redeem the Bond, in which case the interest payable upon Redemption shall be re-calculated as from the Effective Date at the Higher Rate upon the Subscription Amount and the necessary adjustment also paid at Redemption. The Investor may advise the Company that it requires the Bonds being Redeemed to be Converted into Shares at the Conversion Price, instead of redeemed for a cash payment.</p>
<b>Conversion</b>	<p>The Investor may elect that the Bonds be Converted at the Conversion Price at any time after the Initial Period.</p>
<b>Conversion Limitations</b>	<p>As an overriding provision, neither the Company nor a bond holder may effect a Conversion, to the extent that as a result of the proposed Conversion and issue of Shares the bond holder and/or the Company would breach any provision of the ASX Listing Rules or the Corporations Act, including, without limitation, a breach of ASX Listing Rule 7.1.</p>

Where a proposed Conversion would result in a bond holder and / or the Company breaching any provision of the ASX Listing Rules or the Corporations Act, then:

- (a) the Conversion that will proceed will be for the minimum number that would otherwise breach either the ASX Listing Rules or the Corporations Act, reduced by one Share (Limited Conversion);
- (b) any Conversion of the Bond beyond the Limited Conversion (Outstanding Conversion) shall be postponed (Conversion Postponement) until:
  - (i) the portion of the Bond represented by the Outstanding Conversion is redeemed (upon the Investor providing 4 months written notice), or
  - (ii) conclusion of a general members meeting of the Company (Company General Meeting) at which regulatory and shareholder approval for the Outstanding Conversion is obtained. The Company is to use all reasonable endeavours to convene the Company General Meeting and obtain the required regulatory and shareholder approvals within 6 months of the date the Limited Conversion concludes,
- (c) if regulatory and shareholder approval for the Outstanding Conversion is not obtained at an Company General Meeting, then it is agreed that:
  - (i) the interest rate applicable to the Principal component of the Outstanding Conversion shall increase to an annual rate of 15% from date the Limited Conversion concludes;
  - (ii) the Outstanding Conversion shall be redeemed by the Company upon the later of the following to occur;
    - (A) within 4 months of the date of the Company General Meeting at which the Company failed to obtain the regulatory and

	<p>shareholder approval; and</p> <p>(B) the Maturity Date</p> <p>where the amount to be redeemed above shall be the sum of;</p> <p>(A) the Principal component of the Outstanding Conversion, and</p> <p>(B) the interest component of the Outstanding Conversion (that was to have been Converted), re-calculated an annual rate of 15%.</p>
<b>Warranties</b>	<p>The Company provides the Investor with the usual representations and warranties concerning the authority of the Company to issue the Bond, Company employees, solvency, financial disclosure, assets of the Company, taxation, no litigation and compliance with applicable laws.</p>
<b>Event of Default</b>	<p>An Event of Default occurs if:</p> <p>(a) the Company does not pay within 10 Business Days after the due date, any money payable to a Investor under the Bond;</p> <p>(b) distress is levied or a judgment, order or other execution for, or encumbrance securing, an amount in excess of \$500,000 is enforced against any property of the Company;</p> <p>(c) a receiver is appointed in respect of the property of the Company;</p> <p>(d) an administrator or similar official is appointed in respect of the Company, its functions or assets which has or is likely to have a material adverse effect;</p> <p>(e) the Company is unable to pay its debts when they fall due;</p> <p>(f) the Company stops payment, ceases to carry on its activities or functions or a material part of them, or threatens to do</p>

	<p>either of those things except to reconstruct or amalgamate while solvent;</p> <p>and the event is not remedied by the Company within 14 days of receipt of notice of the event from the Investor.</p> <p>If an Event of Default occurs then any Investor may declare the outstanding Principal and interest (re-calculated at the Higher Rate) to be due and payable (on a date at least 20 business days thereafter), upon which date the Company must Redeem the Bonds.</p>
<b>Bond Transfers</b>	<p>A bond holder may transfer the Bond after the Initial Period and only if the transferee is not a competitor of the Company and not otherwise involved in a columbarium business.</p>
<b>Governing law</b>	<p>The Bond Deed is governed by the laws of Victoria.</p>