

# health corporation Limited

ACN 116 800 269

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ASX Release

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## CONDITIONAL AGREEMENT FOR SALE OF NON PERFORMING ASSETS

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On 3 May 2010, the Company announced a strategic decision to review the Company's existing operations, with a focus on;

- implementing cost cutting measures;
- reviewing non-core or loss making business; and
- seeking potential complimentary investment opportunities, including medical and biotechnology/science ventures.

As part of the Company's stated objectives described above, the Company intends on entering into a conditional agreement with Director Mr Ken Lee, for the sale to Mr Lee (or his nominee) of non-core and loss making businesses. The agreement, which is expected to be entered into in the coming days, will be subject to shareholder approval and receipt of certain pre-emptive rights waivers.

Upon completion of the proposed transaction, the Company's core remaining assets will be comprised of:

- **Intramedics** (subject to Shareholder approval), a bioscience project involved in the development of a biologically stable form of Hyaluronic Acid ("HA"). HA is a key ingredient used in cosmetics, plastic surgery, therapeutic drugs, advanced wound care and drug delivery markets.
- **HIP MBA Pty Ltd**, which provides accounting services to pharmacy businesses; and
- **HEA Management Pty Ltd**, being a company incorporated with the intention of providing management services to pharmacy businesses.

The proposed transaction will be subject to approval by shareholders which is being sought at the upcoming Annual General Meeting. Further information can be found in the Notice of Meeting that will be announced to the market and dispatched to shareholders.

It is anticipated that disposal of certain non-core and loss making assets in conjunction with the acquisition of Intramedics (subject to shareholder approval) will provide greater opportunities for both organic and acquisitive expansion by retiring debt and removing loss-making investments, thereby improving the Company's foundation for growth of future earnings.

The Company's future strategic vision is to develop the existing assets and focus on value creation for shareholders through new complementary investments in companies or projects with world class assets and management teams in the medical/biotechnology sector.

*For and on behalf of the Board*