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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)

**PROPOSED ADOPTION OF THE 2021 RSU SCHEME
PROPOSED GRANTING OF THE RSU SCHEME ANNUAL MANDATE
PROPOSED ADOPTION OF THE REMUNERATION POLICY FOR
DIRECTORS AND OFFICERS
AND
CONNECTED TRANSACTIONS RELATING TO THE PROPOSED GRANTS
OF RSUS TO THE CONNECTED PARTICIPANTS**

PROPOSED ADOPTION OF THE 2021 RSU SCHEME AND PROPOSED GRANTING OF THE RSU SCHEME ANNUAL MANDATE

The Board is pleased to announce that, in order to attract, incentivise and motivate the employees of the Group, the Board has approved the adoption of the 2021 RSU Scheme on September 9, 2021, subject to the approval by the Shareholders at the EGM.

If any RSUs which may be granted pursuant to the 2021 RSU Scheme are to be satisfied by the Company through allotting and issuing the relevant number of Shares to the Grantee, such Grant shall be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares that may be allotted and issued by the Company to satisfy such RSUs.

In accordance with the rules of the 2021 RSU Scheme, the RSU Scheme Annual Mandate will be proposed to be sought at the EGM (i) specifying the maximum number of Shares in respect of which RSUs may be granted during the Applicable Period; and (ii) authorizing the Board to allot, issue and deal with Shares in respect of which RSUs are granted during the Applicable Period as and when the RSUs vest.

As at the date of this announcement, the number of Shares in issue was 466,155,600. Subject to the passing of an ordinary resolution approving the adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, and assuming that the aggregate number of issued Shares remains unchanged until the date of the EGM, the maximum number of new Shares which may be issued under the RSU Scheme Annual Mandate will be 22,107,780 Shares, representing approximately 4.74% of the total number of issued Shares. The RSU Scheme Annual Mandate is a specific mandate separate from the annual general mandate sought and to be sought by the Company at the annual general meeting pursuant to Rule 13.36(2)(b) of the Listing Rules.

The 2021 RSU Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules as it does not involve the grant of options by the Company to subscribe for new Shares.

PROPOSED ADOPTION OF THE REMUNERATION POLICY FOR DIRECTORS AND OFFICERS

In connection with the proposed adoption of the 2021 RSU Scheme and pursuant to the requirements under the Israeli Companies Law, the Board has approved the Remuneration Policy for Directors and Officers, subject to the approval by the Shareholders at the EGM.

PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS

On September 9, 2021, the Board proposed to grant an aggregate of 1,283,490 RSUs under the 2021 RSU Scheme to the Connected Participants, being Mr. Yi LIU, Mr. Lior Moshe DAYAN, Mr. Guojun BU and Mr. Doron YANNAI, representing an aggregate of 1,283,490 Shares. Upon vesting, Shares will be issued to the Connected Participants in accordance with the terms of the 2021 RSU Scheme.

The proposed Connected Grants will be conditional upon (i) the Shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, (ii) the Independent Shareholders approving the Connected Grants at the EGM and (iii) in respect of Mr. Lior Moshe DAYAN and Mr. Doron YANNAI only, the obtaining of applicable approvals and the satisfaction of the requirements under the relevant Israeli laws and regulations for such grants.

Upon the relevant conditions being satisfied, (i) in respect of Mr. Yi LIU and Mr. Guojun BU, the Company will convene another Board meeting to grant the RSUs pursuant to the 2021 RSU Scheme as soon as possible and (ii) in respect of Mr. Lior Moshe DAYAN and Mr. Doron YANNAI, the effective date of the grants of the RSUs will be the date of the EGM. A further announcement will be made by the Company when such Connected Grants have been made to the Connected Participants.

As each of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU is a director of the Company and Mr. Doron YANNAI is a director of the Company's subsidiaries, they are connected persons of the Company under the Listing Rules. Accordingly, the Connected Grants (including the allotment and issue of Shares upon the vesting of the RSUs) to the Connected Participants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements.

The Directors (other than (i) each of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU (who has abstained from voting in relation to the proposed RSU grants to himself only) and (ii) the independent non-executive Directors whose views will be set out in the circular) consider that the terms of the proposed RSU grants to the Connected Participants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Due to the interests of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU in the proposed Connected Grants, each of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU abstained from voting on the relevant resolutions of the Board in respect of the proposed Connected Grant to himself. Save as disclosed above, none of the other Directors had any interest in the Connected Grants and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the Connected Grants.

PROPOSED GRANTS OF RSUS TO (A) OFFICE HOLDERS AND SENIOR STAFF AND (B) ISRAELI EMPLOYEES

Pursuant to the requirements under the relevant Israeli laws, the Board also approved the proposed grants of an aggregate of 2,730,545 RSUs under the 2021 RSU Scheme to (i) office holders and senior staff and (ii) Participants who are Israeli employees, in each case, who is not a connected person of the Company, representing an aggregate of 2,730,545 Shares. Upon vesting, Shares will be issued to the relevant Participants in accordance with the terms of the 2021 RSU Scheme.

Subject to the Shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, the Board will convene another meeting to formally approve the proposed grants.

GENERAL INFORMATION

Ordinary resolutions will be proposed at the EGM to be convened by the Company for the Shareholders to consider and, if thought fit, approve (i) the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate; (ii) the proposed adoption of the Remuneration Policy for Directors and Officers; and (iii) the proposed Connected Grants to the Connected Participants. The voting at the EGM will be conducted by poll.

A circular containing, among other things, (i) further details of the proposed adoption of the 2021 RSU Scheme, the RSU Scheme Annual Mandate and the proposed Connected Grants to the Connected Participants; (ii) further details of the Remuneration Policy for Directors and Officers, (iii) the letter from the Independent Board Committee in relation to the Proposed Connected Grants; (iv) the letter from the Independent Financial Adviser in relation to the Proposed Connected Grants; and (v) the notice convening the EGM and the voting requirements under the Israeli laws, is expected to be despatched to the shareholders of the Company in due course.

The Independent Board Committee, comprising all the independent non-executive Directors of the Company, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Connected Grants. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A. PROPOSED ADOPTION OF 2021 RSU SCHEME AND PROPOSED GRANTING OF RSU SCHEME ANNUAL MANDATE

The Board is pleased to announce that, in order to attract, incentivise and motivate the employees of the Group, the Board has approved the adoption of the 2021 RSU Scheme on September 9, 2021, subject to the approval by the Shareholders at the EGM.

If any RSUs which may be granted pursuant to this Scheme are to be satisfied by the Company through allotting and issuing the relevant number of Shares to the Grantee, such Grant shall be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares that may be allotted and issued by the Company to satisfy such RSUs.

(a) **Summary of the 2021 RSU Scheme**

(i) ***Purpose***

The purpose of the 2021 RSU Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and motivate personnel to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

(ii) ***Who may join***

Those eligible to participate in the 2021 RSU Scheme include the Directors (including executive Directors and non-executive Directors, but excluding the independent non-executive Directors), the directors of the Company's subsidiaries the employees of the Group, and any other persons who the Board considers, in its absolute discretion, have contributed or will contribute to the Group ("**Participants**"). Participants may receive restricted share units ("**RSU**") under the 2021 RSU Scheme. Each person who receives an RSU under the 2021 RSU Scheme is a "Grantee".

(iii) ***Administration***

The 2021 RSU Scheme will be subject to the administration of the Board. The Board's decision as to all matters arising in relation to the 2021 RSU Scheme or its interpretation or effect shall be final and binding on all parties.

The Company may also appoint a professional trustee ("**Trustee**") to assist with the administration and vesting of RSUs. The Company may to the extent permitted by the Israeli Companies Law and the Listing Rules: (a) allot and issue Shares to the Trustee to be held by the Trustee pending the vesting of the RSUs granted and which will be used to satisfy the RSUs upon vesting; and/or (b) direct and procure the Trustee to make on-market purchases of Shares to satisfy the RSUs upon vesting.

(iv) ***Condition***

The 2021 RSU Scheme shall take effect subject to the passing of an ordinary resolution by the Shareholders to approve and adopt the 2021 RSU Scheme and to authorise the Board to make Grants pursuant to this Scheme and to allot and issue or otherwise deal with Shares in connection with the 2021 RSU Scheme.

(v) ***Term***

The 2021 RSU Scheme will become effective subject to the satisfaction of the above condition. No RSUs shall be granted under the 2021 RSU Scheme after the completion of 5 years from the date on which the 2021 RSU Scheme becomes effective ("**Effective Date**"), but RSUs granted during that 5 year term shall continue to be valid in accordance with their terms of grant after the completion of 5 years from the Effective Date.

(vi) Grant of RSUs

The Board may make a grant (“**Grant**”) to a Participant by a notice (“**Notice of Grant**”) in such form as the Board may from time to time determine requiring the Participant to undertake to hold the RSU on the terms on which it is to be granted and to be bound by the terms of the 2021 RSU Scheme and any other terms and conditions as contained in the Notice of Grant.

(vii) Timing Restrictions

The Company may not make any Grant after inside information has come to its knowledge until such time as that information has ceased to constitute inside information. In particular, the Company may not make any Grant during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

Where a Grant is to a Director or to any Participant who, because of his office or employment in the Company or any of its subsidiaries, is likely to be in possession of unpublished price-sensitive information in relation to the Shares, no Grant may be made on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(viii) Grant to Connected Persons

Any Grant to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors and all Grants to connected persons shall be subject to compliance with the requirements of the Israeli Companies Law and the Listing Rules, including where necessary the prior approval of the Shareholders.

(ix) Vesting of Awards

Subject to and in accordance with the terms of the 2021 RSU Scheme and the specific terms applicable to each RSU, an RSU shall vest on the date specified in the Notice of Grant (“**Vesting Date**”). If the vesting of an Award is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the Award shall lapse automatically in respect of such proportion of underlying Shares as have not vested.

RSUs which have vested shall be satisfied as soon as practicable on or after the Vesting Date and in any event by no later than 15 Business Days following the Vesting Date, at the Company’s absolute discretion by:

- (i) the Company allotting and issuing the relevant number of Shares to the Grantee credited as fully paid; or
- (ii) the Company directing and procuring the Trustee to transfer to the Grantee the relevant number of Shares; or
- (iii) the Company paying or procuring the payment of a Cash Payment.

Cash Payment means a payment determined by the Company in accordance with the formula:

$$A \times B$$

where:

A = the number of Shares in respect of which the RSU has been exercised or has vested;

B = the Market Value of a Share on the Vesting Date (or if the Vesting Date is not a Business Day, the Market Value of a Share on the last Business Day preceding the Vesting Date);

(x) Rights attached to the RSUs and the Shares

A Grantee shall have no rights in respect of any Shares subject to an RSU until the Shares are allotted and issued or transferred to him (as the case may be) under the terms of the 2021 RSU Scheme.

(xi) Corporate Events

In the event of (a) a general offer by way of a takeover or otherwise (other than by way of scheme of arrangement) is made by any person to acquire all the Shares (other than those already owned by offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional prior to the Vesting Date of any RSU; (b) a general offer for Shares by way of scheme of arrangement is made to all the Shareholders which is approved by the necessary number of Shareholders at the requisite meeting(s) prior to the Vesting Date of any RSU; or (c) a compromise or arrangement (other than a scheme of arrangement contemplated in (b) between the Company and the Shareholders and/or the creditors of the Company is proposed for the purposes of or in connection with a plan for the reconstruction of the Company or its amalgamation with any other company or companies prior to the Vesting Date of any RSU, the Board shall, and prior to the offer becoming or being declared unconditional or (in the case of (b) or (c)) prior to the date of the relevant meeting(s), determine in its absolute discretion whether any RSU that has not yet been vested shall vest. To the extent that any RSU does not vest, it shall lapse automatically on (in the case of (a)) the date on which the offer closes; (in the case of (b)) the record date for determining entitlements under the scheme of arrangement; and (in the case of (c)) on the date of meeting of Shareholders or creditors.

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to Vesting Date of any RSU, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the RSU was granted, the RSU shall vest. The Company shall as soon as possible and in any event no later than one Business Day immediately prior to the date of the proposed general meeting, procure the allotment and issue or transfer of relevant number of Shares to the Grantee which falls to be transferred on such vesting of the RSU or procure that a Cash Payment (or a combination of Shares and a Cash Payment) be made to the Grantee.

The number of Shares in respect of which any RSU vests pursuant to the above and the date or dates on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include: (a) the extent to which any performance or other conditions to vesting have been satisfied as at the relevant event; and (b) the proportion of the period from the Grant date to the normal Vesting Date that has elapsed as at the relevant event.

(xii) Maximum number of Shares

The scheme mandate limit (“**Scheme Mandate Limit**”) means the total number of Shares in respect of which RSUs may be granted pursuant to the 2021 RSU Scheme and any other share-based incentive plans of the Company, and subject to any renewal by the Shareholders, the Scheme Mandate Limit would initially be 22,107,780 Shares.

At any time during the Term, the maximum aggregate number of Shares with respect to which RSUs may be granted pursuant to this Scheme shall be calculated in accordance with the following formula:

$$X = A - B$$

where:

X = the maximum aggregate number of Shares in respect of which RSUs may be granted pursuant to the 2021 RSU Scheme;

A = the Scheme Mandate Limit;

B = the maximum aggregate number of Shares that may be issued and/or transferred upon the vesting of RSUs already granted pursuant to the 2021 RSU Scheme; and

Shares in respect of RSUs which have lapsed in accordance with the terms of the 2021 RSU Scheme or which have been satisfied by the making of a Cash Payment will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which RSUs may be granted pursuant to the 2021 RSU Scheme.

(xiii) Renewal of Scheme Mandate Limit

The Scheme Mandate Limit may be renewed subject to prior Shareholders’ approval, but in any event, the total number of Shares in respect of which RSUs may be granted pursuant to the 2021 RSU Scheme and any other share-based incentive plans of the Company following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 5 per cent. of the Shares in issue as at the New Approval Date. Shares in respect of RSUs granted pursuant to the 2021 RSU Scheme and any other share-based incentive schemes of the Company (including those outstanding, lapsed or exercised in accordance with such scheme) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which the RSUs may be granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Shares issued prior to the New Approval Date pursuant to the vesting of RSUs will be counted for the purpose of determining the number of Shares in issue as at the New Approval Date.

(xiv) Annual Mandate

If the Company proposes to Grant RSUs during the period between one annual general meeting and the subsequent annual general meeting of the Company which may be satisfied by the Company allotting and issuing new Shares upon the vesting of the RSUs, the Company shall, at the annual general meeting of the Company, propose for the Shareholders to consider and, if thought fit, approve an ordinary resolution granting a mandate specifying:

- (i) the maximum number of new Shares in respect of which RSUs may be granted during the Applicable Period; and
- (ii) that the Board has the power to allot, issue and deal with Shares in respect of which RSUs are granted during the Applicable Period as and when the RSUs vest.

This mandate shall remain in effect during the period from the passing of the ordinary resolution granting the mandate until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the end of the period within which the Company is required by any applicable laws or by the bye-laws of the Company to hold the next annual general meeting of the Company; and
- (iii) the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting, (the “**Applicable Period**”).

(xv) Transfer restrictions

An RSU shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not, without the prior written consent of the Board, in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the RSU. However, following the Grantee’s death, RSUs may be transferred by will or by the laws of testacy and distribution.

(xvi) Lapse of RSUs

An RSU that has not vested shall lapse automatically on the earliest of:

- (a) the date of termination of the Grantee's employment, service or engagement by a member of the Group for Cause (or the date notice of termination is given to the Grantee, if earlier);
- (b) the date of termination of the Grantee's employment, service or engagement by a member of the Group without Cause (including by reason of resignation, retirement, death, Disability, non-renewal of the employment or service agreement (or equivalent) upon its expiration (or the date notice of termination is given to the Grantee, if earlier);
- (c) the date on which the Grantee:
 - (i) becomes an officer, director, employee, consultant, adviser, partner of, or a shareholder or other proprietor owning more than a 5 per cent. interest in, any competitor; or
 - (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any competitor;
- (d) the date on which the RSU is not accelerated or vested (and therefore lapse) pursuant to the terms of the 2021 RSU Scheme;
- (e) the date on which the Grantee (whether intentionally or otherwise) commits a breach of the transfer restrictions pursuant to the terms of the 2021 RSU Scheme;
- (f) the date on which the Grantee is declared bankrupt or enters into any arrangement or compromise with his creditors generally; and
- (g) in respect an RSU which is subject to performance or other vesting condition(s), the date on which the condition(s) to vesting of the RSU is not satisfied (save that the RSU shall lapse only in respect of such proportion of underlying Shares as have not vested because of the application of such performance or other vesting condition(s)).

For the purposes of the 2021 RSU Scheme, “Cause” means with respect to a Grantee, such event as will entitle the Company and/or any of its subsidiaries to terminate the employment or service of the Grantee with immediate notice without compensation under the relevant employment or service agreement or equivalent or, if it is not otherwise provided for in such agreement:

- (i) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence;
- (ii) a material breach of any agreement or understanding between the Grantee and the Company and/or any of its subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement;
- (iii) misrepresentation or omission of any material fact in connection with his employment or service agreement or equivalent;
- (iv) a material failure to perform the customary duties of an employee of the Company and/or any of its subsidiaries (where relevant), to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or any member of the Group; or
- (v) any conduct that is or is reasonably likely to be materially adverse to the name, reputation or interests of the Group.

(xvii) Adjustments

In the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive plans of the Company) while any RSU has not vested or has vested but has not yet been satisfied, the Board may adjust the nominal value or number of Shares subject to an RSU and/or the Scheme Mandate Limit as it, in its absolute discretion, thinks fit.

(xviii) Amendment and modification

The Board may alter any of the terms of the 2021 RSU Scheme at any time, provided that such alterations comply with the requirements of the Israeli Companies Law and the Listing Rules, to the extent applicable.

Subject to the Israeli Companies Laws and the Listing Rules, the Board may amend any performance condition that applies to an RSU if there is an event that causes it to consider that the performance condition should be amended.

(xix) Cancellation

The Board may at any time cancel any RSUs previously granted but which have not yet vested and may, at its discretion, make a grant of new RSUs to the same Grantee. Where the Company cancels RSUs and makes a grant of new RSUs to the same Grantee, the Grant of such new RSUs may only be made with available RSUs to the extent not yet granted (excluding the cancelled RSUs) within the Scheme Mandate Limit prescribed.

(xx) Termination

The Company by ordinary resolution in general meeting or the Board may at any time terminate the 2021 RSU Scheme and in such event, no further RSUs may be offered or granted but in all other respects the terms of the 2021 RSU Scheme shall remain in full force and effect in respect of RSUs which are granted during the Term and which remain unvested immediately prior to the termination of the 2021 RSU Scheme.

(b) Listing Rules implications in respect of the adoption of 2021 RSU Scheme

The 2021 RSU Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules as it does not involve the grant of options by the Company to subscribe for new Shares.

In accordance with the rules of the 2021 RSU Scheme, the RSU Scheme Annual Mandate will be proposed to be sought at the EGM (i) specifying the maximum number of Share in respect of which RSUs may be granted during the Applicable Period; and (ii) authorizing the Board to allot, issue and deal with Shares in respect of which RSUs are granted during the Applicable Period as and when the RSUs vest.

As at the date of this announcement, the number of Shares in issue was 466,155,600. Subject to the passing of an ordinary resolution approving the adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, and assuming that the aggregate number of issued Shares remains unchanged until the date of the EGM, the maximum number of new Shares which may be issued under the RSU Scheme Annual Mandate will be 22,107,780 Shares, representing approximately 4.74% of the total number of issued Shares.

The RSU Scheme Annual Mandate is a specific mandate separate from the annual general mandate sought and to be sought by the Company at the annual general meeting pursuant to Rule 13.36(2)(b) of the Listing Rules.

B. PROPOSED ADOPTION OF THE REMUNERATION POLICY FOR DIRECTORS AND OFFICERS

In connection with the proposed adoption of the 2021 RSU Scheme and pursuant to the requirements under the Israeli Companies Law, the Board has approved the Company's Remuneration Policy for Directors and Officers, subject to the approval by the Shareholders at the EGM.

The Remuneration Policy for Directors and Officers has provided that, among other things, (i) the terms of services and employment of office holders (as defined under the Remuneration Policy for Directors and Officers) in the Company shall be approved by the Remuneration Committee and the Board considering the principles set out therein, which include the office holder's education, qualification, specialization, professional expertise and achievements; (ii) the fixed component and variable components of the remuneration to, among others, the Chief Executive Officer, will be subject to certain restrictions. Details of the Remuneration Policy For Directors and Officers will be set out in the circular to be despatched in connection with the EGM.

C. PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS

(a) Proposed Connected Grants to Connected Participants

On September 9, 2021, the Board has proposed to grant RSUs to the Connected Participants, representing an aggregate of 1,283,490 Shares. The following tables set out details of the proposed Connected Grants to the Connected Participants, including the maximum number of Shares underlying the proposed Connected Grants to the Connected Participants:

Name of Connected Participants	Position	Number of RSUs proposed to be granted	Number of Shares underlying the RSUs
Mr. Yi LIU	Chairman and executive Director	220,000	220,000
Mr. Lior Moshe DAYAN	Chief Executive Officer and executive Director	800,000	800,000
Mr. Guojun BU	Chief Financial Officer and executive Director	80,000	80,000
Mr. Doron YANNAI	vice president and director of the Company's subsidiaries	183,490	183,490
Total		1,283,490	1,283,490

Upon vesting, Shares will be issued to the Connected Participants in accordance with the terms of the 2021 RSU Scheme. The proposed Connected Grants will be conditional upon (i) the Shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, (ii) the Independent Shareholders approving the Connected Grants at the EGM and (iii) in respect of Mr. Lior Moshe DAYAN and Mr. Doron YANNAI only, the obtaining of the applicable approvals and the satisfaction of the requirements under the relevant Israeli laws and regulations for such grants.

Upon the relevant conditions being satisfied, (i) in respect of Mr. Yi LIU and Mr. Guojun BU, the Company will convene another Board meeting to grant the RSUs pursuant to the 2021 RSU Scheme as soon as possible and (ii) in respect of Mr. Lior Moshe DAYAN and Mr. Doron YANNAI, the effective date of the grants of the RSUs will be the date of the EGM. A further announcement will be made by the Company when such Connected Grants have been made to the Connected Participants.

(b) Reasons for and benefits of the Proposed Grants to the Connected Participants

The proposed RSU grants are intended to increase alignment between interests of the Connected Participants and long-term interests of Shareholders, which would also aid in the retention of employees and reward long-term performance.

(c) Listing Rules implications in respect of the Connected Grants

As each of Mr. Yi LIU, Mr. Lior Moshe DAYAN, Mr. Guojun BU is a director of the Company and Mr. Doron YANNAI is a director of the Company's subsidiaries, they are connected persons of the Company under the Listing Rules. Accordingly, the Connected Grants (including the allotment and issue of Shares upon the vesting of the RSUs) to the Connected Participants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements.

(d) Recommendation

The Directors (other than (i) each of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU (who has abstained from voting in relation to the proposed RSU grants to himself) and (ii) the independent non-executive Directors whose views will be set out in the circular) consider that the terms of the proposed RSU grants to the Connected Participants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Due to the interests of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU in the proposed Connected Grants, each of Mr. Yi LIU, Mr. Lior Moshe DAYAN and Mr. Guojun BU abstained from voting on the relevant resolutions of the Board in respect of the proposed Connected Grant to himself. Save as disclosed above, none of the other Directors had any interest in the Connected Grants and therefore no other Director abstained from voting on the relevant resolutions of the Board in respect of the Connected Grants.

D. PROPOSED GRANTS OF RSUS TO (A) OFFICE HOLDERS AND SENIOR STAFF AND (B) ISRAELI EMPLOYEES

Pursuant to the requirements under the relevant Israeli laws, the Board also approved the proposed grants of an aggregate of 2,730,545 RSUs under the 2021 RSU Scheme to (i) office holders and senior staff and (ii) Participants who are Israeli employees, in each case, who is not a connected person of the Company, representing an aggregate of 2,730,545 Shares.

Upon vesting, Shares will be issued to the relevant Participants in accordance with the terms of the 2021 RSU Scheme. Subject to the Shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, the Board will convene another meeting to formally approve the proposed grants.

E. GENERAL INFORMATION

(a) EGM

Ordinary resolutions will be proposed at the EGM to be convened by the Company for the Shareholders to consider and, if thought fit, approve (i) the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, (ii) the proposed adoption of the Remuneration Policy for Directors and Officers; and (iii) the proposed Connected Grants to the Connected Participants. The voting at the EGM will be conducted by poll.

As far as the Directors are aware, having made all reasonable enquiries, save for Mr. Lior Moshe DAYAN, who holds 113,500 Shares in the Company as at the date of this announcement, no other Shareholders are required to abstain from voting on the resolution referred to above at the EGM.

(b) Circular

A circular containing, among other things, (i) further details of the proposed adoption of the 2021 RSU Scheme, the RSU Scheme Annual Mandate and the proposed Connected Grants to the Connected Participants; (ii) further details of the Remuneration Policy for the Directors and Officers, (iii) the letter from the Independent Board Committee in relation to the Proposed Connected Grants; (iv) the letter from the Independent Financial Adviser in relation to the Proposed Connected Grants; and (v) the notice convening the EGM and the voting requirement under the Israeli laws, is expected to be despatched to the shareholders of the Company in due course.

(c) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising all the independent non-executive Directors of the Company, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Connected Grants. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

F. INFORMATION ON THE GROUP

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. Alma Lasers Ltd. is the principal operating subsidiary of the Company.

G. DEFINITIONS

“2021 RSU Scheme”	the restricted share units scheme of the Company proposed to adopted by the Directors on September 9, 2021
“Board”	the board of Directors of the Company
“Connected Grants”	The proposed grants of RSUs to the Connected Participants under the 2021 RSU Scheme
“Connected Participants”	the Participants who are connected persons of the Company, being certain Directors, certain directors and chief executives of the Company’s subsidiaries
“connected person”	has the meaning ascribed to it in the Listing Rules
“Company”	Sisram Medical Ltd, a company incorporated in Israel with limited liability, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1696)
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting to be convened by the Company in relation to the approving of the Connected Grants by the Independent Shareholders

“Group”	the Group and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors of the Company, which has been established to advise the Independent Shareholders in respect of the Connected Grants
“Independent Financial Adviser”	an independent financial adviser to be appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Connected Grants
“Independent Shareholders”	the Shareholders who are not required under the Listing Rules to abstain from voting on the respective resolutions relating to the approval of the Connected Grants at the EGM
“Israeli Companies Law”	the Companies Law 5759-1999 of Israel and the regulations promulgated thereunder, as amended and restated from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participants”	individuals who participate in the 2021 RSU Scheme, as defined in the rules of the 2021 RSU Scheme
“Remuneration Committee”	the Remuneration Committee of the Board
“Remuneration Policy for Directors and Officers”	the Company Remuneration Policy for Directors and Officers approved by the Board on September 9, 2021, which is subject to the approval by the Shareholders at the EGM
“RSU”	a restricted share unit, being a contingent right to receive Shares which is awarded under the 2021 RSU Scheme
“RSU Scheme Annual Mandate”	the annual mandate proposed to be granted to the Directors to exercise all the powers of the Company to, among others, allot, issue of new Shares and otherwise deal with such Shares upon vesting of the RSUs that may be granted under the 2021 RSU Scheme

“Share(s)”	ordinary shares in the capital of the Company
“Shareholders”	the holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee(s) to be appointed by the Board to hold Shares for the purpose of the 2021 RSU Scheme
“US\$”	United States dollars, the lawful currency of the United States

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

Hong Kong, September 9, 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