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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)

CONNECTED TRANSACTION
TIANJIN JUVESTAR INVESTMENT

On 22 December 2020, Sisram Tianjin, a subsidiary of the Company, entered into the Series A Investment Agreement as an Original Shareholder and a Series A Investor with, among others, Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) (the general partners of which are subsidiaries of Fosun Pharma) and the Target in relation to an aggregate capital injection of RMB109 million into the Target, of which, Sisram Tianjin agreed to contribute RMB10 million.

Pursuant to the Series A Investment Agreement, upon completion of the Series A Investment, if the Target proposes to issue additional shares to raise funds and Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) propose to participate in such fund raisings, Sisram Tianjin will also subscribe for additional shares of the Target and contribute additional capital in proportion to its shareholding in the Target upon completion of the Series A Investment, provided that the maximum amount of capital to be contributed by Sisram Tianjin shall not exceed RMB10,366,973.

Accordingly, the aggregate amount of capital which Sisram Tianjin has contributed in the Target and has agreed to contribute under the Series A Investment Agreement amounts to RMB21,486,973 (being the aggregate of (i) RMB1.12 million contributed at the time of the incorporation of Target in September 2020, (ii) RMB10 million to be contributed in the Series A Investment and (iii) a maximum of RMB10,366,973 agreed to contribute in further rounds of fund raisings by the Target).

As at the date of this announcement, each of Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) is a limited liability partnership whose respective general partner is a subsidiary of Fosun Pharma, a controlling shareholder of the Company. Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin), in aggregate, also hold more than 50% of the registered capital of the Target. Therefore, each of Fosun Health Fund (Suzhou), Fosun Health Fund (Tianjin) and Tianjin JuveStar is a connected person of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the capital contribution under the Tianjin JuveStar Investment, after aggregation with the capital already contributed by Sisram Tianjin at the incorporation of the Target, exceeds 0.1% but is less than 5%, the capital contribution under the Tianjin JuveStar Investment constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. INTRODUCTION

On 22 December 2020, Sisram Tianjin, a subsidiary of the Company, entered into the Series A Investment Agreement as an Original Shareholder and a Series A Investor, with the other Original Shareholders, the other Series A Investors and the Target in relation to an aggregate capital injection of RMB109 million into the Target, of which, Sisram Tianjin agreed to contribute RMB10 million.

II. THE SERIES A INVESTMENT AGREEMENT

The principal terms of the Series A Investment Agreement are set out below.

(a) Shareholding Structure of the Target

The shareholding of Tianjin JuveStar as at the date of the Series A Investment Agreement is set out below:

| Shareholders of Tianjin JuveStar | Registered Capital (RMB) | Shareholding (%) |
|---|--------------------------------|---------------------|
| Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) | 24,080,000 | 86 |
| Sisram Tianjin | 1,120,000 | 4 |
| Other Original Shareholders | 2,800,000 | 10 |
| Total | 28,000,000 | 100 |

(b) Investment Amount of Sisram Tianjin under the Series A Investment

Of the Series A Investment, Sisram Tianjin will contribute an aggregate sum of RMB10 million using its internal funds in two phases, (i) RMB6,146,788.99 will be payable in phase one, and (ii) RMB3,853,211.01 will be payable in phase two.

The payment of the Series A Investment in phase one is subject to the following conditions precedent, which may be waived by the Series A Investors unilaterally or upon agreement among the parties to the Series A Investment Agreement:

- (1) the approval from the shareholders of Tianjin JuveStar regarding the Series A Investment having been obtained;
- (2) the entering into of a written license agreement by Tianjin JuveStar with Raziel in respect of the commercial rights in the PRC (including Hong Kong, Macau and Taiwan) for licensing RZL012 products to Tianjin JuveStar; and
- (3) the satisfaction of the general conditions precedent as set out below.

The payment of the Series A Investment in phase two is subject to the following conditions precedent, which may be waived by the Series A Investors unilaterally or upon agreement among the parties to the Series A Investment Agreement:

- (1) the conditions to the payment of Series A Investment in phase one having been satisfied or waived;
- (2) Tianjin JuveStar having completed the registration procedure for capital contributions and provided the Series A Investors with a copy of the updated business license of Tianjin JuveStar and copies of the filing documents in relation to such registration;
- (3) the National Medical Products Administration of the PRC having approved the carrying out of phase III clinical trial of RZL012 in the PRC; and
- (4) the satisfaction of the general conditions precedent as set out below.

The general conditions precedent referred to above comprise:

- (1) the due execution of the Series A Investment Agreement and its relevant documents by the parties;
- (2) there has been no breach of the obligations by the Target and the Original Shareholders under the Series A Investment and the representations, statements and warranties of the Target and the Original Shareholders being complete, true and accurate at the time when they were made or at the time of the payment of the Series A Investment;
- (3) all necessary permits and approvals required for the business operations of the Target having been obtained or will be obtained in accordance with the terms of the Series A Investment Agreement;
- (4) there has been no restriction, prohibition or cancellation of the capital contribution contemplated under the Series A Investment Agreement due to judgments, rulings or decisions in the PRC, and there has been no material adverse effect on the Series A Investment arising from any pending or potential litigation; and
- (5) there has not been any events having or expected to have a material adverse change on the Target.

Of the total RMB109 million capital to be contributed by the Series A Investors, RMB54.5 million will be used to increase the Target's registered capital with the remaining amount being credited as capital reserve. The shareholding of Tianjin JuveStar upon completion of the Series A Investment is set out as follows:

| Shareholders of Tianjin JuveStar | Registered Capital (RMB) | Shareholding (%) |
|---|---|-----------------------------|
| Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) | 59,920,000 | 72.63 |
| Sisram Tianjin | 6,120,000 | 7.41 |
| Other Original Shareholders | 2,053,600 | 2.49 |
| Other Series A Shareholders | 14,406,400 | 17.74 |
| Total | <u>82,500,000</u> | <u>100</u> |

Each Series A Shareholder shall, within 10 business days upon the satisfaction of the relevant conditions to the Series A Investment, make its capital contribution by depositing to Tianjin JuveStar's designated bank account.

The respective contribution to the registered capital of Tianjin JuveStar is determined after arm's length negotiations between the parties with reference to, among other things, the proposed capital requirements of Tianjin JuveStar and the prospect of its business.

(c) Additional Capital Commitment

Pursuant to the Series A Investment Agreement, upon completion of the Series A Investment, if the Target proposes to issue additional shares to raise funds and Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) propose to participate in such fund raisings, Sisram Tianjin will also subscribe for additional shares of the Target and contribute additional capital in proportion to its shareholding in the Target upon completion of the Series A Investment, provided that the maximum amount of capital to be contributed by Sisram Tianjin shall not exceed RMB10,366,973.

(d) Corporate Governance of Tianjin JuveStar

The board of directors of Tianjin JuveStar shall consist of five directors, of whom four shall be appointed by Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin), and one shall be appointed by Sisram Tianjin, subject to approval at the shareholders' meeting of Tianjin JuveStar.

(e) Termination

The Series A Investment Agreement may be terminated upon written agreement among the parties thereto. The Series A Investment Agreement may also be terminated upon a 20 business days' written notice (i) by any party if a force majeure event happens and the parties cannot reach agreement to amend the Series A Investment Agreement, (ii) by the non-breaching party when there has been a breach of the Series A Investment Agreement and such breach is not rectified within 20 days upon written notice, or (iii) by the Series A Investors if the conditions to the payment in phase one of the Series A Investment have not been fulfilled or waived after 90 business days (or any other dates agreed by the parties thereto) from the date of the Series A Investment Agreement.

III. REASONS FOR AND BENEFITS OF THE TIANJIN JUVESTAR INVESTMENT

Tianjin JuveStar was established in September 2020 under the laws of the PRC, the business scope of which includes, among other things, the development, distribution and sales of biotechnology products in the PRC. As Tianjin JuveStar was only established in September 2020, it does not have any financial information for the two financial years immediately preceding the date of this announcement or for the six months ended June 30, 2020. In September 2020, Tianjin JuveStar entered into a license and supply agreement with Raziel, pursuant to which, Raziel granted a license to Tianjin JuveStar to develop and commercialise RZL012 in China (including Hong Kong, Macau and Taiwan region). RZL012 is for the treatment of aesthetics and a variety of fat disorders. The Company believes that the Tianjin JuveStar Investment would enable the Company to (i) enhance the Group's medical aesthetic technology, knowhow and design capability through engaging with Raziel through Tianjin JuveStar and (ii) explore cross-selling opportunities.

Having regard to the reasons for, and benefits of, the Tianjin JuveStar Investment as set out above, the Directors (including the independent non-executive Directors) consider that the Series A Investment Agreement (including the Tianjin JuveStar Investment) is in the ordinary and usual course of business of the Company, has been entered into on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Yifang WU, Mr. Yao WANG, Mr. Yi LIU, Ms. Rongli FENG and Mr. Guojun BU declared that they also hold certain positions in Fosun Pharma and/or its subsidiaries (other than the Group). Mr. Lior Moshe Dayan is the Chief Executive Officer of the Company, which is a subsidiary of Fosun Pharma. According to the Israeli laws and regulations, those Directors are considered to have a personal interest in the Tianjin JuveStar Investment and are required to abstain from voting on the resolution of the Board approving the Tianjin JuveStar Investment. However, the Israeli laws and regulations further provide that, a director may be present at the meeting of the board of directors in relation to a transaction and may participate in the voting if the majority of the directors of the company have a personal interest in such transaction. Accordingly, none of the Directors have abstained from voting on the resolution of the Board approving the Tianjin JuveStar Investment.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, each of Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) is a limited liability partnership whose respective general partner is a subsidiary of Fosun Pharma, a controlling shareholder of the Company. Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin), in aggregate, also hold more than 50% of the registered capital of Tianjin JuveStar. Therefore, each of Fosun Health Fund (Suzhou), Fosun Health Fund (Tianjin) and Tianjin JuveStar is a connected person of the Company under Chapter 14A of the Listing Rules.

The aggregate amount of capital which Sisram Tianjin has contributed in the Target and has agreed to contribute under the Series A Investment Agreement amounts to RMB21,486,973 (being the aggregate of (i) RMB1.12 million contributed at the time of the incorporation of Target in September 2020, (ii) RMB10 million to be contributed in the Series A Investment and (iii) a maximum of RMB10,366,973 agreed to contribute in further rounds of fund raisings by the Target).

As the highest applicable percentage ratio in respect of the capital contribution under the Tianjin JuveStar Investment, after aggregation with the capital already contributed by Sisram Tianjin at the incorporation of the Target, exceeds 0.1% but is less than 5%, the capital contribution under the Tianjin JuveStar Investment constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

V. GENERAL INFORMATION

(a) Information on Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin)

Each of Fosun Health Fund (Suzhou) and Fosun Health Fund (Tianjin) is a limited liability partnership incorporated in the PRC whose respective general partner is a subsidiary of Fosun Pharma. Founded in 1994, Fosun Pharma is a leading healthcare group in China with its A shares and H shares listed on the Shanghai Stock Exchange and the Stock Exchange, respectively.

(b) Information on Sisram Tianjin

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

(c) Information on the other Original Shareholders

The Original Shareholders (other than Fosun Health Fund (Suzhou), Fosun Health Fund (Tianjin) and Sisram Tianjin) comprise (i) Tianjin Xingjin Bio-tech LLP * (天津星津生物技術合夥企業(有限合夥)), the general partner of which is Tianjin Fuyao Commercial Management Partnership (LLP)(天津復曜商業管理合夥企業(有限合夥)), which is beneficially controlled by Cui Zhiping, a PRC citizen, and (ii) three individuals, Cui Zhiping, Sun Jingwen and Xie Cheng, who are PRC citizens. Each of the other Original Shareholders and their respective beneficial owners (if applicable) is an Independent Third Party of the Company.

(d) Information on the other Series A Investors

The Series A Investors (other than Fosun Health Fund (Suzhou), Fosun Health Fund (Tianjin) and Sisram Tianjin) comprise, (i) Tianjin Xingwang Commercial Management Partnership (LLP) (天津星旺商業管理合夥企業(有限合夥)), the general partner of which is Sun Jingwen; (ii) Ningbo Xinhui Enterprise Management Partnership (LLP)* (寧波鑫暉企業管理合夥企業(有限合夥)), the general partner of which is Ningbo Meishan Bonded Zone Shunrui Commercial Management Ltd. (寧波梅山保稅區順睿企業管理有限公司), which is beneficially controlled by Luo Na, and (iii) Suzhou MING Bioventures Seed Fund I Venture Capital, L.P. (蘇州聚明中正方源創業投資合夥企業(有限合夥)), the general partner of which is Suzhou MING QIYUAN Bioventures LP (蘇州聚明啟元企業管理合夥企業(有限合夥)), which is beneficially controlled by Guo Hua. Each of the other Series A Investors and their respective beneficial owners is an Independent Third Party of the Company.

VI. DEFINITIONS

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

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| “Board” | the board of Directors |
| “Company” | Sisram Medical Ltd, a company incorporated in Israel with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1696) |
| “Directors” | the directors of the Company |
| “Fosun Health Fund (Suzhou)” | Suzhou Fujian Xingyi Venture Investment Partnership (Limited Partnership) (蘇州復健星熠創業投資合夥企業(有限合夥)), a limited liability partnership established in the PRC whose general partner is a subsidiary of Fosun Pharma |
| “Fosun Health Fund (Tianjin)” | Tianjin Fosun Haihe Healthcare Industry Fund Partnership (Limited Partnership) (天津復星海河醫療健康產業基金合夥企業(有限合夥)), a limited liability partnership established in the PRC whose general partner is a subsidiary of Fosun Pharma |
| “Fosun Pharma” | Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability |
| “Group” | the Company and its subsidiaries |
| “Independent Third Party” | any person or entity and any of their respective ultimate beneficial owner, who/which, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company as defined under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time |

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|-----------------------------------|---|
| “Original Shareholders” | the shareholders of Tianjin JuveStar prior to the Series A Investment |
| “PRC” | the People’s Republic of China |
| “Raziel” | Raziel Therapeutics (RT) Ltd., a clinical-stage pharmaceutical limited company incorporated in Israel |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Series A Investment” | the capital contribution of RMB109 million to Tianjin JuveStar under the Series A Investment Agreement |
| “Series A Investors” | the parties which will make capital contributions to Tianjin JuveStar under the Series A Investment Agreement |
| “Sisram Tianjin” | Sisram Medical (Tianjin) Limited * (復銳醫療科技(天津)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tianjin JuveStar” or “Target” | Tianjin JuveStar Bio-technology Company Limited * (天津星魅生物科技有限公司), a company established in the PRC with limited liability, the target company of capital contribution under the Series A Investment Agreement |
| “Tianjin JuveStar Investment” | the proposed capital contribution by Sisram Tianjin under the Series A Investment Agreement, including the RMB10 million under the Series A Investment and the additional committed amount of RMB10,366,973 |

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

Hong Kong, 22 December 2020

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

* for identification purpose only