



ATOS  
WELLNESS

ACN 100 531 191

ASX Release

15 February 2012

The Company Announcements Office  
ASX Ltd  
*via electronic lodgement*

## **EXECUTION OF SHARE SALE AGREEMENT RE MEDEC INTERNATIONAL PTY LTD SHARES**

The Directors of Atos Wellness Ltd (ASX: ATW) ("Company") are pleased to make the following announcement.

### **Background**

- A. In December 2008, ATW sold to certain parties associated with the management of the Company 51% of ATW's shareholding in the company called Medec International Pty Ltd ("MI"). MI had been making losses and the purchasing group committed to inject capital and expertise aimed at turning the MI business around. Unfortunately MI continued to trade at a loss and relied on the limited financial support of ATW to survive.
- B. As previously advised to the market, ATW is in the process of acquiring all the shares of the company Fitgenes Pty Ltd ("FG"). The business of MI is not core to the business of FG.
- C. Siva Ananda Rajah S/O Retnam ("Raja"), who is a significant shareholder in ATW, owns a business in Singapore which is synergistic with the business of MI.
- D. ATW owes Raja \$114,500.

### **The Proposed Transaction**

The Company has negotiated a Share Sale Agreement ("SSA") whereby ATW will dispose of all of the shares held by the Company in Medec International Pty Ltd, being 49% of all of the shares on issue in Medec International Pty Ltd, ("Medec Shares") to Raja.

Key terms of the SSA are as follows:

- The Company will dispose of the Medec Shares and as consideration, the Company will receive a total consideration from Raja of between \$114,500 and \$199,500, made up of the following elements:

- an up-front payment of \$114,500, which is to be offset against \$114,500 owed by the Company to Raja.
- a subsequent payment of up to a further \$85,000 paid in eight monthly instalments of \$10,000, beginning 1 April 2012, followed by one final instalment of \$5,000, with each monthly payment being contingent upon Medec Systems GmbH (a company which is 60% owned by Medec International Pty Ltd) continuing as a going concern at each instalment date.
- Conditions precedent include:
  - The Company obtaining shareholder approval at an extraordinary general meeting ("EGM").
  - Approval of the transaction by Medec International Pty Ltd shareholders – obtained on 22 December 2011.
  - The relevant parties obtaining all other necessary approvals (e.g. ASIC, ASX etc).
- With the exception of the approval of the Company's shareholders, all conditions are expected to be satisfied prior to the EGM.
- The Company does not provide any warranties in relation to the Medec Shares other than confirming its right and power to effect the sale of the Medec Shares.
- The Share Sale Agreement is governed by the laws of Western Australia.

An Independent Expert's Report has been commissioned from DMR Corporate and will be released to shareholders and the market ahead of the EGM.

For further particulars please contact

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