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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in Sisram Medical Ltd, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the licensed securities dealer, registered institution in securities, bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**Sisram Medical Ltd**

*(Incorporated in Israel with limited liability)*

**(Stock Code: 1696)**

**PROPOSED APPOINTMENTS OF EXTERNAL DIRECTORS**

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A notice convening the EGM to be held at Meeting Room, 2nd Floor, Building A, No. 1289 Yishan Road, Shanghai, the PRC, on Friday, 22 December 2017 at 2:00 p.m. is set out on pages 7 to 8 of this circular.

The proxy form is enclosed in this circular. Whether or not Shareholders intend to attend the EGM, they are advised to complete and return the enclosed proxy form to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable and in any event by not later than 48 hours before the time appointed for holding the EGM (i.e. not later than 2:00 p.m. on 20 December 2017 (Hong Kong time)). The completion and return of the proxy form will not preclude you from attending and voting in person at the EGM should you so wish.

15 November 2017

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	2
<b>Notice of the EGM</b> .....	7

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Sisram Medical Ltd, a company incorporated in Israel with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
<b>“CCASS”</b>	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
<b>“Director(s)”</b>	the director(s) of the Company
<b>“EGM”</b>	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the appointments of External Directors of the Company
<b>“External Director(s)”</b>	Director(s) to be appointed as an external director(s) of the Company under the Israeli Companies Law
<b>“Israeli Companies Law”</b>	the Companies Law 5759-1999 of Israel, effective from 1 February 2000, as amended from time to time, and the regulations promulgated thereunder
<b>“Share(s)”</b>	the share(s) in the capital of the Company
<b>“Shareholder(s)”</b>	the shareholder(s) of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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# Sisram Medical Ltd

*(Incorporated in Israel with limited liability)*

**(Stock Code: 1696)**

*Executive Directors:*

Yi LIU  
Lior Moshe DAYAN

*Non-executive Directors:*

Yifang WU  
Chun LI  
Yao WANG  
Yu HU

*Independent non-executive Directors:*

Heung Sang Addy FONG  
Chi Fung Leo CHAN  
Jenny CHEN  
Kai Yu Kenneth LIU

*Registered Office:*

14 Halamish Street  
Caesarea Industrial Park  
Caesarea 38900  
Israel

*Principal Place of Business in  
Hong Kong*

Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong

15 November 2017

*To the Shareholders*

Dear Sir or Madam,

### PROPOSED APPOINTMENTS OF EXTERNAL DIRECTORS

#### 1. INTRODUCTION

The Company refers to the prospectus issued by the Company on 5 September 2017 (the "**Prospectus**") in relation to the global offering of the Shares. As disclosed in the sections headed "Directors and Senior Management" and "Appendix IV — Summary of the Israeli Companies Law, Shareholder Protection Matters and Voting Arrangements" of the Prospectus, under the Israeli Companies Law, an Israeli company whose shares have been offered to the public or whose shares are listed for trading on a stock exchange in or outside of Israel is required to appoint at least two external directors to serve on its board of directors.

Accordingly, the Board has resolved to nominate Mr. Heung Sang Addy FONG ("**Mr. FONG**") and Mr. Chi Fung Leo CHAN ("**Mr. CHAN**"), who are independent non-executive Directors, as External Directors of the Company for a term of three years, subject to the approval by the Shareholders at the EGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED APPOINTMENTS OF EXTERNAL DIRECTORS

#### A. Eligibility of External Directors Under the Israeli Companies Law

External directors must meet stringent standards of independence. Such standards include, among other things, the prohibition of the appointment of a person who (i) is a relative of a controlling shareholder, or someone whose relative, partner, employer, or company which that person controls, has or has had for a period of two years up to the date of the appointment, a “connection” to the company, the controlling shareholder of the company or a relative of the controlling shareholder, or to a company controlled by the controlling shareholder; or (ii) has (or someone whose relative, partner, employer, or company which that person controls has) a “connection” with the chairman, the chief executive officer, chief financial officer or a shareholder of at least 5% of the shares of the company. A “connection” is defined by the Israeli Companies Law (subject to certain matters set forth under relevant regulations promulgated thereunder), as any on-going employment, business or professional relationship, or control, or service as an office holder (or if not an on-going relationship, anything that is more than negligible), other than as an external director appointed to the board of a company which is to offer its shares to the public in an initial public offering. For the purpose of this circular, the term “controlling shareholder” refers to a “Controlling Shareholder” as defined under the Israeli Companies Law, which is any Shareholder (or group of Shareholders acting in concert) who has the ability to direct the affairs of the Company, including any Shareholder who holds at least 25% of the voting rights if no other Shareholder holds over 50% of the voting rights.

In addition, according to the Israeli Companies Law, at least one of the external directors is required to have “financial and accounting expertise” and the other external director is required to have “professional expertise”. The conditions and criteria for possessing accounting and financial expertise or professional qualifications were determined in the Israeli Companies Law regulations promulgated by the Israeli Minister of Justice in consultation with the Israel Securities Authority. The regulations mandate that a person is deemed to have “expertise in finance and accounting” if his or her education, experience and qualifications provide him or her with expertise and understanding in business matters accounting and financial statements, in a way that allows him or her to understand, in depth, the company’s financial statements and to encourage discussion about the manner in which the financial data is presented.

The candidate to serve as external director must sign a declaration stating that the criteria set out under the Israeli Companies Law have been met, as required by law for the appointment of such candidate as external director.

#### B. Voting Requirements

Pursuant to the Israeli Companies Law, external directors are to be elected by a majority vote at a shareholders’ general meeting, provided that either:

- (1) the majority of shares voted at the meeting, including at least a majority of the shares held by non-controlling shareholders and disinterested parties (where a disinterested party will include a shareholder which has an interest in the appointment; provided such interest does not arise out of such shareholder’s affiliation with a controlling shareholder) that were voted at the meeting (excluding abstentions), vote in favor of election of the external director; or

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## LETTER FROM THE BOARD

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- (2) the total number of shares held by non-controlling shareholders and disinterested parties that voted against the election of the external director does not exceed two percent of the aggregate voting rights in the company.

Additionally, the election of external directors is included among the matters for which the Israeli Companies Law requires that each vote will be counted only if it is accompanied by a declaration regarding the presence or absence of personal interest including whether or not such shareholder is a controlling shareholder or has an interest in connection with a controlling shareholder (see Section 4 below).

### C. The Proposed Appointments

The Board has resolved to appoint Mr. FONG and Mr. CHAN, who are independent non-executive Directors, as External Directors of the Company for a term of three years, subject to the approval by the Shareholders at the EGM. Mr. FONG and Mr. CHAN will not receive additional remuneration from the Company for acting as External Directors of the Company. Mr. FONG and Mr. CHAN have abstained from voting on the relevant Board resolution to approve the appointment of External Directors as they are considered to have material interest in the relevant Board resolution.

Each of Mr. FONG and Mr. CHAN has signed a declaration, stating that the criterial set out under the Israeli Companies Law have been met. The biography information of each of Mr. FONG and Mr. CHAN is set out below.

#### *Mr. FONG*

Mr. Heung Sang Addy FONG (方香生), aged 58, was appointed as an independent non-executive Director of the Company on 30 August 2017. Mr. FONG has more than 20 years of audit, financial and capital market experiences. Mr. FONG has been a managing director of Bonus Eventus Securities Limited since April 2015. Previously, he served as chief financial officer of China Harmony Auto Holding Limited (stock code: 3836.HK) from October 2012 to March 2015, chief financial officer of Chendu CYPCO Biotechnology Co., Ltd. from August 2011 to October 2012, director and chief financial officer of China Electric Motor, Inc. (delisted from NASDAQ in June 2011) from January 2010 to May 2011, director and chief financial officer of Apollo Solar Energy Inc. (stock code: ASOE.PK) from February 2009 to March 2010 and the executive vice president of the corporate development of Fuqi International, Inc. (delisted from NASDAQ in March 2011) from December 2006 to January 2009. In addition, Mr. FONG also acted as an independent director of various listed companies. He was an independent director of Universal Technologies Holdings Limited (stock code: 1026.HK) from July 2006 to June 2013, an independent director of China Housing and Land Development, Inc. (delisted from NASDAQ in March 2016) from September 2010 to April 2014, an independent director and chairman of the audit committee of Kandi Technologies Group, Inc. (stock code: KNDI.NASDAQ) from July 2007 to June 2011, and an independent director and chairman of the audit committee of Diguang International Development Co., Ltd. (stock code: DGNG.PK).

Mr. FONG obtained a master's degree of business administration from the University of Nevada, Reno, in the United States in December 1989 and a master's degree in science from the University of Illinois, Champaign, in the United States in June 1993. He is a member of the American Institute of Certified Public Accountants, the Hong Kong Institute of Certified Public Accountants and the State Board of Accountancy of Washington State.

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## LETTER FROM THE BOARD

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### *Mr. CHAN*

Mr. Chi Fung Leo CHAN (陳志峰), aged 38, was appointed as an independent non-executive Director of the Company on 30 August 2017. Mr. CHAN has been the managing director of LY Capital Limited since May 2016. Previously, he served as deputy managing director of V Baron Global Financial Services Limited from May 2015 to April 2016, director of the corporate finance team of CITIC Securities International in Hong Kong from December 2011 to April 2015, associate of the consumer team and corporate finance execution team of BNP Paribas in Hong Kong and Paris from August 2007 to December 2011, associate of the corporate finance team of CCB International Capital Limited in Hong Kong from July 2006 to July 2007, the executive of corporate finance team of Kingsway Group in Hong Kong from January 2005 to June 2006 and staff accountant of the audit group of Ernst & Young Hong Kong from September 2001 to March 2004, respectively.

Mr. CHAN obtained a bachelor of business administration with a major in Accounting from the Hong Kong University of Science and Technology in Hong Kong in November 2001. Mr. CHAN was admitted as a member of the Hong Kong Institute of Certified Public Accountants in October 2005.

### **3. EGM**

A notice of the EGM to be held at Meeting Room, 2nd Floor, Building A, No. 1289 Yishan Road, Shanghai, the PRC, on Friday, 22 December 2017 at 2:00 p.m. is set out on pages 7 and 8 of this circular at which ordinary resolutions will be proposed to approve the proposed appointments of Mr. FONG and Mr. CHAN as External Directors of the Company. The vote of the Shareholders at the EGM will be taken by way of a poll.

A form of proxy for use at the EGM is enclosed. Whether or not Shareholders are able to attend the EGM, they are requested to complete and return the enclosed form of proxy to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable and in any event by not later than 48 hours before the time appointed for holding the EGM (i.e. not later than 2:00 p.m. on 20 December 2017 (Hong Kong time)). The completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

### **4. IMPORTANT NOTICE IN RELATION TO THE DECLARATION OF PERSONAL INTEREST**

**Under the Israeli Companies Law, Shareholders are required to declare to the Company whether they have a personal interest (including whether he/she/it is, or has an interest in connection with, a controlling shareholder) in each resolution relating to the appointment of each External Director of the Company.**

**Votes which are not accompanied by the personal interest declaration will be ignored and will not be counted.**

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## LETTER FROM THE BOARD

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**(a) For Shareholders whose Shares are registered in their own name**

If a Shareholder attends and votes at the EGM in person, he/she/it will be required to indicate on the voting paper whether or not he/she/it has a personal interest in the resolutions to be proposed at the EGM.

If a Shareholder does not attend the EGM in person and appoints a proxy to attend and vote on his/her/its behalf at the EGM, such Shareholder is required to include in his/her/its proxy form (a) a declaration of whether or not the Shareholder has a personal interest in the resolutions to be proposed at the EGM and (b) voting instructions which (i) are not subject to change (although not necessarily revocable), (ii) are clear and unambiguous and leave no discretion to the proxy and (iii) refer to the resolutions set out in the notice of the EGM.

The aforementioned criteria are optional, but if they are not fulfilled, then the declaration of personal interest must be made with respect to both the Shareholder and the individual acting as proxy.

A Shareholder may appoint any person to be his/her/its proxy, including the chairman of the EGM.

**(b) For Shareholders whose Shares have been deposited into CCASS**

Any Shareholder for whose benefit Shares are registered with a CCASS participant (or who is himself/herself/itself a CCASS investor participant) and whose underlying Shares have been deposited into CCASS and registered in the name of HKSCC Nominees Limited (“**HKSCCN**”) is required to include with his/her/its voting instructions to the CCASS participant or HKSCCN (as the case may be) a declaration of whether or not he/she/it has a personal interest in the resolutions to be proposed at the EGM. Such voting instructions must (a) be provided in writing (in physical or electronic format), (b) not be subject to change (although not necessarily irrevocable), (c) be clear and unambiguous and leave no discretion to those receiving the instructions and (d) refer to the resolutions set out in the notice of the EGM.

CCASS participants who receiving voting instructions from beneficial owners of Shares should provide the voting instructions together with the declarations of personal interest received to HKSCCN.

## **5. RECOMMENDATIONS**

The Directors believe that the resolutions in respect of the proposed appointments of External Directors of the Company are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions proposed at the EGM.

Yours faithfully,  
On behalf of the Board  
**Sisram Medical Ltd**  
**Yi LIU**  
*Chairman*



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## NOTICE OF EGM

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# Sisram Medical Ltd

(Incorporated in Israel with limited liability)

(Stock Code: 1696)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Sisram Medical Ltd (the “**Company**”) will be held at Meeting Room, 2nd Floor, Building A, No. 1289 Yishan Road, Shanghai, the PRC, on Friday, 22 December 2017 at 2:00 p.m. (the “**Meeting**”) for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the appointment of Mr. Heung Sang Addy FONG as an external director of the Company.
2. To consider and approve the appointment of Mr. Chi Fung Leo CHAN as an external director of the Company.

By order of the Board  
**Sisram Medical Ltd**  
Yi LIU  
Chairman

Hong Kong, 15 November 2017

*Notes:*

1. A shareholder of the Company (“**Shareholder**”) entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A proxy need not be a Shareholder.
2. **IMPORTANT NOTICE:** Under the Israeli Companies Law, Shareholders have to declare to the Company whether they have a personal interest in the resolutions referred to above. Any Shareholder for whose benefit Shares of the Company are registered with a CCASS participant (or who is himself/herself/itself a CCASS investor participant) and whose underlying Shares have been deposited into CCASS and registered in the name of HKSCC Nominees Limited (“**HKSCCN**”) is required to include with his/her/its voting instructions to the CCASS participant or HKSCCN (as the case may be) a declaration of whether or not he/she/it has a personal interest in the resolutions to be proposed at the Meeting (including whether he/she/it is, or has an interest in connection with, a controlling shareholder). **Votes which are not accompanied by the personal interest declaration will be ignored and will not be counted.** For the purpose of this notice, the term “controlling shareholder” refers to a “Controlling Shareholder” as defined in the Israeli Companies Law, which is any Shareholder (or group of Shareholders acting in concert) who has the ability to direct the affairs of the Company, including any who holds at least 25% of the voting rights if no other Shareholder holds over 50% of the voting rights.
3. In order to be valid, a form of proxy, together with the personal interest declaration and any power of attorney (if any), or other authority under which it is signed (if any), or a copy thereof, shall be deposited at the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road

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## NOTICE OF EGM

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East, Wanchai, Hong Kong, **not less than 48 hours before the time appointed for holding the Meeting** (i.e. not later than 2:00 p.m., on 20 December 2017 (Hong Kong time)). Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the Meeting or at any adjourned meeting and, in such event, the form of proxy delivered by such Shareholder shall be deemed to be revoked.

4. The register of members of the Company in Hong Kong will be closed from Monday, 18 December 2017 to Friday, 22 December 2017 (both days inclusive), during which dates no transfer of Shares will be effected. In order to qualify for voting at the Meeting, all transfers, accompanied by the relevant certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. of Friday, 15 December 2017. Shareholders whose names appear on the register of members of the Company on Monday, 18 December 2017 shall be entitled to attend and vote at the Meeting.
5. The votes to be taken at the Meeting will be taken by poll, the results of which will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited after the Meeting.

*As at the date of this notice, the Board of Directors of the Company comprises Mr. Yi LIU and Mr. Lior Moshe DAYAN as Executive Directors; Mr. Yifang WU, Mr. Chun LI, Mr. Yao WANG, and Ms. Yu HU as Non-Executive Directors; Mr. Heung Sang Addy FONG, Mr. Chi Fung Leo CHAN, Ms. Jenny CHEN and Mr. Kai Yu Kenneth LIU as Independent Non-executive Directors.*