



ATOS
WELLNESS

ASX Release

Company to sell Singapore assets

10 May 2010: The Board of ATOS Wellness Ltd (**Company**) is pleased to announce that the Company has entered into an agreement concerning the sale of several of its operating subsidiaries to the Company's major shareholders, Ananda Rajah and Pathma Ayadurai (**Purchasers**).

The sale will see the Company sell all of its interests in Singapore entities ATOS Wellness Pte Ltd, Inner Harmony Pte Ltd, Slimcare Studio Pte Ltd, Slimline Studio Pte Ltd, ATOS Consumer Products Pte Ltd as well as several other dormant/non-core entities (**Sale Companies**).

The sale, which is subject to regulatory and shareholder approval, is scheduled to be completed before 30 June 2010.

Based on current exchange rates, the value of the transaction is estimated at AUD4.17 million and will be paid for by the purchasers as follows:

- (a) AUD500,000 in cash; and
- (b) release and discharge of various debts owing by the Company to the Purchasers, the Sale Companies and other third parties to the value of AUD3.47 million; and
- (c) the selective buy-back and cancellation of 48,828,125 shares in the Company held by the Purchasers for an agreed value of AUD200,000.

In the lead up to completion Ananda and Pathma have agreed to take a leave of absence from their roles as CEO and COO respectively so as to remove any conflict of interest concerns.

As the transaction involves related parties, in accordance with the ASX Listing Rules the Company will call a general meeting of shareholders.

At the general meeting it is anticipated that shareholders will be asked to approve the sale of the Sale Companies as well as approve the selective buy-back and cancellation of shares in accordance with section 257C of the Corporations Act.

It is anticipated that the general meeting will be held on Friday 25 June 2010 in Perth. The Company will confirm this arrangement in the coming days. A Notice of Meeting, Explanatory Memorandum and an Independent Experts Report are currently being prepared and will be sent to shareholders shortly.

Chairman of the Company, Jitto Arulampalam, said today that the transaction is the first step in the Company's restructuring plan and is an important move toward returning value to shareholders. The transaction will significantly improve the Company's balance sheet and allow the Company to move forward with renewed confidence.

Mr Arulampalam also said that the Board is continuing to look at new investment opportunities which will strengthen the Company's business activities, generate positive cash flow and improve shareholder value.

The Company will continue to stay in voluntary suspension in the immediate term pending further announcements, including the release of the Company's half year accounts.

The Company will continue to keep shareholders updated.

For further information, please contact:

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