



G Medical Innovations Holdings Ltd
ARBN 617 204 743

ASX Announcement

22 May 2017

G MEDICAL SIGNS CHINA JOINT VENTURE AGREEMENT

- *G Medical has signed a Joint Venture Agreement with Chinese Company Guangzhou Sino-Israel Bio-Industry Investment Fund (LLP) (“GIBF”), to provide G Medical’s products and services into the Chinese market.*
- *GIBF will invest US\$5 million into a new Joint Venture subsidiary company in China, for a 30% fully diluted equity interest in G Medical’s Chinese subsidiary.*
- *GIBF will also use its best commercial efforts to facilitate the provision of US\$10m of additional future government grant or loan funding.*
- *G Medical has agreed that all of its operations within the People’s Republic of China, Hong Kong and Macau shall be directed exclusively through the Joint Venture.*

Mobile and e-Health company **G Medical Innovations Holdings Ltd (“G Medical” or the “Company”)** is pleased to announce it has signed a Joint Venture Agreement (“**Agreement**”) with Guangzhou Sino-Israel Bio-Industry Investment Fund (LLP) (“**GIBF**”). The Agreement is for the creation of a jointly owned Chinese subsidiary, Guangzhou G Medical Innovations Medical Technology Ltd. (“**Chinese Subsidiary**”) to provide G Medical’s products and services into the Chinese market.

G Medical has agreed that all of its operations within the People’s Republic of China, Hong Kong and Macau (“**Chinese Territory**”) shall be directed exclusively through the Chinese Subsidiary. The Agreement is in accordance with an initial Term Sheet the parties entered into on 30 October 2016 and outlined in the Company’s Replacement Prospectus dated 14 March 2017. Pursuant to the Agreement:

- the Chinese Subsidiary will be granted an exclusive licence for the use and sub licence of all of G Medical’s intellectual property and products in the Chinese Territory;
- GIBF has agreed to invest US\$5 million in the Chinese Subsidiary for a 30% fully diluted equity interest. G Medical will retain a 70% interest;
- the US\$5 million is expected to be received on or around 18 June 2017 and will be deposited into the JV bank account of the Company;
- the board of the Chinese Subsidiary is to be comprised of up to 7 members, with 3 members appointed by GIBF and 4 appointed by G Medical, and a general manager appointed by G Medical;
- GIBF shall use best commercial efforts to facilitate for the Chinese Subsidiary, directly or from government funding, additional financing in the amount of US\$10 million by way of grants or loans; and
- GIBF will have a right, in its sole discretion, to list the Chinese Subsidiary, provided that the listing must value the Chinese Subsidiary at no less than US\$50 million.

Commenting on the JV Agreement, G Medical CEO Dr. Yacov Geva, said: *“China is a very significant market opportunity for G Medical and I am delighted we have been able to secure the support of a partner such as Guangzhou Sino-Israel Bio-Industry Investment Fund (LLP) (“GIBF”), with the funding capability and local knowledge that is essential to succeed in the region. With the Joint Venture in place, G Medical is well positioned to progress our commercialisation strategy and move towards getting our products to market.”*

With the new Joint Venture in place and in conjunction with the upgraded SilverLake distribution agreement, as announced on 9 May 2017, G Medical has now established a strong footprint within the Chinese territory for both its Smartphone Cover (Jacket), as well as the Wireless Vital Signs Monitoring System (WVSMS) suite of product offerings. Furthermore, on receipt of the CFDA certification, the Company should be well positioned to penetrate various hospitals, government institutions, telcos, and mHealth distribution houses on a national scale.

Ends

Corporate Advisors

Otsana Capital

108 Outram Street

West Perth WA 6005

Telephone: +61 8 9486 7244

www.otsana.com

About Guangzhou Sino-Israel Bio-Industry Investment Fund (LLP)

The Guangzhou Sino-Israel Bio-Industry Investment Fund Group (GIBF) is a 600 million RMB fund established in 2016 in Guangzhou, Guangdong, China.

GIBF mission is to invest and promote the establishment of Chinese subsidiaries of Israeli companies that are active in the biomedical field out of China. The Chinese subsidiaries have the full exclusive rights to the IP, and total freedom of operation in China.

About G Medical Innovations

G Medical (**ASX:GMV**) is an mHealth (mobile health) and e-Health company offering a suite of both consumer and clinical grade health monitoring products and platforms which are positioned to reduce inefficiencies in healthcare delivery, improve access, reduce costs, increase quality of care, and make healthcare more personalized and precise.

To learn more about G Medical, visit www.gmedinnovations.com