



G Medical Innovations Holdings Ltd  
ARBN 617 204 743

**ASX Announcement**

10 November 2017

## **G MEDICAL SIGNS BINDING MOU FOR DISTRIBUTION IN INDIA AND TAIWAN VALUED AT US\$405M**

- *Binding MOU signed with First Channel Ltd (FCL)*
- *Agreed terms include distribution of G Medical's Prizma Medical Smartphone Case and supporting services in India and Taiwan*
- *Total Agreement value of \$US405 million within 3 years, on minimum commitments*
- *Year 2018 initial commitment valued at US\$90Million*
- *Additional Definitive Agreements with Tier 1 partners yet to be Completed*

Mobile health and e-health company **G Medical Innovations Holdings Ltd ("G Medical" or the "Company")** is pleased to announce it has executed a Binding Memorandum of Understanding ("**Agreement**") between its subsidiary G Medical Innovations Asia Limited and First Channel Ltd ("**FCL**"), for the distribution of G Medical's products and services in India and Taiwan (collectively "**the Territories**").

### **Minimum Purchases**

Pursuant to the Agreement, FCL has agreed to purchase a **minimum quantity of units within the 1<sup>st</sup> Year** of Prizma Medical Smartphone Case, with minimum total payments during this period anticipated to be US\$90 million. FCL will pay a pre-determined price for each unit, with the total value of the Agreement based on the **minimum commitments of US\$405 million**, for the Territories within a 3-year period broken down as:

- Year 1 – US\$90 million;
- Year 2 – US\$135 million; and
- Year 3 – US\$180 million.

G Medical advises that at this time, the Tier 1 partners of FCL have not yet formalised a definitive arrangement with FCL, and thus FCL have not yet established their 'Letter of Credit' (details of the Tier 1 partners and 'Letter of Credit' are outlined later in this release). **On this basis, the Company cannot categorically state that the full anticipated revenues under the Agreement with FCL can be achieved, until such time as the above have been formalised.**

### **Letter of Credit**

For all purchase orders submitted, FCL will obtain a letter of credit from a first class bank. FCL will provide this letter of credit to G Medical at the time of making the purchase order. G Medical will exchange this letter of credit with an Israeli government insurance company to receive immediate payment.

This is a facility available to all Israeli companies to assist them with the growth of their businesses. G Medical takes out the insurance through ICIC - The Israel Credit Insurance Company - which is the leading credit insurer in Israel. The facility provides protection to G Medical in the cases of; Customer default - a situation in which the customer enters bankruptcy (insolvency) in various forms: freezing of proceedings, creditor arrangements, appointment of liquidator, etc; Incompetent non-payment - a situation in which the customer experiences financial difficulties that prevent him from paying his debt to the insured. Further information on such facilities can be found at <http://www.icic.co.il>

For the avoidance of doubt, FCL has agreed to purchase and distribute the Prizma Medical Smartphone Case, in collaboration with its Tier 1 partners, which will be ultimately responsible for the final distribution of the Prizma via their established networks, infrastructure and customers. FCL do not act as an introduction agency for G Medical itself, and will be integral in the wider business model, over and above the actual Prizma device sales, including, call centre operations and support services to the Prizma technology and third party partnerships (Services).

### **Good Faith Negotiations**

G Medical and FCL shall hold good faith negotiations in order to execute a further binding Agreement which will detail certain aspects surrounding services level (Services) agreements, with the intention that FCL will provide end-customer solutions and services including, medical cloud health services and call centre services, jointly with G Medical. As part of the ongoing Services, end-customers will be provided with a basic cloud health service for the period of 24 months, allowing customers direct access to their data measurement history and stored tests results.

FCL will be responsible for marketing, products launch and commercialisation and liaising with Tier partners within the territories in both direct sale and other professional channels.

### **Term and Termination**

The Agreement:

- Is effective for 60 months unless earlier terminated by agreement of two parties or otherwise in accordance with its terms;
- May be terminated by either Party if the other Party is in material breach of any term of this Agreement and which breach, in the case of a breach capable of being remedied, has not been remedied within 30 (thirty) days from a written request to remedy the same; and
- Any termination of this Agreement for any reason whatsoever shall not affect any accrued rights or liabilities of either Party nor shall it affect the survival of any provision hereof which is expressly or by implication intended to survive such termination.

### **Non-competition**

FCL and its affiliates are subject to non-competition restraints for the period of the Agreement, and ending five years after its termination (unless G Medical is found by a Court to have breached the Agreement). These non-competition restraints extend to competing with the products or services of G Medical.

### **Additional Definitive Agreements to Complete**

First Channel Limited (FCL) with whom G Medical have signed the agreement is a project company that is supported by its parent Union Bridge Holdings Limited (**UBHL**), a company trading in the OTC Markets (OTCQB:UGHL).

FCL is in late stage discussions with their Tier 1 partners, including Vodafone India, Reliance Communications and BSNL Mobile (**Tier 1 Partners**). It is anticipated that these third-party agreements will be finalised shortly, hence providing additional support for the distribution and financial commitments outlined in the Agreement. G Medical has been involved in face-to-face meetings with these third parties and is satisfied that these parties have the intention to enter into definitive arrangements with FCL.

G Medical's Executives and legal counsel, have conducted the required due diligence on both FCL and its Tier 1 partners, and are confident with the presented business plans outlining FCL's ability to successfully sell and distribute G Medical's devices to the telecommunication carriers and the insurance companies; both directly and in collaboration with their Tier 1 partners, and provide the necessary ancillary support services to the Prizma product.

The sales and distribution team of UBHL group has deep connectivity within the telecom industry in both India and Taiwan, where the Company is focusing to mass market its Prizma products. G Medical has worked closely on its sales and distribution model with FCL and has cross verified the working background and track record of the individual team members. The Company has also examined and is satisfied with the financial positions of the major shareholders to UBHL, as well as with the accompanying strong business relationships with the Tier 1 partners which will allow G Medical to rapidly penetrate these Territories through these direct partnerships and relationships.

**G Medical CEO Dr. Yacov Geva, commented:** *"I am extremely pleased to announce yet another significant milestone for G Medical. Teaming with a strong partner such as FCL, further increases our purchase commitments for our products and services, and adds to our robust, multi-year revenue stream for the next three years. FCL's extensive reach and market know-how, teamed up with G Medical's innovative products and expertise, will allow for true remote medical solutions offered to millions of patients and consumers in India and Taiwan. This agreement strengthens G Medical's strategy to focus on China and Asia as one of our leading markets, among other territories".*

G Medical Innovations offers a suite of consumer and professional clinical-grade products (regulatory approved) that are positioned to streamline healthcare services, improve remote access to medical data, reduce costs, improve quality of care, and make healthcare more personalised and precise.

Among the innovative products on offer from G Medical is the Prizma Medical Smartphone Case, which combines everyday technologies with patented wireless medical sensors and service platforms, practically turning consumers' smartphone into a mobile medical health monitoring solution.



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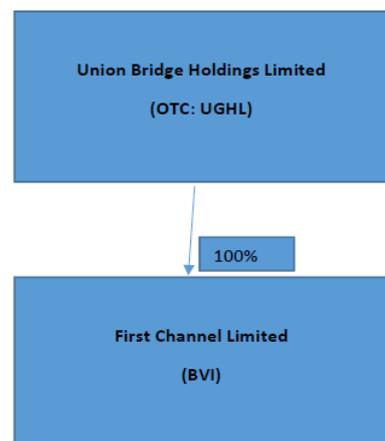
[www.otsana.com](http://www.otsana.com)

**About First Channel, Ltd (FCL)**

First Channel Limited (FCL) is a Company registered as per the laws of British Virgin Islands. FCL is 100% owned by Union Bridge Holdings Limited a company trading in the OTC Markets (OTCQB:UGHL). The CEO of First Channel Limited is Mr. Joseph Ho.

Mr. Ho has over 35 years of working experience and he is responsible for strategic planning, business development and finance of the Company. UGHL and its subsidiary First Channel Limited are positioning itself to make trade and investments in Healthcare related business globally.

**Corporate Structure**



**About G Medical Innovations**

G Medical (**ASX:GMV**) was founded in August 2014, aiming to be at the forefront of the digital health revolution, developing the next generation of mobile health (mHealth) technologies. The Company brings forth the experience and expertise of its Board to deliver best-in-class solutions to address this global opportunity.

The Company specialises in innovative next generation mobile and e-health solutions and services using its suite of devices and software solutions with a view to driving multiple and recurring revenue streams, across numerous verticals and territories.

For more information on G Medical, please visit [www.gmedinnovations.com](http://www.gmedinnovations.com)