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Sisram Medical Ltd
復銳醫療科技有限公司*
(Incorporated in Israel with limited liability)
(Stock code: 1696)

UPDATE ANNOUNCEMENT
EXERCISE OF THE CALL OPTION TO PURCHASE THE REMAINING 40%
EQUITY INTEREST IN NOVA

1. BACKGROUND

The Company refers to the announcement issued by the Company on November 16, 2018 (the “**Announcement**”) in relation to the acquisition of a 60% equity interest in Nova by Alma Lasers, the principal operating subsidiary of the Company, and the grant of the Call Option by Mr. Gerassi to Alma Lasers to require Mr. Gerassi to sell the remaining 40% equity interest in Nova held by him to Alma Lasers. The acquisition of the 60% equity interest in Nova was completed on January 15, 2019.

The Board is pleased to announce that, on July 29, 2021, Alma Lasers exercised the Call Option, pursuant to which Alma Lasers will acquire the remaining 40% equity interest in Nova from Mr. Gerassi. Upon completion, Nova will become a wholly-owned subsidiary of the Company.

2. EXERCISE OF CALL OPTION

Pursuant to the basis for calculating the consideration as set out in the Share Purchase Agreement and the Announcement, the purchase price for the 40% equity interest in Nova was determined to be NIS35,930,000 (approximately HK\$85,872,700), which may be increased to NIS45,023,000 (approximately HK\$107,604,970) subject to the adjustments required by the Share Purchase Agreement (if any) as disclosed in the Announcement. The Company will issue a further announcement of the final purchase price.

The Company will satisfy the purchase price with its internal cash resources.

3. REASONS FOR, AND BENEFITS OF, THE EXERCISE OF CALL OPTION

The Company sells its products in approximately 90 countries and jurisdictions worldwide through direct sales to treatment providers or distributors. Nova, a 60%-owned subsidiary of Alma Lasers, is a private company organized under the laws of Israel and is primarily engaged in distribution of medical and aesthetic products in Israel. Through the exercise of Call Option, Nova will become a wholly-owned subsidiary of the Company and the Company will fully consolidate Nova’s financial results and distribution network.

Having considered the reasons and benefits of the exercise of the Call Option set out above, the Directors (including the independent non-executive Directors) believe that the exercise of Call Option is in the ordinary and usual course of business of the Company to expand its business operations, has been entered into on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As none of the Directors had a material interest in the exercise of the Call Option, no Director has abstained from voting on the relevant board resolution of the Company.

4. INFORMATION ON NOVA

Based on the audited financial statements of Nova for the financial years ended December 31, 2019 and 2020 prepared in accordance with the international financial reporting standards (“IFRS”), the net profits before and after taxation and extraordinary items) for the financial years ended December 31, 2019 and 2020 are set out below:

	Year ended December 31,	
	2019	2020
Net profit before taxation and extraordinary items	NIS16,695,000 (approximately HK\$39,901,050)	NIS17,224,000 (approximately HK\$41,165,360)
Net profit after taxation and extraordinary items	NIS12,825,000 (approximately HK\$30,651,750)	NIS13,493,000 (approximately HK\$32,248,270)

Based on the audited financial statements of Nova for the year ended December 31, 2020 prepared in accordance with the IFRS, the net assets of the Target Company as at December 31, 2020 was approximately NIS36,527,000 (approximately HK\$87,299,530).

5. INFORMATION ON THE PARTIES

Alma Lasers Ltd. is the principal operating subsidiary of the Company. The Company is a leading global provider of energy-based medical aesthetic treatment systems, with comprehensive in-house capability to design, develop and produce such systems, which often feature its innovative and proprietary technologies.

Mr. Ofer Gerassi is a resident of Israel and is the beneficial owner of 40% of the equity interest shares in Nova as at the date of this announcement. Mr. Gerassi is one of the founders of Nova and the original acquisition cost of the 40% equity interest in Nova, being the corresponding issued and paid-in capital of Nova in 2007, was NIS44.49.

6. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the of maximum purchase price to be paid pursuant to the exercise of the Call Option exceeds 5% but is less than 25%, the exercise of Call Option constitutes a discloseable transaction and is subject to the reporting and announcement requirements, but is exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, Mr. Gerassi is the beneficial owner of 40% of the equity interest in Nova, a 60%-owned subsidiary of the Company. Therefore, Mr. Gerassi is a connected person of the Company at the subsidiary level. Accordingly, the exercise of the Call Option constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the Board has approved the transaction and the independent non-executive Directors have confirmed the matters required under Rule 14A.101 of the Listing Rules, the exercise of Call Option is subject to the reporting and announcement requirements but is exempt from the circular, independent financial advice and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

7. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Alma Lasers”	Alma Lasers Ltd., a company incorporated in Israel with limited liability and the main operating subsidiary of the Company
“Board”	the board of Directors
“Call Option”	a call option granted to Alma Lasers to purchase, and to require Mr. Ofer Gerassi to sell, all shares held by Mr. Gerassi in Nova pursuant to the terms of the Share Purchase Agreement
“Company”	Sisram Medical Ltd, a company incorporated in Israel with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1696)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Israel”	the State of Israel
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“NIS”	the official currency of Israel
“Nova”	Nova Medical Israel Ltd., a private company organized under the laws of Israel
“Share Purchase Agreement”	the share purchase agreement between Alma Lasers, Mr. Ofer Gerassi, Mrs. Sabina Biran, Mr. Jacob Sayef Aaron and Nova dated November 16, 2018

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

In this announcement, save as expressly stated otherwise, the HK\$ amounts have been converted from NIS amounts at the rate of NIS1 to HK\$2.39. Such conversion is for illustration purposes only. No representation is made that the NIS amounts have been or could have been or could be converted into HK\$, or vice versa, at such rate or at any other rates on any relevant dates.

On behalf of the Board
Sisram Medical Ltd
復銳醫療科技有限公司*
Yi LIU
Chairman

Hong Kong, July 29, 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU as Executive Directors; Mr. Yifang WU, Mr. Yao WANG and Ms. Rongli FENG 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.

* for identification purpose only