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## **Sisram Medical Ltd**

*(Incorporated in Israel with limited liability)*

**(Stock Code: 1696)**

### **SUPPLEMENTAL ANNOUNCEMENT**

Reference is made to the announcement published on the website of The Stock Exchange of Hong Kong Limited of Sisram Medical Ltd (the “**Company**”) dated 16 November 2018 (the “**Announcement**”) in relation to the Proposed Transaction.

As disclosed in the Announcement, the amount of the Deferred Consideration payable to each Seller will be subject to set-off and adjustment depending on the level of achievement of those financial targets, the amount of shortfall in the working capital below the required working capital of the Target Company in that year determined in accordance with the terms of the Share Purchase Agreement and any claim for damages by Alma Lasers arising from Sellers’ breach of representations and/or warranties under the Share Purchase Agreement.

The Company provides certain additional information in relation to the Deferred Consideration as follows:

- (1) the financial targets refer to the Target Company’s (i) Revenue Target and (ii) EBITDA Margin Target.
  - Revenue Target refers to the Target Company’s revenue for the financial years 2018, 2019 and 2020, as reflected in its audited annual financial statements, from bona fide sales of products and/or services to third parties of at least NIS45,000,000, NIS 50,000,000 and NIS55,000,000, respectively; and
  - EBITDA Margin refers to the percentage received from dividing the EBITDA by the Revenue and the EBITDA Margin Target refers to such percentage which is equal or higher than 19.5%.
- (2) the Deferred Consideration payable will be calculated by reference to the percentage of the Revenue Target and the EBITDA Margin achieved by the Target Company.

- (3) If the Target Company achieves either less than (i) 80% of the Revenue Target; or (ii) 80% of the EBITDA Margin Target, Sellers will not be entitled to any Deferred Consideration for that year.
- (4) As set out in the Share Purchase Agreement and disclosed in the Announcement, the Deferred Consideration payment after set-off and adjustment will not exceed 300% of the Deferred Consideration before any set-off and adjustment.
- (5) Up to 50% of each Deferred Consideration payment shall be subject to set-off for any claims for damages by the Purchaser arising from Seller's breach of representations and/or warranties.

On Behalf of the Board  
**Sisram Medical Ltd**  
**Yi LIU**  
*Chairman*

Hong Kong, 7 December 2018

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Jianping HUA as Executive Directors; Mr. Yifang WU, Mr. Yao WANG and Ms. Yang YANG 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.*