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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 transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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
CONNECTED TRANSACTIONS RELATING TO THE PROPOSED
GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders



The notice convening the EGM of Sisram Medical Ltd to be held at Unit 1603-1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Tuesday, 30 November 2021 at 3:00 p.m. is set out in this circular. Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 3:00 p.m. on Sunday, 28 November 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM if they so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.sisram-medical.com>).

References to time and dates in this circular are to Hong Kong time and dates.

PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the EGM:

- (1) Compulsory temperature screening/checks
- (2) Submission of Health Declaration Form
- (3) Wearing of surgical face mask
- (4) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the EGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.

* For identification purpose only

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

With the outbreak and spreading of the COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the Extraordinary General Meeting (“EGM”) in person, the Company will implement the following precautionary measures at the EGM.

Voting by proxy in advance of the EGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the Chairman of the EGM as their proxy instead of attending the EGM in person. Physical attendance is not necessary for the purpose of exercising Shareholder rights. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.

The deadline to submit completed proxy forms is Sunday, 28 November 2021 at 3:00 p.m. Completed proxy forms must be returned to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Shareholders are strongly encouraged to cast their votes by submitting a proxy form appointing the Chairman of the EGM as their proxy.

To safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will also implement the following measures at the EGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the main entrance of EGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the EGM venue and be requested to leave the EGM venue.
- (2) Every attendee will be required to submit a completed Health Declaration Form prior to entry into the EGM venue.
- (3) Every attendee will be required to wear a surgical face mask throughout the EGM and sit at a distance from other attendees. Please note that no masks will be provided at the EGM venue and attendees should wear their own masks.
- (4) No refreshments or drinks will be provided to attendees at the EGM.

Attendees are in addition requested to observe and practise good personal hygiene at all times. To the extent permitted by law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue so as to ensure the health and safety of the attendees at the EGM.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.com.hk>) and the Company (www.sisram-medical.com) for future announcements and updates on the EGM arrangements.

Appointment of proxy by non-registered Shareholders: Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong Share Registrar of the Company, as follows:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

Telephone: +852 2862 8555

Facsimile: +852 2865 0990

Internet: <https://www-uk.computershare.com/Investor/Contact/Enquiry>

DEFINITIONS

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

“2021 RSU Scheme”	the restricted share units scheme of the Company proposed to adopted by the Directors on September 9, 2021, subject to the approval by the Shareholders by the EGM
“Announcement”	the announcement of the Company dated September 9, 2021 relating to the proposed adoption of 2021 RSU Scheme, proposed RSU Scheme Annual Mandate and proposed Connected Grants
“Board”	the board of Directors
“Business Day”	any day other than (a) a Saturday or a Sunday or (b) a day on which commercial banking institutions are authorized or required by applicable laws to be closed in New York City, New York or in Shanghai, People’s Republic of China
“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 and a director of the Company’s subsidiaries
“connected person”	has the meaning ascribed to it under the Listing Rules
“Company”	Sisram Medical Ltd 復銳醫療科技有限公司*, 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)
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for the purposes of approving, among other things, the proposed adoption of the 2021 RSU Scheme and the proposed Connected Grants
“Group”	the Group and its subsidiaries

* For identification purpose only

DEFINITIONS

“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” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser 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 from time to time
“Latest Practicable Date”	21 October 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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

DEFINITIONS

“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(s)”	Computershare Hong Kong Trustees Limited (for Participants who are not Israeli employees) and Altshuler Shaham Benefits Ltd. (for participants who are Israeli employees), the trustee(s) to be appointed by the Board to hold Shares for the purpose of the 2021 RSU Scheme, each an independent third party of the Company
“US\$”	United States dollars, the lawful current of the United States

LETTER FROM THE BOARD

Sisram Medical Ltd 復銳醫療科技有限公司*

(Incorporated in Israel with limited liability)

(Stock code: 1696)

Executive Directors:

Mr. Yi LIU (*Chairman*)

Mr. Lior Moshe DAYAN (*Chief Executive Officer*)

Mr. Guojun BU (*Chief Financial Officer*)

Headquarters, Registered Office and

Principal Place of Business in Israel:

Ofek Building 15

HaHarash Street 18

Industrial Park

Caesarea 3079895

Israel

Non-executive Directors:

Mr. Yifang WU

Mr. Yao WANG

Ms. Rongli FENG

Principal Place of Business

in Hong Kong:

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

Independent Non-executive Directors:

Mr. Heung Sang Addy FONG

Mr. Chi Fung Leo CHAN

Ms. Jenny CHEN

Mr. Kai Yu Kenneth LIU

26 October 2021

To the Shareholders

Dear Sir/Madam,

**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
CONNECTED TRANSACTIONS RELATING TO THE PROPOSED
GRANTS OF RSUS TO THE CONNECTED PARTICIPANTS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The Board refers to the Announcement relating to (i) the proposed adoption of the 2021 RSU Scheme and the proposed granting of 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.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is (a) to provide the Shareholders with further details of the proposed adoption of the 2021 RSU Scheme, the RSU Scheme Annual Mandate, the Remuneration Policy for Directors and Officers and the proposed Connected Grants to the Connected Participants and (b) to give the Shareholders notice of the EGM at which ordinary resolutions will be proposed to approve the adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, the adoption of the Remuneration Policy for Directors and Officers and the proposed Connected Grants to the Connected Participants.

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

(a) 2021 RSU Scheme

In order to attract, incentivize 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.

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.

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 may be allotted and issued by the Company to satisfy such RSUs.

The summary of the principal terms of the 2021 RSU Scheme is set out in Appendix I to this circular.

As set out in Appendix I, the Participants include, among others, any persons (other than Directors and employees of the Group) who the Board considers have contributed or will contribute to the Group (the “**External Participants**”). Those External Participants are employees of Fosun Pharma. When deciding whether to grant RSUs to the External Participants and their respective contribution to the Group, the Board, at the recommendation of the remuneration committee, will consider a variety of factors, which include (i) the positions held by the External Participant, (ii) the type of services the External Participant provided or will provide to the Group when acting in his/her role of managing the med-tech division of Fosun Pharma, of which the Group forms a part; (iii) the External Participant’s background and experience; and (iv) any other factors which the Board considers necessary.

The Directors consider that the inclusion of the External Participants as eligible Participants is appropriate, as they also contribute to the long-term business growth of the Group. Granting RSUs to those External Participant is one way to attract and incentivize those persons to contribute to the continuous development of the Group. As part of this process, the

LETTER FROM THE BOARD

management of the Company also maintains a routine interaction with Fosun Pharma and its employees. The Company will recommend certain employees of Fosun Pharma to be grantees of the RSUs for the Remuneration Committee's and the Board's consideration if in view of the positions and responsibilities of the relevant employees of Fosun Pharma, the Company considers that they play an important role in bringing in potential leads for the Company's non-organic growth, and in identifying and recommending talents to the Company for Company's long-term development. With respect to individuals that could contribute to the Company's non-organic growth, the Company will consider the number of merger and acquisition transactions or business development products and/or projects that the Company has consulted them and the frequency of discussion and interaction between them and the Company; and/or with respect to individuals that could contribute to the Company's talent acquisition process, the Company will consider the number of talents they have identified and recommended for the Company.

(b) RSU Scheme Annual Mandate

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 Latest Practicable Date, 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 from the date of this circular 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 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.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, up to 22,107,780 new Shares which may be allotted and issued to satisfy the RSUs which may be granted under the 2020 RSU Scheme.

(c) Recommendations of the Board

The Directors (including the independent non-executive Directors) consider that the 2021 RSU Scheme and the proposed RSU Scheme Annual Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Director recommend the Shareholders to approve the resolution proposed at the EGM to approve the proposed adoption of the 2021 RSU Scheme and the grant of the RSU Scheme Annual Mandate.

LETTER FROM THE BOARD

(d) Impact on the Company

Impact on the shareholding structure of the Company

The table below illustrated the shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) immediately after the completion of the maximum number of Shares pursuant to the RSU Scheme Annual Mandate, assuming all the maximum number of RSUs that may be granted under the 2021 RSU Scheme has been granted and vested and that there are no other changes to the number of Shares in issue:

Name	As at the date of the Placing Agreement		On the Closing Date	
	No. of Shares	Approximate percentage of issued share capital	No. of Shares (maximum)	Approximate percentage of issued share capital
Ample Up Limited ⁽¹⁾	203,240,160	43.60%	203,240,160	41.63%
Chindex Medical Limited	127,318,640	27.31%	127,318,640	26.08%
Other Existing Shareholders	135,596,800	29.09%	135,596,800	27.77%
Participants under the 2021 RSU Scheme	—	—	22,107,780	4.53%
Total	466,155,600	100.00	488,263,380	100.00

Note:

- (1) As at the Latest Practicable Date, Chindex Medical Limited is wholly-owned by Ample Up Limited, which in turn is wholly-owned by Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司).

Details of the 2021 RSU Scheme, including (i) particulars of total outstanding RSUs at the beginning of the financial year, including number of RSUs, date of grant, vesting period; (ii) particulars of RSUs granted during the financial year, including number of RSUs, date of grant, vesting period, (iii) the number of RSUs vested during the financial year, and (iv) the number of RSUs cancelled or lapsed during the financial year will be disclosed in the Company's annual report.

3. 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.

The full text of the Remuneration Policy for Directors and Officers is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. 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		<u>1,283,490</u>	<u>1,283,490</u>

The RSUs to the Connected Participants, if granted, will be vested in four equal instalments in a period of four years after the date of the grant.

In determining the number of RSUs proposed to be granted to the Connected Participants, the Remuneration Committee of the Board and the Board had primarily taken into account (a) the ratings of the relevant Participants in the annual performance and reviews for the most recent two financial years, (b) the level of remuneration in the form of securities adopted by competitors in medical aesthetic industry listed in the U.S., and (c) the ceiling of Equity-based Compensation pursuant to the proposed Remuneration Policy for Directors and Officers, the details of which are set out in Appendix II in this circular. 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

LETTER FROM THE BOARD

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 are 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, and accordingly, recommend the Shareholders to vote in favour of the resolutions proposed at the EGM approving the proposed Connected Grants.

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.

LETTER FROM THE BOARD

(e) 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.

(f) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising Mr. Heung Sang Addy FONG, Mr. Chi Fung Leo CHAN, Ms. Jenny CHEN and Mr. Kai Yu Kenneth LIU, being all the independent non-executive Directors, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Connected Grants.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Independent Board Committee, having considered the advice of the Independent Financial Adviser, is of the view that the terms of the Connected Grants are fair and reasonable and the Connected Grants are in the interests of the Company and its shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Connected Grants in paragraphs 2 to 6 of the notice of the EGM.

The letter from the Independent Board Committee to the Independent Shareholders is set out on page 15 of this circular. The letter from Gram Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 34 of this circular.

(g) EGM and Proxy Arrangement

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. The resolution in relation to the 2021 RSU Scheme and the RSU Annual Scheme Mandate and the resolution in relation to the proposed adoption of the Remuneration Policy for Directors and Officers will be considered and, if thought fit, by the Shareholders, and the resolution in relation to the proposed Connected Grants will be considered and, if thought fit, by the Independent Shareholders, at the EGM 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 Latest Practicable Date, no other Shareholders are required to abstain from voting on the resolution in relation to the proposed Connected Grants referred to above at the EGM.

LETTER FROM THE BOARD

The notice of the EGM is set out on pages 55 to 56 of this circular.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.sisram-medical.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (i.e. not later than 3:00 p.m. on Sunday, 28 November 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate and the proposed adoption of the Remuneration Policy for Directors and Officers, and for the Independent Shareholders to consider and, if thought fit, approve the proposed Connected Grants to the Connected Participants.

5. PROPOSED GRANTS OF RSUS TO OTHER PARTICIPANTS

Subject to the shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate and the compliance of relevant Israeli laws and regulations, on September 9, 2021, 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.

The Board will convene another meeting to formally approve the proposed grants and the proposed grants approved at the Board meeting held on September 9, 2021 was to satisfy the requirements under the relevant Israeli laws and regulations only.

In addition to the proposed Connected Grants and the proposed grants to (i) office holders and senior staff, and (ii) Participants who are Israeli employees, conditional upon the Shareholders approving the proposed adoption of the 2021 RSU Scheme and the RSU Scheme Annual Mandate, at the Board meeting to be convened as mentioned above, the Board also plans to approve the grants of 4,014,035 RSUs to 20 Participants, who are not (i) connected persons of the Company, (ii) office holders and senior staff or (iii) Israeli employees, representing 4,014,035 Shares. Of the 20 Participants, one Participant is the chief investment officer and another Participant is chief human resources officer, in each case, of the med-tech division of Fosun Pharma. These two External Participants, in their respective capacity in managing the relevant matters within the med-tech division of Fosun Pharma, of which the Group forms a part, have provided support on the Company's non-organic growth initiatives as well as people and human resources development.

LETTER FROM THE BOARD

Accordingly, as at the Latest Practicable Date, the Board proposes to grant a total of 71 RSUs to the Participants within the year of 2021. The RSUs to the Participants, if granted, will be vested in four equal instalments in a period of four years after the date of the grant. The Company will make an announcement once the RSUs, setting out the details, are formally granted.

6. IMPORTANT NOTICE IN RELATION TO THE DECLARATION OF PERSONAL INTEREST

Under the Israeli Companies Law, (a) the ordinary resolution approving the Remuneration Policy for Directors and Officers and (b) the ordinary resolution approving the proposed grant of RSUs to Mr. Lior Moshe DAYAN will also need to be approved in each case by either (i) a majority of shareholders, who attend the EGM in person or through proxy and who are unrelated to the Company's controlling shareholders and don't have a personal interest, but excluding the shareholders who have abstained from voting at the EGM, or (ii) a simple majority of shareholders, including controlling shareholders and shareholders with personal interest, who attend the EGM in person or through proxy, provided that votes against the resolution do not exceed 2% of the total issues and outstanding shares of the Company.

In order to ascertain whether the above requirement has been satisfied, 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 the resolution relating to the Remuneration Policy for Directors and Officers and the proposed grant of RSUs to Mr. Lior Moshe DAYAN. Votes which are not accompanied by the personal interest declaration will be ignored and will not be counted.

(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 relevant 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 relevant resolutions to be proposed at the EGM, and (b) a voting instruction which (i) is not subject to change (although not necessarily irrevocable), (ii) are clear and unambiguous and leave no discretion to the proxy and (iii) refer to the relevant resolution 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.

LETTER FROM THE BOARD

(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 instruction 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 relevant resolutions to be proposed at the EGM.

Such voting instruction 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 relevant resolutions set out in the notice of the EGM. CCASS participants who receiving voting instruction from beneficial owners of Shares should provide the voting instruction together with the declarations of personal interest received to HKSCCN.

7. NOTICE TO SHAREHOLDERS WHO HOLD SHARES REGISTERED IN THEIR OWN NAMES

Under the Israeli Companies Law, the Company is required to file a report with the Israeli Companies Registrar containing certain information on the Shareholders whose names appear on the register of members of the Company (that is, HKSCC Nominees Limited and Shareholders who have requested physical share certificates).

Solely for the purpose of enabling the Company to comply with the above reporting obligation, Shareholders and investors who acquire Shares following the listing of the Shares on the Stock Exchange and, if not already registered in their own names should, if not already provided, provide the following information to the Company’s Hong Kong share registrar as soon as practicable following registration of their Shares:

(1) For Individuals

Please provide your passport number (or your identity card number if you do not hold a passport) and a notarized copy of your passport.

(2) For Corporations

Please provide the company number (as stated in the company’s certificate of incorporation) and a notarized copy of the company’s certificate of incorporation and a notarized copy of the company’s certificate of good standing (if available) or an equivalent document.

LETTER FROM THE BOARD

If any of the above documents are not in English or Hebrew, the above documents should be accompanied by a notarized translation in English or Hebrew. Documents can be notarized by a notary public or by the Israeli Diplomatic or Consulate representative in the relevant jurisdiction where you are resident or located.

If you have any questions regarding the documents to be provided, please contact the Company's Hong Kong share registrar at the address and telephone number stated below:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Hotline number: +852 2862 8555

Internet: <https://www-uk.computershare.com/Investor/Contact/Enquiry>

Yours faithfully,
For and on behalf of the Board
Sisram Medical Ltd
復銳醫療科技有限公司*
Yi LIU
Chairman

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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

26 October 2021

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated 26 October 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We, being all the independent non-executive Directors, have been appointed by the Board as the members of the Independent Board Committee advise the Independent Shareholders as to whether the Connected Grants are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and whether the terms of the Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Board set out on pages 4 to 14 of contained in the Circular, and the letter from Gram Capital set out on pages 16 to 34 of the Circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

Having considered the advice from Gram Capital, we are of the view that Connected Grants are in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Connected Grants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Connected Grants as contained in the notice of the EGM.

Yours faithfully,

Mr. Heung Sang
Addy FONG

*Independent Non-
executive Director*

Mr. Chi Fung
Leo CHAN

*Independent Non-
executive Director*

Ms. Jenny CHEN

*Independent Non-
executive Director*

Mr. Kai Yu
Kenneth LIU

*Independent Non-
executive Director*

* *For identification purpose only*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grants for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

26 October 2021

*To: The independent board committee and the independent shareholders
of Sisram Medical Ltd*

Dear Sir/Madam,

CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Grants, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 26 October 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

In order to attract, incentivise and motivate the employees of the Group, the Board has approved the adoption of the 2021 RSU Scheme on 9 September 2021 (the “**RSU Announcement Date**”), subject to the approval by the Shareholders at the EGM. On the even date, the Board has proposed to grant RSUs to the Connected Participants, representing an aggregate of 1,283,490 Shares.

With reference to the Board Letter, 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 and are subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Heung San Addy FONG, Mr. Chi Fung Leo CHAN, Ms. Jenny CHEN and Mr. Kai Yu Kenneth LIU (all being independent non-executive Directors) has been formed to advise the Independent Shareholders on (i) whether the Connected Grants are on normal commercial terms and conducted in the ordinary and usual course of business of the Group; (ii) whether the terms of the Connected Grants are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Connected Grants at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM GRAM CAPITAL

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as an independent financial adviser in relation to (i) the Company's discloseable and connected transaction, details of which are set out in the Company's circular dated 25 May 2021; and (ii) the Company's discloseable and connected transaction; and continuing connected transactions, detail of which are set out in the Company's announcement dated 14 July 2021.

Notwithstanding the aforesaid engagements, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with our aforesaid engagements and this engagement as the Independent Financial Adviser, there was no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagements, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the 2021 RSU Scheme. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

LETTER FROM GRAM CAPITAL

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company and the Connected Participants or their respective associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the adoption of 2021 RSU Scheme and the Connected Grants. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Connected Grants, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Connected Grants

Information on the Group

With reference to the Board Letter, 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.

LETTER FROM GRAM CAPITAL

Set out below is a summary of the key audited consolidated financial information of the Group for the five years ended 31 December 2020 as extracted from the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”):

	For the year ended 31 December 2016 US\$'000	For the year ended 31 December 2017 US\$'000	For the year ended 31 December 2018 US\$'000	For the year ended 31 December 2019 US\$'000	For the year ended 31 December 2020 US\$'000
Revenue	118,156	136,887	153,919	173,520	162,095
Gross profit	62,223	73,197	82,297	95,874	90,301
Profit for the year	8,501	11,049	21,831	21,935	14,680

As depicted in the above table, the Group’s revenue, gross profit and profit for the year had been growing from the year ended 31 December 2016 to the year ended 31 December 2019. The Group’s revenue, gross profit and profit for the year decreased by 6.58%, 5.81% and 33.07% respectively for the year ended 31 December 2020 as compared to those of the year ended 31 December 2019. With reference to the 2020 Annual Report, the decrease was primarily attributable to the COVID-19 impact on the global economy, displaying much of the pandemic effect in the first 5 months of 2020.

With reference to the Company’s interim report for the six months ended 30 June 2021, the Company recorded a total revenue of approximately US\$125.3 million for the six months ended 30 June 2021, representing an increase of 74.7% when compared to the corresponding period in 2020. The increase is primarily attributable to the Group’s resilience and long-term planning throughout 2020, amidst the COVID-19 pandemic.

The Company’s profit for the period attributable to owners of the parent for the six months ended 30 June 2021 was approximately US\$16.4 million, representing a significant increase of approximately 197.6% as compared to that for the corresponding period in 2020.

Information on the Connected Participants

With reference to the Board Letter, the Connected Participants include Mr. Yi LIU, Mr. Lior Moshe DAYAN, Mr. Guojun BU and Mr. Doron YANNAL.

The Directors advised us that after finalising the identities of all grantees, the Company further identified if such Participants are connected persons of the Company.

LETTER FROM GRAM CAPITAL

Biographical Details of the Connected Participants are as follows:

Mr. Yi LIU

Mr. Yi LIU (劉毅) was appointed as the chairman of the Company and an executive Director on 14 April 2016.

Mr. Liu joined the Group in April 2016 and has served as a Director since then. Mr. Liu was the chief technology officer of the medical devices division of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (2196 & SH600196) (“**Fosun Pharma**”) from November 2015 to December 2016, and has been a vice president of Fosun Pharma since January 2017. Mr. Liu became a Fosun Global Partner in January 2021. Prior to joining the Fosun Pharma group, Mr. Liu served as a civil servant at the State Food and Drug Administration of China from July 2000 to August 2004. He served as deputy head of the Beijing Medical Equipment Laboratory* (北京市醫療器械檢驗所) from September 2004 to May 2007 and was responsible for the quality system management and regulatory matters with the State Food and Drug Administration of China. He served as the head of that laboratory from May 2007 to November 2015 and was responsible for the overall management of the institute, including strategic planning, government relations and regulatory matters.

Mr. Lior Moshe DAYAN

Mr. Lior Moshe DAYAN was appointed as chief executive officer of the Company and an executive Director on 6 June 2017. Mr. Dayan has been the senior vice president of global sales and managing director of the German subsidiary of the Group since April 2011. He is responsible for the direction and management of all sales, marketing and business development operations, including market competitiveness, pricing, compensation, distribution and sales channel strategy. He was the senior director in charge of the Asia-Pacific markets of Alma Lasers Ltd. from September 2008 to December 2010 and the vice president of sales and marketing of Alma Lasers Ltd. European and APAC markets from November 2010 to April 2011.

Mr. Dayan has 19 years of experience in the laser industry with operational, logistic, financial and sales expertise, 10 of which were in Asia. Prior to joining the Group, he served in several managing positions at Lumenis Ltd. From September 2001 to September 2008, including sales director of the European and West African markets, sales and marketing regional manager of the countries in South East Asia, director of supply chain and financial director in the medical business unit. Prior to his time in the medical devices industry, Mr. Dayan held several senior financial positions in the hi-tech telecommunications industry from 1996 until 2001, when he acted as the cost of goods and profit controller of ECI Telecom Israel from 1996 to 1998 and the director of cost of goods and inventory control of ECI Telecom Israel from 1998 to 2001.

LETTER FROM GRAM CAPITAL

Mr. Guojun BU

Mr. Guojun BU (步國軍) was appointed as an executive Director and the chief financial officer of the Company on 17 January 2019. Mr. Bu has more than 22 years of financial management experience in medical and healthcare industry, in particular in finance operation, financing and investment activities.

Mr. Bu has been the vice president of Chindex Medical Limited, a controlling shareholder of the Company and a subsidiary of Fosun Pharma, and the vice president of the Medical Technology Division of Fosun Pharma, in charge of finance operation and financing and investment activities for medical device business, since January 2017 and January 2019, respectively. He has also acted as the general manager of the finance department of Chindex Medical Limited from January 2011 to December 2016. Mr. Bu worked with Chindex International, Inc. from January 1997 to December 2010, where he held a number of positions comprising finance manager, senior finance manager, assistant finance director and finance director of China region.

Mr. Doron YANNAI

Mr. Doron YANNAI has been the vice president in charge of financial matters of the Group since February 2014. Mr. Yannai joined the Group in March 2007 and served as director in charge of financial matters of the Group and Human Resources of Alma Lasers Ltd. from March 2007 to February 2014. He is currently responsible for financial operations of the Group.

Mr. Yannai has more than 23 years' experience of financial management in private and public companies in various industries such as software, communications and construction. Prior to joining the Group, he was controller at Tecnomatix/Oshap from January 1991 to May 1995, the chief financial officer at Shaked Group from June 1995 to December 1996, the chief financial officer at NetFormx Ltd. from January 1997 to June 2001, the director of finance at SAP Portals from July 2001 to December 2002, and chief financial officer at WiNetworks from January 2004 to February 2007.

Reasons for the Connected Grants

With reference to the Board Letter, the Connected 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.

Based on our independent research, we noted that it is a common practice for listed companies in Hong Kong to grant share award to their directors, personnel and employees.

Having considered the following factors, including (i) the Connected Grants can motivate the Connected Participants to continue to make contributions to the Group; (ii) no cash outflow is expected through the granting of the RSUs under the Connected Grants should the Company issue new Shares when the RSUs are being vested; and (iii) granting

LETTER FROM GRAM CAPITAL

share award to directors, personnel and employees is a common practice for listed companies in Hong Kong, we are of the view that the Connected Grants are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Proposed RSU Grants

Number of RSUs to be granted

The number of Shares underlying the RSUs to be granted to each of Connected Participants are set out as follows:

Name of Connected Participants	Position	Number of RSUs proposed to be granted	Number of Shares underlying the RSUs	% of Number of Shares underlying the RSUs to total issued shares of the Company as at the Latest Practicable Date
Mr. Yi LIU	Chairman and executive Director	220,000	220,000	0.0472%
Mr. Lior Moshe DAYAN	Chief Executive Officer and executive Director	800,000	800,000	0.1716%
Mr. Guojun BU	Chief Financial Officer and executive Director	80,000	80,000	0.0172%
Mr. Doron YANNAI	Vice president and director of the Company's subsidiaries	183,490	183,490	0.0394%
Total		1,283,490	1,283,490	0.2753%

Bases for determination of number of RSUs proposed to be granted to the Connected Participants are set out under the section headed “(a) Proposed Connected Grants to Connected Participants” in the Board Letter.

LETTER FROM GRAM CAPITAL

To assess the fairness and reasonableness of number of RSUs to be granted to the Connected Participants, we performed following works and analyses:

Comparison with other share awards granted to connected persons

For the purpose of comparing the Connected Grants with other connected transactions undertaken by companies listed on the Stock Exchange involving share awards granted/restricted share units to connected persons by issuance of new shares (issuance of A shares or H shares were exclusive), we identified connected transactions involving share awards granted to connected persons which were announced by companies listed on the Main Board of the Stock Exchange (the “**Comparables**”) during the period from 1 April 2021 up to the RSU Announcement Date (being an approximate five-month period up to and including the RSU Announcement Date). To the best of our knowledge and as far as we are aware of, we found 10 Comparables. Although the business nature and market capitalisation of the Comparables may be different from that of the Company, the analysis below, in our view, demonstrates the recent market practice in relation to grants of restricted share units and/or awarded shares to connected person(s) and therefore an appropriate basis in assessing the fairness and reasonableness of the terms of the Connected Grants.

LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
6 August 2021	Zero2IPO Holdings Inc. (1945)	Not applicable	Not subject to any vesting conditions	Ranged 0.0892% to 0.5352%	from 0.0892% to 0.5352%	Nil	N/A (Note 4)	With reference to, among other things, connected participants' respective roles, responsibilities, years of services, work experience, contributions, remuneration packages and prevailing compensation of similar positions in the market.
27 August 2021	Sincere Pharmaceutical Group Limited (2096)	One third of the restricted share units granted to each connected grantee shall vest on each of 27 August 2022, 27 August 2023 and 27 August 2024	Not specified	Ranged 0.0024% to 0.1145%	from 0.0008% to 0.0382%	Nil	N/A (Note 4)	With reference to, among other things, their respective roles, responsibilities, work experience, contributions, remuneration packages and prevailing compensation of similar positions in the market.

LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
2 July 2021	Ocumension Therapeutics (1477)	(a) 25% on the first anniversary; and 25% in each of the three periods during the second, third and fourth anniversaries which shall be vested in four equal installments for each period; or (b) 10% on the first anniversary, 20%, 30% and 40% in each of the three periods during the second, third and fourth anniversaries which shall be vested in four equal installments for each period.	Not specified	Ranged 0.0238% to 2.0599%	from 0.0024% to 0.5150%	Nil	44%	The background and contribution of the connected grantees, listing and future development of the company, retention and recognition of connected grantees and the average monetary values of the award share granted to directors and/or senior management of other companies in the industry with comparable size.
28 June 2021	Fourace Industries Group Holdings Limited (1455)	Not applicable	Not subject to any vesting conditions	0.305%	0.305%	Nil	93%	The board after taking into consideration the factors such as market practices, years of service, role and responsibilities within the group, performance as well as the salary of the grantees.

LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
10 June 2021	YTO Express (International) Holdings Limited (6123)	25% on each of the business day immediately after the 30th day of the date of publication of the annual results announcement for the year ending 31 December 2021, 2022, 2023 and 2024, respectively	50% of award shares are unconditional and 50% of award shares are conditional subject to personal level performance targets	Ranged from 0.1920% to 0.9640%	Ranged from 0.0480% to 0.2410%	HK\$2.37 (Note 1)	450%	The contributions and/or performance of the connected grantees and the financial performance of the group during the latest financial year.
31 May 2021	Semiconductor Manufacturing International Corporation (981)	(i) over a period of four years at the rate of 25%, 25%, 25% and 25% for each 12-month period; (ii) over a period of three years at the rate of 33%, 33% and 34% for each 12-month period; or (iii) on 1 January 2022.	Not specified	Ranged from 0.0001% to 0.0024%	Ranged from 0.00002% to 0.0008%	Nil	10%	Not specified

LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
21 May 2021	IGG Inc (799)	In five tranches, each to be vested as soon as reasonably practicable after the end of each of the trading days within the thirty calendar days immediately after the date on which the annual results for each of the five financial years ending 31 December 2025 are published	Achievement of a compound annual growth rate of not less than 10% on the initial benchmark price based on the measurement price for each relevant measurement period	Ranged from 0.06% to 3.22%	Ranged from 0.0120% to 0.6440%	1.574%	The board may, at its absolute discretion, determine such number of shares to be granted subject to any performance, operating and financial targets and other criteria. The board had in the past granted such number of shares under the share award scheme to the selected grantees based on their performance and financial achievement of the group, for the purpose of rewarding them for past contributions and to retain talents who are beneficial to the long-term growth and development of the group.

LETTER FROM GRAM CAPITAL

Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
20 May 2021	Haidilao International Holding Ltd (6862)	Ten years from the grant date	Performance conditions (mainly including future performance indicators and contributions to innovation fields, etc.)	Ranged from 0.0075% to 0.0375%	Ranged from 0.0008% to 0.0038% (Note 2)	Nil	15%	With reference to their respective roles, responsibilities (especially the restaurants, region or the business segment they are responsible for), years of services, work experience, contributions (especially the operating performance of the restaurants, region or the business segment they are responsible for), remuneration packages and prevailing compensation of similar positions in the market.
20 April 2021	China Environmental Technology and Bioenergy Holdings Limited (1237)	Not applicable	Not subject to any vesting conditions	1.8914%	1.8914%	Nil	89%	The connected persons' experience in the timber industry, their length of service to the group and their contributions to the group over the years.

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Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
12 April 2021	BA100 Family Interactive Limited (2100)	20% vest on 1 July 2022; 20% vest on 1 July 2023; 30% vest quarterly from 1 July 2023 to July 2024; and 30% vest quarterly from 1 July 2024 to July 2025	Not specified	Ranged from 0.3680% to 0.5520%	Ranged from 0.0736% to 0.1104%	Nil	N/A (Note 4)	Key factors such as (i) the business contributions made by the connected grantees since the listing of shares of the company; and (ii) the historical numbers of restricted share units granted by the company to its senior management (other than the directors of the company) and employees.
	Minimum			0.0001%	0.00002%		10%	
	Maximum			3.22%	1.8914%		1,574%	
	Average			0.2577%	0.1163%		325%	

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Date of announcement	Company name (Stock code)	Vesting period	Performance conditions	Percentage of the shares to be granted to individual connected person(s) to the total share capital of the listed company	Minimum percentage of the shares to be granted in any vesting period to individual connected person(s) to the total share capital of the listed company	Grant price	Portion of annual expected return of RSU to chief executive officer to his/her remuneration (Note 3)	Bases for determining the number of award shares/restricted share units to be granted
9 September 2021	The Company	Four equal instalments in a period of four years after the date of the grant	Company level performance target (Note 5)	Ranged from 0.0172% to 0.1716%	Range from 0.0043% to 0.0429%	Nil	47%	(a) the ratings of the relevant Participants in the annual performance and reviews for the most recent two financial years, (b) the level of remuneration in the form of securities adopted by competitors in medical aesthetic industry listed in the U.S., and (c) the ceiling of Equity-based Compensation pursuant to the proposed Remuneration Policy for Directors and Officers

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Notes:

1. The selected participants are required to pay a vesting price of HK\$2.37 per award share to the trustee on or before the applicable vesting date to which the vesting of the relevant award shares relates. The vesting price will be paid to the trustee as trust fund to be held by the trustee for the share award plan. As such, no fund will be raised by the company as a result of the issue and allotment of the award shares.
2. Such percentage is calculated with the assumption that the award shares shall be vested in ten equal instalments.
3. Portion of annual expected return to remuneration = $(\text{Total expected return/validity period (in year)})/(\text{Remuneration for the full financial year immediate before the date of the announcement})$.
4. Chief executive officer of the company was not a grantee according to the announcement.
5. According to the 2021 RSU Scheme, 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.

Sources: Website of the Stock Exchange

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As depicted in the above table, the percentage of restricted share units or award shares granted to each individual grantee to total issued shares ranged from approximately 0.0001% to 3.22% (or approximately 0.00002% to 1.8914% (the “**Comparable Percentage Range**”) after taking into account the vesting period). The number of Shares underlying the RSUs to be granted to each Connected Participants represents approximately 0.0172% to 0.1716% (or 0.0043% to 0.0429% per individual vesting period) of the total issued Shares as at the RSU Announcement Date, the number of Shares underlying the RSUs are within the Comparables Percentage Range.

We also noted that number of RSUs to be granted to Mr. Lior Moshe DAYAN, the executive Director and Chief Executive Officer of the Company, (the “**CEO’s RSUs**”) represents approximately 0.1716% to the total issued Shares as at the RSU Announcement Date, which is significantly more than the second largest percentage ratio (i.e. approximately 0.0472%) of Shares underlying the RSUs to be granted to total issued Shares as at the RSU Announcement Date. To assess number of the CEO’s RSUs, we further summarised the portion of annual expected return of RSU to chief executive officer of the Comparables to his/her remuneration (the “**Comparables’ CEO Remuneration Portion**”) and listed in the above table. A higher Comparables’ CEO Remuneration Portion indicated a higher value of incentive securities granted to such chief executive officer comparing to his/her latest available annual remuneration package. As depicted from the above table, the Comparables’ CEO Remuneration Portion ranged from approximately 10% to approximately 1,574% (or approximately 10% to 93%, with average of approximately 50%, excluding outliers). The portion of annual expected return of RSU to Mr. Lior Moshe DAYAN to his remuneration is approximately 47% which falls within the range of Comparables’ CEO Remuneration Portion (excluding outliers) and below the average. We therefore consider the number of CEO’s RSUs to be reasonable.

We noted from the Comparables that the numbers of award share/restricted share units pursuant to certain Comparables were determined with reference to, among other things, the performance and/or contribution of such connected grantees and the prevailing compensation for similar position which the connected grantees held in their respective markets. We therefore consider the bases for determining the number of RSUs proposed to be granted to the Connected Participants to be reasonable.

The vesting period of the Comparables ranged from immediate to ten years (with available information) while majority of the performance conditions of the Comparables (with available information) consist of achievements of certain individual/entity performance target.

In addition, the purpose of the Connected Grants is to closely align the interests between the Connected Participants and the Shareholders. The economic benefits of the Connected Grants are dependent on the market value of the Shares and therefore the Connected Participants can only benefit when all the Shareholders are also in a position to benefit. It indicated that the Connected Grants will align the interests of the Connected Participants with the Company and the Shareholders.

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Having considered that the number of Shares underlying the RSUs to be granted to Connected Participants falls within the Comparables Percentage Range and our further analyses on number of CEO's RSUs, we are of the view that the numbers of RSUs to be granted to the Connected Participants are fair and reasonable.

Consideration

The RSUs are to be granted by the Company to the Connected Participants at nil consideration subject to the acceptance of the Connected Participants. As such, no fund will be raised by the Company as a result of the Connected Grants.

According to the Comparables, we noted that it is a common practice for listed companies in Hong Kong to grant restricted share units or award shares to their directors, personnel and employees at nil consideration.

Having considered that (i) the setting of nil consideration for the granting of RSUs is in line with market practice; and (ii) RSUs are granted pursuant to the 2021 RSU Scheme, the purpose of which 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 hold equity interests in the Company, we consider the nil consideration of the RSUs to be acceptable.

Vesting period

With reference to the Board Letter, the RSUs to the Connected Participants, if granted, will be vested in four equal instalments in a period of four years after the date of grant.

We are of the view that the vesting period with unlocking conditions will strengthen the incentive for the Connected Participants to use their efforts to achieve relevant targets, which will contribute to the growth and development of the Group.

In addition, we also noted from the Comparables that majority of the Comparables set three to four instalments with 20% to 40% in each instalment for the vesting of the relevant restricted share units and/or award shares to grantees.

Having reviewed and considered the terms of the Connected Grants, in particular the key terms as listed above and no abnormal term observed, we are of the view that the terms of the proposed grant of RSUs are on normal commercial terms and are fair and reasonable.

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3. Dilution effect on the shareholding interests of the existing Shareholders

Upon vesting of the RSUs, the maximum number of Shares to be issued to the Connected Participants would be 1,283,490 Shares, representing approximately 0.2753% of the issued Shares as at the RSU Announcement Date, assuming all Shares underlying the RSUs to be granted to the Connected Participants have been issued and no further Shares have been issued or repurchased by the Company. Accordingly, the dilution effect on the shareholding interests of the existing Shareholders will be immaterial.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the Connected Grants are on normal commercial terms and are fair and reasonable; (ii) the Connected Grants are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Connected Grants, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *For identification purpose only*

Set out below is a summary of the terms of the 2021 RSU Scheme.

1. 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.

2. WHO MAY JOIN

Those eligible to participate in the 2021 RSU Scheme include the Directors (including Executive Directors, and Non-executive Directors, but excluding independent non-executive Directors), the directors of the Company's subsidiaries and 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**".

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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).

10. 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.

11. 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.

12. 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; and

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.

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.

13. 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.

14. 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**”).

The Applicable Period will not be longer than one financial year.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

SISRAM MEDICAL LTD

(the “Company”)

COMPANY REMUNERATION POLICY FOR DIRECTORS AND OFFICERS

Adopted by the Remuneration Committee and the Board of Directors effective [●] 2021

Pursuant to Section 267A of the Israeli Companies Law, 5759-1999

and the Israeli Companies Regulations (Relief Regarding the Obligation to Adopt
a Remuneration Policy), 5760-2000**1. INTRODUCTION**

- 1.1. The objective of this document is to define and describe the Remuneration Policy in accordance with the requirements of the Israeli Companies Law, 5759-1999 (the “**Companies Law**”). The Remuneration Policy applies to the Company’s Office Holders as defined below.
- 1.2. It is emphasized that this Remuneration Policy, or its adoption by the Company, does not grant any rights to the Company’s Office Holders nor does it amend any existing agreements. The compensation that any Office Holder is entitled to receive will be solely that which is approved by the competent organs of the Company in accordance with applicable law.
- 1.3. If an Office Holder should receive compensation that is less than the compensation provided in this Remuneration Policy, it will not be considered a deviation or exception from this Remuneration Policy.
- 1.4. Pursuant to the Companies Law, this Policy will be brought to the approval of our shareholders and, once adopted, and unless determined otherwise by our Board of Directors, shall serve as our Compensation Policy for the three years period commencing as of its adoption.
- 1.5. For the purpose of this policy:

“**Advance Notice Period**” – the period of time following notice of termination of employment or services agreement, after which termination will become effective.

“**Equity-based Compensation**” – options, restricted shares, restricted stock units and any other equity-based payments settled with the Company’s shares.

“**Office Holder**” – as defined in the Companies Law, as may be amended from time to time, and correct as to the adoption date of this Policy – Directors (including the Chairman of the Board), Chief Executive Officer (the “**CEO**”), Deputy General Manager, Chief Officers, any person performing such function in the Company even if under a different title and managers directly subordinate to the CEO.

“**Senior Staff**” – those performing management functions directly subordinate to the CEO.

“**Severance Grants**” – payment or any other benefit awarded to an Office Holder in connection with termination of his position at the Company. These payments are on top of any severance payments required by applicable law.

2. MANNER OF DETERMINING REMUNERATION

The terms of service and employment of Office Holders in the Company shall be approved by the remuneration committee and the Board of Directors, considering the principles set forth herein, to the extent applicable to each Office Holder:

- 2.1. The Office Holder’s education, qualifications, specialization, professional expertise and achievements;
- 2.2. The Office Holder’s role, area of responsibility, and prior terms of remuneration given to such Office Holder or predecessors;
- 2.3. The ratio of the Office Holder’s cost of remuneration to the cost of salaries of the employees and contractors of the Company in general, and any effect such ratio may have on overall employment relations at the Company;
- 2.4. Additional relevant parameters which the remuneration committee determines are relevant, including common market practices, the size of the Company and manner of its operations;
- 2.5. Regarding compensation paid to Office Holders in any currency other than USD, the USD conversion rate into the relevant currency for salary will be based on the rate at the date of the first payment of the year and then change until the next salary update, the USD conversion rate for bonus will be based on the rate on the month of payment;
- 2.6. The Company will be permitted to grant the Office Holders (all or part) a compensation plan that includes a salary and related benefits, commissions (for Office Holders filling certain positions), a cash award (bonus) and/or equity-based payment.

3. THE FIXED COMPONENT

3.1. General

3.1.1. The “**Salary/Management Fees**” constitutes a fixed compensation the purpose of which is to compensate the Office Holder for performing his position in the Company and for performing the ongoing duties required by his job. All references Salary/Management Fees hereunder shall refer to gross amounts, unless specified otherwise.

The Salary/Management Fees of the Office Holder will be determined in the negotiation regarding his engagement with the Company, according to the parameters detailed in Section 2 above, and may take into consideration the existing salary terms of other Company Office Holders, as well as reference to accepted salary terms in the market and industry for Office Holders holding similar positions in comparable companies.

3.1.2. The maximum Salary/Management Fees are detailed below based on a full-time position (100%) assumption. The maximum Salary of the CEO or Senior Staff who is a part time employee of the Company, will be adjusted taking into consideration such partial position and its effects.

3.2. Salary or Monthly Management Fees

3.2.1. **CEO.** The monthly Gross Salary/Management Fees of the CEO shall not exceed USD70,000.

3.2.2. **Senior Staff.** The Monthly Gross Salary/Management Fees of each Senior Staff shall not exceed USD60,000.

3.3. **Related Benefits.** The Chairman of the Board, CEO and Senior Staff will each be entitled to certain benefits (“**Related Benefits**”), including social benefits as provided under applicable law. In addition, their salary package can include additional benefits, such as use of a car (including grossing up the related tax), an annual paid vacation that is longer than that prescribed in applicable law, phone and communication costs, health insurance, etc. These benefits will be as determined by the Company on the date of the approval of the employment or services agreement, and may be examined from time to time and be adjusted by the remuneration committee subject to such applicable law.

3.4. **Sign-On Bonus.** Chairman, CEO, Senior Staff and employees may be eligible, in connection with their nomination, to receive a sign-on bonus, which shall not exceed the average such sign-on bonuses for comparable public companies, as documented by a compensation consultant, subject to a vesting period (i.e. working period) of at least 3 years, as will be determined by the Company’s governing bodies, in accordance applicable law.

3.5. Advance Notice and Severance Terms

3.5.1. Advance Notice

3.5.1.1. The Advance Notice Period for termination of employment or services of Senior Staff will be determined on an individual basis with CEO and each Senior Staff member, with reference to the parameters detailed Section 4.3 below, the Advance Notice Periods prescribed in the agreements of other Office Holders and the Advance Notice Periods accepted in the market and industry for Office Holders in similar positions.

3.5.1.2. With respect to Senior Staff who on the date of the approval of this Policy has a personal employment or services agreements already in effect, which contains a defined Advance Notice Period, there will be no change in this period as provided in their employment or services agreements.

3.5.1.3. In any event, the Advance Notice Period of the Chairman, CEO and each Senior Staff is limited to up to 4 months.

3.5.2. Severance Grants

3.5.2.1. The Company's Board of Directors will be permitted to approve compensation terms which include award of Severance Grants as indicated hereunder, in addition to the requirements of any applicable law.

3.5.2.2. The entitlement to a Severance Grant, on top of the company's legal liability, in terms of CEO and the Senior Staff monthly salaries, shall not exceed 6 monthly salaries plus any guaranteed bonuses (on a Salary/Management Fees basis), respectively (the "**Severance Grant Cap**"). When the Board of Directors decides on a Severance Grant, it will take into account the following considerations: period of employment, terms of employment, Company performance during that period, contribution by the Office Holder to the Company to achieve its goals and earn profits, and the circumstances of the end of employment. The Board of Directors may also take into account additional considerations.

3.5.2.3. The Severance Grants will be decided by the Company's governing bodies, subject to the provisions of any applicable law.

4. VARIABLE COMPONENTS

4.1. The terms of remuneration may include bonuses or other variable components, all as set forth herein.

4.2. Equity-Based Compensation

- 4.2.1. The Company reserves the right to grant Equity-Based Compensation, according to the equity compensation plans that were and will be adopted from time to time and subject to any applicable law.
- 4.2.2. The Company’s Office Holders who are Israeli citizens may be granted any Equity-Based Compensation in accordance with the requirements of Section 102 of the Israeli Income Tax Ordinance, as may be amended from time to time.
- 4.2.3. The annual economic value of the Equity-Based Compensation will be calculated by dividing the fair value of the benefit (based on financial models used for financial reporting purposes) at the grant date by the number of years until the vesting of the last tranche (linear division) (the “**Annual Economic Value**”). Determination of Annual Economic Value of Equity-Based Compensation shall be made disregarding any equity-based compensation granted prior to the adoption of the Policy.

Maximum Annual Economic Value of Equity Based Payments:

**Chairman, Executive and
Non-Executive Directors
(but not Independent
Directors)**

CEO

Senior Staff

Not more than 0.06% of the Company’s fully diluted share capital.	80% of the annual base Salary/Management Fees and not more than 0.25% of the Company’s fully diluted share capital.	25% of the annual base Salary/Management Fees and not more than 0.06% of the Company’s fully diluted share capital.
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For the purpose of calculating the value – in a case of securities being granted – the value will be calculated as of the date of the Board of Director’s decision regarding the grant. In a case of Equity-Based Compensation payable in cash – the value will be calculated at the actual payment date.

- 4.2.4. For the avoidance of doubt, it is clarified that the Equity-Based Compensation ceiling is in addition to the annual bonus ceiling as set forth below. The Company’s Board of Directors shall have the authority to set a limit to the Equity-Based Payment mentioned above in this document, at its full and exclusive discretion, if the circumstances are found to justify such a reduction. The vesting schedule shall be determined by the Board of Directors and shall be between one (1) and four (4) years from the date of grant, for example: in the event of a vesting schedule of four (4) years, at the conclusion of every year 25% of the total equity compensation shares of the bonus shall vest.

4.2.5. The Company has the right to define other specific performance terms (other than service period) in relation to the Equity-Based Payment for each Office Holder, including specific performance-based vesting conditions (without defining specific service period).

4.2.6. Additional terms including eligibility upon termination, eligibility for accelerated vesting upon pre-defined events such as M&A or change of control events, adjustments for cash dividends, stock split, etc., will be consistent with the definitions of the Equity-Based Compensation plans that were or will be adopted by the Company (to the extent defined therein).

4.3. Non-Equity-Based Payment

4.3.1. **Performance Bonuses.** The Chairman of the Board of Directors, CEO, Senior Staff may be eligible to performance bonuses and bonuses linked to corporate milestones, subject to the provisions of any applicable law.

4.3.2. **Bonuses linked to corporate milestones.** The Board of Directors and the remuneration committee are authorized to determine, at the beginning of each calendar year, the parameters on which the performance bonus shall be based, from the list of parameters detailed below. In addition, the remuneration committee and the Board of Directors are authorized to determine that part of the bonus shall be based on discretion rather than measurable parameters, as follows: (a) for the CEO – the part of the bonus based on discretion shall not exceed the larger of (i) 3 monthly base salaries, or (ii) a material portion of the total variable components of his or her remuneration; (b) for any Directors – if a part of the bonus is based on discretion, it shall require the approval of the shareholders; (c) for Senior Staff – all components of the bonus may be based on discretion.

4.3.3. With respect to Office Holders (other than directors) who are subject to the CEO, the Board of Directors and the Compensation Committee may delegate authority to determine such parameters to the CEO.

4.3.4. The parameters and the weight of each parameter will be established and approved by the remuneration committee and the Board of Directors at the beginning of each calendar year, and may include parameters from the following list:

- The initiation or completion of a certain number of clinical trials
- The completion of an in-license or an out-license deal
- The execution of commercial cooperation deals
- The approval to market a new product

- The commencement of a revenue stream
- The realization of expense budget targets or cash flow
- Fund raising
- The Company's stock performance
- Other parameters which are quantifiable.

The weight of each parameter should not exceed 50% of the total grant.

4.3.5. **Bonus Cap:** (i) The total yearly cash bonus for the CEO and Chairman of the Board of Directors shall not exceed an amount equaling 80% of their respective annual salaries (before taxes)/director fees paid to them for the same year in which the bonus is paid; and (ii) the total yearly cash bonus for the Senior Staff shall not exceed the amount equaling 150% of their respective salaries (before taxes)/management fees paid to them for the same year in which the bonus is paid.

4.3.6. If the performance bonus or part thereof is paid on the basis of data found to be incorrect, if restated in the Company's financial statement to be published in a subsequent one (1)-year period from the date of publication of the financial report on the basis of which the bonus was paid or the data which turned out to be otherwise incorrect during this period – the Office Holder will be required to repay the Company for any amount paid based on that same incorrect information.

5. REMUNERATION OF DIRECTORS

5.1. The External Directors shall receive remuneration and reimbursement of expenses in accordance with the Companies Regulations (Rules Regarding Remuneration and Expenses of External Directors), 5760-2000 (the “**External Directors Regulations**”).

5.2. All other Independent Non-Executive Directors shall receive remuneration and reimbursement of expenses not exceeding the maximum amounts pursuant to regulations 4 through 6 of the External Directors Regulations.

5.3. The remuneration of a Director who also serves in another office shall be governed by Sections 3 to 4 above.

6. EXCULPATION, INDEMNIFICATION AND INSURANCE OF OFFICER HOLDERS

- 6.1. The Company may decide to exculpate and indemnify its Officer Holders up to the maximum extent permitted under the Companies Law and subject to the conditions set forth therein.
- 6.2. The Company may provide exemption and indemnification letters to its Officer Holders, in a form to be approved from time to time by the competent organs of the Company and in accordance its articles of association.
- 6.3. The Company may procure for its Officer Holders a directors' and officers' liability insurance policy, which may include "run-off" and "claims made" coverage. Directors and Office Holders will be covered by a directors and officers liability insurance policy that will be maintained by the Company according to applicable law. The terms of such policy shall provide for coverage of up to USD5,000,000 (per claim and in the aggregate). Such insurance coverage may include Directors' and officers' liability insurance with respect to specific events, such as public offerings, or with respect to periods to time following which the then existing insurance coverage ceases to apply, such as, by way of example only, "run-off" coverage following a termination of service or employment, termination of the insurance policy or in other circumstances. The authority to enter into such insurance policies shall be held by the remuneration committee, provided that the terms of the contract do not exceed the terms set forth above, and that they are consistent with market conditions and will not materially affect the Company's profits, property or liabilities.

The Company will review the insurance policy on an annual basis and may renew or purchase additional insurance.

1. RESPONSIBILITY STATEMENT

This circular for which Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As of the Latest Practicable Date, the interests and/or short positions of Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (*SFO*)) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 of the Hong Kong Listing Rules were as follows:

(a) Interests and Short Positions of Directors in the Company and Associated Corporations

Name of Director	The company in which the interests are held	The class of shares	Capacity and nature	Number of shares held	Percentage of shareholding in the relevant class of shares
Lior Moshe DAYAN	Company	Ordinary Shares	Beneficial owner	113,500	0.03%
Yifang WU	Fosun Pharma	H shares	Beneficial owner	342,000	0.06%
		A shares	Beneficial owner	718,900	0.04%
Yao WANG	Fosun Pharma	A shares	Beneficial owner	50,000	0.002%

Save as disclosed in the foregoing, as the Latest Practicable Date, none of the Directors or chief executives of the Company or their respective close associates had any interests or short positions in any shares, underlying shares, or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

During the Reporting Period, no rights to acquire benefits by means of the acquisition of shares or debentures of the Company were granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement which enabled the Directors to acquire such rights in any other body corporate.

(b) Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors, the persons or entities, other than the Directors or chief executives of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were deemed to be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name of Shareholders	Capacity	Number of Shares held or interested	Approximate Percentage (%)
CML	Beneficial owner	127,318,640 (L) ⁽¹⁾	27.31%
Ample Up ⁽²⁾	Beneficial owner	203,240,160 (L)	43.60%
	Interest in controlled corporation	127,318,640 (L)	27.31%
		330,558,800 (L)	70.91%
Fosun Industrial ⁽³⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
Fosun Pharma ⁽⁴⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
Fosun High Tech ⁽⁵⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
Fosun International ⁽⁶⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
FHL ⁽⁷⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
FIHL ⁽⁸⁾	Interest in controlled corporation	330,558,800 (L)	70.91%
Guangchang GUO ⁽⁹⁾	Interest in controlled corporation	330,558,800 (L)	70.91%

Notes:

- (1) (L): Long Positions.
- (2) CML is wholly owned by Ample Up. Ample Up is deemed to be interested in the Shares in which CML is interested as legal and beneficial owner.
- (3) Ample Up is wholly owned by Fosun Industrial. Therefore, Fosun Industrial is deemed to be interested in an aggregate holding of 330,558,800 Shares which Ample Up is interested in, comprising 203,240,160 Shares held by Ample Up and 127,318,640 Shares held by CML.
- (4) Fosun Industrial is wholly owned by Fosun Pharma. Therefore, Fosun Pharma is deemed to be interested in the Shares in which Fosun Industrial is deemed to be interested.
- (5) Fosun High Tech controls the exercise of more than one-third of the voting rights at the general meeting of Fosun Pharma. Fosun High Tech is deemed to be interested in the Shares in which Fosun Pharma is deemed to be interested.

- (6) Fosun High Tech is wholly owned by Fosun International. Fosun International is deemed to be interested in the Shares in which Fosun High Tech is deemed to be interested.
- (7) FHL controls the exercise of more than one-third of the voting rights at the general meeting of Fosun International. FHL is deemed to be interested in the Shares in which Fosun International is deemed to be interested.
- (8) FHL is wholly-owned by FIHL. FIHL is deemed to be interested in the Shares in which FHL is deemed to be interested.
- (9) Guangchang GUO controls the exercise of more than one-third of the voting rights at the general meeting of FIHL. Guangchang GUO is deemed to be interested in the Shares in which FIHL is deemed to be interested.

Save as disclosed herein, there is no other person known to the Directors or chief executive of the Company who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 under Part XV of the SFO or who is, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

3. DIRECTORS' SERVICE CONTRACTS

None of the Directors and Supervisors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole. As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2020, the date to which the latest published audited financial statements of the Group were made up.

5. COMPETING INTERESTS

As at the Latest Practicable Date, except Mr. Yi LIU (our executive Director), Mr. Yifang WU, Mr. Yao WANG and Ms. Rongli FENG (our non-executive Directors and also the directors of CML), and Mr. Guojun BU (our executive Director and also the vice president of CML), none of the Directors is interested in any businesses apart from the Group's business which competes with or is likely to compete, either directly or indirectly, with the Group's business. CML, a subsidiary of Fosun Pharma, acts as agent or distributor in the PRC for a broad range of medical devices (including products relating to the imaging, aesthetics, surgery, dermatology, oncology and dental segments).

6. MATERIAL ADVERSE CHANGE

The Directors have confirmed that there is no material adverse change in the financial position or trading prospects of the Group since December 31, 2020, being the date to which the latest audited financial statements of the Group were made up.

7. QUALIFICATION OF EXPERT AND CONSENT

The following is the qualification of the professional adviser who has given opinion or advice, which is contained in this circular:

Name	Qualification
Gram Capital	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or opinions and/or the references to its name in the form and context in which they respectively appear. As at the Latest Practicable Date, (i) Gram Capital did not have any interest, either direct or indirect, in any assets which had been, since December 31, 2020, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group; and (ii) Gram Capital did not have any shareholding interests in any member of the Group and it did not have any right, whether legally enforceable or not, to subscribe for or nominate persons to subscribe for securities of any members of the Group.

8. MISCELLANEOUS

This circular has been prepared in both English and Chinese. In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at www.hkexnews.hk or the Company's website at www.sisram-medical.com from the date of this Circular up to and including the date of the EGM:

- (a) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 34 of this circular;
- (b) the written consent of the Independent Financial Adviser referred to in paragraph 7 of this Appendix;
- (c) the 2021 RSU Scheme; and
- (d) the Remuneration Policy for Directors and Officers.

NOTICE OF EGM

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Sisram Medical Ltd (the “**Company**”) will be held at Unit 1603-1604, 16/F, Causeway Bay Plaza I, 489 Hennessy Road, Causeway Bay, Hong Kong on Tuesday, 30 November 2021 at 3:00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions as ordinary resolutions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the circular issued by the Company for the Meeting on 26 October 2021.

ORDINARY RESOLUTIONS

1. To consider and, if thought fit, approve the proposed adoption of the 2021 RSU Scheme and the grant of a specific mandate to the Directors of the Company to issue and allot up to 22,107,780 Shares upon vesting of the RSUs to be granted under the 2021 RSU Scheme (the “**RSU Scheme Annual Mandate**”).
2. To consider and, if thought fit, approve the proposed adoption of the Remuneration Policy for Directors and Officers.
3. To consider and, if thought fit, approve the proposed grant of 220,000 RSUs to Mr. Yi LIU, Chairman and executive Director of the Company, in accordance with the terms of the 2021 RSU Scheme and the issue of corresponding number of Shares to Mr. Yi LIU upon vesting of the RSUs.
4. To consider and, if thought fit, approve the proposed grant of 800,000 RSUs to Mr. Lior Moshe DAYAN, an executive Director and the Chief Executive Officer of the Company, in accordance with the terms of the 2021 RSU Scheme, and the issue of corresponding number of Shares to Mr. Lior Moshe DAYAN upon vesting of the RSUs.
5. To consider and, if thought fit, approve the proposed grant of 80,000 RSUs to Mr. Guojun BU, an executive Director and the Chief Financial Officer of the Company, in accordance with the terms of the 2021 RSU Scheme, and the issue of corresponding number of Shares to Mr. Guojun BU upon vesting of the RSUs.
6. To consider and, if thought fit, approve the proposed grant of 183,490 RSUs to Mr. Doron YANNAI, a vice president of the Company and a director of the Company’s subsidiaries, in accordance with the terms of the 2021 RSU Scheme, and the issue of corresponding number of Shares to Mr. Doron YANNAI upon vesting of the RSUs.

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

Hong Kong, 26 October 2021

* *for identification purpose only*

NOTICE OF EGM

Notes:

1. All resolutions at the Meeting will be taken by a poll pursuant to the articles of association and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy (or more than one proxy if he/she holds more than one share) to attend and on a poll, vote on his/her behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting (i.e. not later than 3:00 p.m. on Sunday, 28 November 2021 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Thursday, 25 November 2021 to Tuesday, 30 November 2021 (both dates inclusive). In order to qualify for attending and voting at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration by 4:30 p.m. on Wednesday, 24 November 2021.
5. Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the Meeting arrangements at short notice. Shareholders of the Company should check the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.com.hk>) and the Company (www.sisram-medical.com) for future announcements and updates on the Meeting arrangements.
6. References to time and dates in this notice are to Hong Kong time and dates.