



01 Jun 2018

The Australian, Australia

Author: Sarah-Jane Tasker • Section: Business News • Article Type: News Item
Audience : 94,448 • Page: 21 • Printed size: 227.00cm² • Market: National
Country: Australia • words: 424 • Item ID: 962548245

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Compumedics soars on Chinese tie-up

SARAH-JANE TASKER
BIOTECHS

Medical device company Compumedics has enjoyed a 75 per cent share price rise after signing a deal in China to expand its sleep monitoring technology.

The Australia-listed company has signed a framework agreement with China-based Meinian Onehealth Healthcare, which is known as Health 100, to create a joint venture to commercialise Compumedic's Somfit product and technology platform in China.

Somfit is Compumedics' mobile wearable system and platform for monitoring sleep in the home.

Shares in Compumedic ended 75.6 per cent higher at 72c yesterday following news of the planned joint venture, which the two parties plan to finalise by mid-August.

"Getting to this point has taken Compumedics 30 years of product and technology innovation and development," Compumedics chairman and chief executive David Burton said.

"Together with Health 100, we will make history, transforming health and leading the way of the future for primary, secondary and tertiary community-wide healthcare."

The signing of the agreement comes amid strained relations between the Turnbull government and Chinese officials.

Dr Burton said yesterday his company and Health 100 had entered into talks after being introduced following Victorian Premier Daniel Andrews' visit to China last year.

He said the support of Mr Andrews added to the credibility of Compumedics in China.

"China has the pick of the globe given its growth ... we

think Premier Andrews visiting China regularly is a positive sign and demonstrates a trust and a relationship," he said.

Compumedics, which listed on the local stockmarket in 2000, develops and manufactures diagnostic

technology and systems for sleep, brain and ultrasonic blood-flow monitoring.

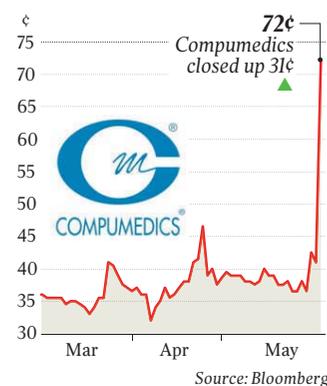
The Chinese joint venture deal will see Health 100 hold 51 per cent of the company and Compumedics the rest.

Health 100 has 40,000 staff and the largest medical examination platform in China, supported by one of the largest professional physician, management and marketing teams.

Compumedics said Health 100 doctors and healthcare experts undertook 20 million health checks last year. It was expected this number would rise to 30 million this year.

Compumedics will receive \$11.3 million pre-tax as an upfront payment as part of the joint venture deal. Health 100 will commit to buying an initial one million Somfit devices for the China market in the first two years. This would generate at least \$133m in revenue to the joint venture.

The Somfit platform covers sleep, sleep-disorder breathing, sleep treatment devices, cardiology, respiratory, neurology and diabetes, among other sleep-related health management disciplines.



David Burton

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DAVID BURTON, COMPUMEDICS