THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

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.

Sisram Medical Ltd
復銳醫療科技有限公司*

(Incorporated in Israel with limited liability)

(Stock code: 1696)

DISCLOSEABLE AND CONNECTED TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS
RELATING TO THE SUBLICENSE AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser

to the Independent Board Committee and Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

The notice convening the EGM of Sisram Medical Ltd to be held at Shanghai Room, 2101-05 ICBC Tower, 3 Garden Road, Hong Kong on Thursday, February 9, 2023 at 4:00 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 4:00 p.m. on Tuesday, February 7, 2023 (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) Wearing of surgical face mask

(2) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) 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*

December 23, 2022

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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 Tuesday, February 7, 2023 at 4:00 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) 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.

(2) 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.

Due to the constantly evolving COVID-19 pandemic situation, 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 (http://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
Email: hkinfo@computershare.com.hk

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

"**Amendment to Sublicense Agreement**"	the amendment to sublicense agreement entered into between Sisram Tianjin and Fosun Industrial on December 15, 2022 to amend certain terms of the Sublicense Agreement
"**Ample Up**"	Ample Up Limited, an indirect wholly-owned subsidiary of Fosun Pharma and a Shareholder of the Company
"**Announcements**"	the announcements of the Company dated July 14, 2021 and October 26, 2022 relating to the Sublicense Agreement
"**BLA**"	Biologics License Application
"**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
"**CML**"	Chindex Medical Limited, an indirect wholly-owned subsidiary of Fosun Pharma and a Shareholder of the Company
"**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
"**connected person**"	has the meaning ascribed to it under the Listing Rules
"**Director(s)**"	the director(s) of the Company
"**EGM**"	the 2023 first extraordinary general meeting of the Company to be held at Shanghai Room, 2101-05 ICBC Tower, 3 Garden Road, Hong Kong on Thursday, February 9, 2023 at 4:00 p.m., to consider and, if appropriate, to approve the resolution contained in the notice of the meeting which is set out on pages 54 to 55 of this circular, or any adjournment thereof

* *For identification purpose only*

"**FDA**"	The Food and Drug Administration of the United States of America
"**Fields**"	means the aesthetic indications for the treatment, minimization, and/or eradication of, or the appearance of any lines or wrinkles on the body, including without limitation, glabellar lines and crow's feet on the face
"**Fosun Industrial**"	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.* (上海復星醫藥產業發展有限公司), a company established in the PRC with limited liability and a subsidiary of Fosun Pharma and the sub-licensor of the Sublicense Agreement
"**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. The H shares and A shares of Fosun Pharma are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2196) and Shanghai Stock Exchange (Stock Code: 600196), respectively
"**Group**"	the Company and its subsidiaries
"**Head License Agreement**"	the exclusive license agreement between the Head Licensor and Fosun Industrial with respect to the Licensed Product on December 4, 2018
"**Head Licensor**" or "**Revance**"	Revance Therapeutics, Inc., a company listed on NASDAQ (ticker symbol: RVNC)
"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Independent Board Committee**"	the independent committee of the Board comprising all the independent non-executive Directors
"**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 Sublicense

"**Independent Shareholders**"	Shareholders other than CML and Ample Up
"**Israeli Companies Law**"	the Companies Law 5759-1999 of Israel, effective from 1 February 2000, as amended from time to time, and the regulations promulgated thereunder
"**Latest Practicable Date**"	December 20, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"**Licensed Product**"	finished form of the injectable pharmaceutical drug product containing daxibotulinumtoxinA, also referred to by Head Licensor as RT002
"**Listing Rules**"	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
"**NMPA**"	National Medical Products Administration of the PRC
"**PRC**"	the People's Republic of China, which for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"**Regulatory Milestone Payments**"	the regulatory milestone payments payable by Sisram Tianjin directly to the Head Licensor under the Sublicense Agreement
"**Royalty Payments**"	the royalty payments payable by Sisram Tianjin to Fosun Industrial and/or the Head Licensor (as the case may be) as set out in the Sublicense Agreement
"**Rule 14A.53 Waiver Period**"	the period from the date of grant of the Rule 14A.53(1) Waiver by the Stock Exchange until the commercialisation of the Licensed Product
"**Sales Milestone Payments**"	the sales milestone payments payable by Sisram Tianjin directly to the Head Licensor under the Sublicense Agreement
"**Share(s)**"	ordinary share(s) of NIS0.01 each in the issued capital of the Company
"**Shareholder(s)**"	holder(s) of Share(s)

"**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
"**Sublicense**"	the proposed sublicense of rights by Fosun Industrial to Sisram Tianjin in consideration for the Upfront Payment, the Regulatory Milestone Payments, the Sales Milestone Payments and the Royalty Payments pursuant to the Sublicense Agreement
"**Sublicense Agreement**"	the sublicense agreement between Fosun Industrial and Sisram Tianjin dated October 26, 2022 with respect to the Sublicense
"**Territory**"	China mainland, Hong Kong Special Administrative Region, and Macao Special Administrative Region
"**Upfront Payment**"	the upfront payment payable by Sisram Tianjin to Fosun Industrial under the Sublicense Agreement
"**US$**"	United States dollars, the lawful current of the United States of America

Sisram Medical Ltd
復銳醫療科技有限公司*

(Incorporated in Israel with limited liability)
(Stock code: 1696)

Headquarters, Registered Office and Principal Place of Business in Israel:
Ofek Building 15
HaHarash Street 18
Industrial Park
Caesarea 3079895
Israel

Principal Place of Business in Hong Kong:
5/F, Manulife Place
348 Kwun Tong Road
Kowloon
Hong Kong

December 23, 2022

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUBLICENSE AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

The Board refers to the Announcements relating to the Sublicense Agreement, pursuant to which Sisram Tianjin agreed to sublicense from Fosun Industrial the relevant know-hows and patents of the Licensed Product, so as to, among other things, import, use, sell or commercialize the Licensed Product in the Fields in the Territory.

The purpose of this circular is (a) to provide the Shareholders with information in relation respect of the Sublicense Agreement, (b) to provide the Shareholders an update on the progress of regulatory approval relating to the Licensed Product and (c) to give the Shareholders notice of the EGM at which ordinary resolution will be proposed to approve the Sublicense Agreement (including the transactions contemplated thereunder).

* *For identification purpose only*

2. SUBLICENSE AGREEMENT

(a) Background

On July 14, 2021, Sisram Tianjin entered into a sublicense agreement (the "**Original Sublicense Agreement**") with Fosun Industrial, pursuant to which Sisram Tianjin agreed to sublicense from Fosun Industrial the relevant know-hows and patents of the Licensed Product, so as to, among other things, import, use, sell or commercialize the Licensed Product in the Fields in the Territory.

The effective date of the Original Sublicense Agreement was the later of the following occurs: (a) the Original Sublicense Agreement was approved by the Board in accordance with the Company's articles of association; (b) the Original Sublicense Agreement was approved by the Shareholders in a Shareholders' meeting in accordance with the Company's articles of association; and (c) the entering into of the Original Sublicense Agreement.

As the Original Sublicense Agreement would only become effective if the conditions precedent set out thereunder were satisfied within six months after the execution of agreement, and the Company did not hold a Shareholders' meeting to approve the Original Sublicense Agreement within six months for reasons set out in section 3 below, the Original Sublicense Agreement has not become effective and has expired in accordance with its terms.

The Board would like to update the Shareholders and investors that, Revance, the Head Licensor, has successfully obtained the BLA for the aesthetic indications of the Licensed Product from FDA on September 8, 2022. Accordingly, on October 26, 2022, the Board approved the Sublicense Agreement so as to proceed with the Sublicense as previously contemplated under the Original Sublicense Agreement.

Further, considering more than 15 months has passed since the entering into of the Original Sublicense Agreement and the expenses already paid or incurred by Fosun Industrial in respect of the Licensed Product, on December 15, 2022, Sisram Tianjin entered into the Amendment to Sublicense Agreement with Fosun Industrial to amend the Sublicense Agreement that (i) the Upfront Payment shall be made within 30 Business Days of the date of the Sublicense Agreement; (ii) if Sisram Tianjin fails to receive the approval of its board of directors and/or shareholders that is necessary for the transactions to proceed in compliance with applicable laws (the "**Approval**") within six (6) months of the date of the Sublicense Agreement, Fosun Industrial should refund all and any of the payment made by Sisram Tianjin under the Sublicense Agreement to Sisram Tianjin promptly without any interest; and (iii) if Sisram Tianjin fails to receive the Approval within six (6) calendar months of the date of the Sublicense Agreement, the Sublicense Agreement shall lapse automatically.

To safeguard the interests of the Company, the Company has (i) discussed with Fosun Industrial on its ability to comply with the terms of the Amendment to Sublicense Agreement and (ii) reviewed the financial statements of Fosun Pharma and Fosun Industrial. During the discussion, Fosun Industrial has confirmed that it will comply with the terms of the Amendment to Sublicense Agreement. The Company also noted that both Fosun Industrial and Fosun Pharma are in good financial conditions.

Given (i) the payments to be made pursuant to the Amendment to Sublicense Agreement relate to those cost already paid or incurred by Fosun Industrial, (ii) the Original Sublicense Agreement has been entered into more than 15 months ago, (iii) the nature of license arrangement is to allow the Company to enjoy the benefits from the commercialization of the Licensed Product, and (iv) the Licensed Product has obtained the BLA for the aesthetic indications of the Licensed Product from FDA, the Company considers the amendments to be reasonable as it addressed the concern of Fosun Industrial in relation to finance cost and is commercially acceptable considering the regulatory approval progress of the Licensed Product and the safeguard measures mentioned above.

The Company also noted that if Fosun Industrial breaches the terms under the Amendment to Sublicense Agreement, Sisram Tianjin will be entitled to terminate the Sublicense Agreement and seek indemnification from Fosun Industrial pursuant to the Sublicense Agreement. Considering that Fosun Industrial is the subsidiary of Fosun Pharma, which is a company listed on the Stock Exchange and the Shanghai Stock Exchange, and the relationships between the Company and Fosun Pharma (being the holding company of the Company), the Board is of the view that the risk of breaching the Amendment to Sublicense Agreement by Fosun Industrial is remote. In addition, since the Amendment to Sublicense Agreement is commensurate with the latest commercialisation progress of the Licensed Product and better aligns the true intention of the parties with respect to the payments under the Sublicense Agreement (i.e. the Upfront Payment was determined with reference to, among other things, the upfront payment and the regulatory milestone payment already paid by Fosun Industrial to the Head Licensor and other expenses incurred by Fosun Industrial), the Board believes that entering into the Amendment to Sublicense Agreement is able to consolidate the cooperation of the parties under the Sublicense Agreement and to facilitate the commercialisation of the Licensed Product, which in turn is in the interest of the Company and its Shareholders as a whole.

The Licensed Product, RT002, is an investigational product and the first neuromodulator with long-acting duration. It is a novel, next-generation neuromodulator in development for the treatment of aesthetic indications and a number of potential therapeutic conditions. Under the Sublicense Agreement, RT002 aesthetic indication is targeting for the treatment, minimization, and/or eradication of, or the appearance of any lines or wrinkles on the body, including without limitation, glabellar lines and crow's feet on the face.

(b) Principal Terms of the Sublicense Agreement

The terms of the Sublicense Agreement are substantially the same as the terms of the Original Sublicense Agreement except for updates that are primarily related to the consideration to be paid under the Original Sublicense Agreement in light of the updates on the R&D progress of the Licensed Product.

The principal terms of the Sublicense Agreement are set out below.

(i) The Sublicense

Pursuant to the Sublicense Agreement, (i) Fosun Industrial proposed to grant to Sisram Tianjin an exclusive, royalty-bearing license, with the right to grant sublicenses under relevant know-how and patents of the Head Licensor relating to the Licensed Product (but excluding manufacturing related information and patents) to, among other things, import, sell and commercialize the Licensed Product in the Fields in the Territory. Sisram Tianjin shall engage Fosun Industrial or its affiliate to provide marketing and sales services for the sales of the Licensed Product to hospitals in the Territory, and the parties shall discuss and agree on specific terms separately; (ii) Fosun Industrial shall continue to carry out the clinical trials and other development studies that are commenced in the Territory to support the obtaining of the regulatory approval of the Licensed Product in the Territory; and (iii) upon commercialization of the Licensed Product in the Fields in the Territory, Sisram Tianjin expects to enter into a supply agreement with Fosun Industrial or entities designated by Fosun Industrial to purchase the Licensed Product for distribution and sale of the Licensed Product in the Territory.

(ii) Consideration

Pursuant to the Sublicense Agreement, Sisram Tianjin is required to make the following payments:

(1) **Upfront Payment**: pursuant to the Amendment to Sublicense Agreement, an upfront payment of US$52.25 million (or US$55.39 million, tax inclusive) to Fosun Industrial within 30 Business Days after the date of the Sublicense Agreement.

The amount of the Upfront Payment was determined with reference to, among other things, the upfront payment and the regulatory milestone payment already paid by Fosun Industrial to the Head Licensor and other expenses incurred by Fosun Industrial. The increase in the additional upfront payment under the Sublicense Agreement as compared to the amount of upfront payment of US$40 million under the Original Sublicense Agreement primarily reflects the additional R&D costs of US$12.2 million incurred by Fosun Industrial and/or its affiliates in the Territory in relation to the clinical research and development of the Licensed Product.

Such R&D costs were projected to be approximately US$13 million at the time of the Original Sublicense Agreement, and were agreed to be settled separately by Sisram Tianjin through entering into a separate agreement with Fosun Industrial to engage Fosun Industrial to carry out the clinical trials and other development studies that are commenced in the Territory to support the obtaining of the regulatory approval of the Licensed Product in the Territory as disclosed in the announcement issued by the Company on 14 July 2021.Since such clinical trial and development studies had been substantially completed by Fosun Industrial at the time of entering into the Sublicense Agreement, the parties agreed to reflect such payments in the Sublicense Agreement instead of entering into a separate agreement.

Considering that (i) such R&D costs had been incurred by Fosun Industrial at the time of the entering into of the Sublicense Agreement; and (ii) the R&D activities by Fosun Industrial in relation to the Licensed Product are soon to be completed and the BLA is expected to be submitted to NMPA in or around December 2022, the parties have agreed to settle such costs under the Sublicense Agreement. In order to determine whether such additional upfront payment is fair and reasonable, the Board has assessed the nature of such additional payment and reviewed the relevant proof for such costs incurred by Fosun Industrial and/or its affiliates. The Company has further conducted research on the market rates in relation to the costs for such R&D activities. Based on the above, the Board is of the view that such additional upfront payment is fair and reasonable.

(2) **One-off Regulatory Milestone Payments**: the milestone payments in the aggregate amount of US$22 million (or US$23.32 million, tax inclusive) to be paid upon the research and development of the Licensed Product obtaining approval of BLA for the aesthetic indications from FDA and NMPA, respectively. As of the date of this circular, the BLA for the aesthetic indications of the Licensed Product from FDA has been obtained, and the only outstanding regulatory approval to be obtained is the BLA regulatory approval for the aesthetic indications of the Licensed Product from NMPA. Based on the information currently available, the submission of the BLA to NMPA for the Licensed Product is expected to take place in or around December 2022 and the commercialization of the Licensed Product in the Territory is expected to take place in 2024.

Pursuant to the Amendment to Sublicense Agreement, if Sisram Tianjin fails to receive the Approval within six (6) months of the date of the Sublicense Agreement, Fosun Industrial should refund all and any of the payment made by Sisram Tianjin under the Sublicense Agreement to Sisram Tianjin promptly without any interest.

(3) **One-off Sales Milestone Payments**: the sales milestone payments in the aggregate amount of up to US$172.5 million to be paid upon the net sales of the Licensed Product exceeding five tiered sales milestones in the Field in the Territory.

The amount of the Regulatory Milestone Payments and the Sales Milestone Payments are determined with reference to the respective amounts to be paid by Fosun Industrial to Revance pursuant to the Head License Agreement in relation to the relevant indication.

(4) **Royalty Payments**: royalty payments to be paid by Sisram Tianjin will be determined in accordance with the following formulae:

When Net Sales in one particular financial year is less than US$100 million:

Royalty Payments = Annual Net Sales x 16%

When Net Sales in one particular financial year is greater than or equal to US$100 million but less than US$300 million:

Royalty Payments = US$16 million + (Annual Net Sales – US$100 million) x 18%

When Net Sales in one particular financial year is greater than or equal to US$300 million but less than US$500 million:

Royalty Payments = US$52 million + (Annual Net Sales – US$300 million) x 20%

When Net Sales in one particular financial year is greater than or equal to US$500 million:

Royalty Payments = US$92 million + (Annual Net Sales – US$500 million) x 22%

The Royalty Payments were determined after arm's length negotiation with reference to, among other things, the amounts of royalty to be paid by Fosun Industrial to Revance and the latest R&D progress of the Licensed Product.

The Net Sales refers to the gross amount invoiced by Sisram Tianjin, Sisram Tianjin's affiliates or sublicensees for sales of the Licensed Product to a third party, excludes the value added taxes payable by Sisram Tianjin as per applicable laws and less the following deductions:

(a) customary trade discounts, credits or allowances, not to exceed two percent (2%) of the gross amount invoiced;

(b) credits or allowances additionally granted upon returns, rejections or recalls (except where such recall arises out of the gross negligence, willful misconduct, or fraud by Sisram Tianjin, its affiliates or sublicensees);

(c) taxes, duties or other governmental tariffs (other than income taxes); and

(d) government mandated rebates.

The aggregated allowable deductions shall not exceed five percent (5%) of the gross amount invoiced.

If the product sold involves the combination of the Licensed Product and any other commercial product(s) (the "**Combination Product**"), Net Sales shall be calculated as follows:

(a) If the Licensed Product and Other Product(s) in such Combination Product each are sold separately in the Territory, Net Sales will be calculated by multiplying the total Net Sales (as described above) of the Combination Product by the fraction A/(A+B), where A is the standard average sales price in the Territory of the Licensed Product separately in the same formulation and dosage, and B is the (sum of the) standard average sales price(s) in the Territory of the Other Product(s) sold separately in the same formulation and dosage, during the applicable calendar year;

(b) If the Licensed Product is sold independently of the Other Product(s) in the Territory, but the standard average sales price of the Other Product(s) cannot be determined, Net Sales will be calculated by multiplying the total Net Sales (as described above) of such Combination Product by the fraction A/C, where A is the standard average sales price in the Territory of the Licensed Product sold separately in the same formulation and dosage and C is the standard average sales price in the Territory of the Combination Product, during the applicable calendar year; and

(c) If neither (a) nor (b) above apply, the parties will work together in good faith to determine the Net Sales of the Combination Product based on the relative values of the Licensed Product and the Other Product(s).

The Royalty Payments shall continue until the latest of: (i) the expiration of the last valid claim (including any patent term adjustments or extensions) within the relevant patents of the Head Licensor with respect to the Licensed Product that covers the Licensed Product (including composition of matter, method of use or making) in the Territory; (ii) the expiration of all regulatory exclusivity for the Licensed Product in the Territory; (iii) the first commercial sale of a Biosimilar of the Licensed Product in the Territory; and (iv) 15 years after the first commercial sale of the Licensed Product in the Territory (the "**Royalty Term**").

Both the Regulatory Milestone Payments and the Sales Milestone Payments were determined with reference to the respective amounts paid and to be paid by Fosun Industrial to Revance. As part of the Company's assessment of the reasonableness of the payments under the Sublicense Agreement, the Company has taken into account when the relevant payments will be made, i.e., whether the payments will be made before the commercialization of the Licensed Product (which include the upfront payment and the Regulatory Milestone Payments) or after the commercialization of the Licensed Product (which include the Sales Milestone Payments and the Royalty Payments).

(A) With respect to the upfront payment and the Regulatory Milestone Payments to be paid before the commercialization of the Licensed Product in the Field in the Territory:

1. before commercialization of relevant indications of the Licensed Product, Fosun Pharma will pay an aggregate of US$88 million to Revance, comprising (i) upfront payment of US$30 million, (ii) US$23 million of regulatory milestone payments for the aesthetic indication, which is the main indication of the Licensed Product and in respect of which the Group entered into the Sublicense Agreement, and (iii) a maximum of US$35 million of regulatory milestone payment for three therapeutic indications.

2. as at the date of this circular, Fosun Pharma has paid upfront payment of US$30 million and regulatory milestone payment of US$8 million for the Licensed Product for the aesthetic indication. For such amount which already paid by Fosun Pharma, Fosun Pharma intends to charge the Company based on the actual cost (being US$38 million) plus expenses incurred by Fosun Industrial, after taking into account the cost of fund of 7% per annum and the fluctuation in exchange rate, and the additional R&D costs incurred by Fosun Industrial and/or its affiliates in the Territory in relation to the Licensed Product. For the remaining regulatory milestone payments for the aesthetic indication which have not been paid by Fosun Pharma, Fosun Pharma intends to charge the Company at cost (and/or cause such amount to be paid by the Company to Revance directly). Accordingly, Fosun Pharma effectively proposes to charge the Company at costs only for the upfront payment and the regulatory milestone payments.

3. in addition, although the Company will only be paying Fosun Pharma at costs for the upfront payment and the Regulatory Milestone Payments as discussed above, the Company also conducted its own assessment on whether such amounts are fair and reasonable.

4. the Company understands that, in line with other in-licensed transactions entered into by it, Fosun Pharma had considered, among other things, the R&D expenses incurred by Revance for the research and development of the Licensed Product. In this regard, the Company notes that Fosun Pharma is a leading healthcare group in the PRC. The Fosun Pharma group companies enter into in-license or out-license arrangements with domestic and international pharmaceutical companies from time to time and have the relevant experience in negotiating the terms of the license arrangement. Leveraging the relevant experience, with respect to the Licensed Product, DaxibotulinumtoxinA (RT002, also named as Daxxify), the payment terms were agreed between Fosun Industrial and Revance, an independent third party, based on the arm's length commercial negotiations.

5. the Company further notes that,

   a. as disclosed in the annual reports of Revance, during the past 10 years, the key R&D product developed by Revance is DaxibotulinumtoxinA (being the main substance of the Licensed Product) and the total R&D cost incurred were approximately US$715 million by the end of 2021. The Company expects that the total R&D cost for DaxibotulinumtoxinA would be more than US$750 million;

   b. according to the market research report issued by Fortune Business and Frost & Sullivan, an independent market research consultation engaged by the Company, (i) the global botulinum toxin market size is estimated to be US$6.93 billion by 2024 when the Company commercializes the Licensed Product, and (ii) the Chinese botulinum toxin market size is estimated to be US$1.33 billion in 2024, which represents approximately 19% of that of the global market;

   c. based on the above analysis, as Fosun Industrial only obtained the license from Revance in Mainland China, Hong Kong and Macau, the Company believes that the payments to be paid before commercialization of the Licensed Product (being the upfront payment and regulatory milestone payments) would be reasonable if the aggregate amount of such payments is not more than US$142.5 million (being US$750 million x 19%); and

   d. the Company notes that the US$88 million to be paid by Fosun Industrial before commercialization of the Licensed Product falls within the range as set out in paragraph (c) above.

(B) With respect to the Sales Milestone Payments and Royalty Payments to be paid after the commercialization of the Licensed Product in the Field in the Territory:

6. the amounts of payments and rate are determined after arm's length negotiation of the parties after considering (i) the Licensed Product's expected gross profit margin which is calculated by revenue subtract estimated unit cost and Royalty Payment; and (ii) general market practices.

7. assuming the Net Sales of the Licensed Product reaches US$100 million, US$300 million, US$500 million and US$1 billion and with reference to the sale prices of the competitor products in the PRC, the corresponding gross profit margins derived from the Licensed Product are comparable to the Group's gross profit margins for each of the five years ended 31 December 2021 and the Company will still generate stable revenue from the sales of the Licensed Product.

8. the Company also notes that the percentage of aggregate amount of the sales milestone payments and royalties in the total revenue are in line with the market precedents. According to Frost & Sullivan, an independent market research consultation, the amount of sales milestone payments to be paid in the pharmaceutical industry (based on net sales of US$100 million to US$1 billion) ranges from approximately US$10 million to US$100 million, and the royalties normally range from 5% to 30% of the net sales, respectively.

(iii) Effective Date

The Sublicense Agreement will become effective on the date on which the later of the following occurs: (a) the Sublicense Agreement is approved by the Board in accordance with the Company's articles of association; (b) the Sublicense Agreement is approved by the Shareholders in a Shareholders' meeting in accordance with the Company's articles of association; and (c) the entering into of the Sublicense Agreement.

(iv) Term of the Sublicense Agreement and Termination

The term of the Sublicense Agreement shall commence as of the Effective Date and, unless earlier terminated as provided herein, shall continue in effect until the date on which all of Sisram Tianjin's payment obligations under the Sublicense Agreement as set out in section (ii) above have been performed or have expired (the "**Term**"). Pursuant to the Amendment to Sublicense Agreement, if Sisram Tianjin fails to receive the Approval within six (6) calendar months of the date of the Sublicense Agreement, the Sublicense Agreement shall lapse automatically without requirement for any act, election or notice on the part of either Party, and neither Party shall have any right, obligation, claim or liability thereunder.

Subject to the terms of the Sublicense Agreement, if either party to the Sublicense Agreement (the "**Breaching Party**") has committed a material breach of any of its material obligations under the Sublicense Agreement, and such material breach shall remain uncured and shall be continuing for a period of 60 days following the Breaching Party's receipt of notice of such breach from the other party (the "**Non-Breaching Party**") stating the Non-Breaching Party's intent to terminate the Sublicense Agreement in its entirety if such breach remains uncured.

A party to the Sublicense Agreement may terminate the Sublicense Agreement immediately upon written notice to the other party if at any time during the term of the Sublicense Agreement, the other party (i) becomes insolvent, (ii) has a case commenced by or against it under the Bankruptcy Code, (iii) files for or is subject to the institution of bankruptcy, liquidation or receivership proceedings, (iv) assigns all or a substantial portion of its assets for the benefit of creditors, (v) has a receiver or custodian appointed for its business, or (vi) has a substantial part of its business being subject to attachment or similar process.

In addition, the Sublicense Agreement may be terminated at any time prior to its expiration when Head License Agreement has been terminated.

3. UPDATE ON THE PROGRESS OF REGULATORY APPROVAL OF THE LICENSED PRODUCT

After the execution of the Original Sublicense Agreement, the Board noted that, in October 2021, Revance announced that the FDA had issued a response letter regarding Revance's BLA for DaxibotulinumtoxinA for injection for the treatment of moderate to severe glabellar lines. In the response letter, the FDA determined it was unable to approve the BLA in its then-present form, and indicated that there are deficiencies related to the FDA's onsite inspection at Revance's manufacturing facility. DaxibotulinumtoxinA is the main substance of the Licensed Product.

In March 2022, Revance announced that it had resubmitted the BLA to the FDA for DaxibotulinumtoxinA for injection for the treatment of moderate to severe glabellar lines in response to the response letter issued by the FDA in October 2021.

The resubmission followed Revance's meeting with the FDA in December 2021 and subsequent completion of the production of three consecutive drug substance lots and one drug product lot as part of the qualification of a new working cell bank, which was required by the FDA to address the outstanding observations related to the working cell bank and the drug substance manufacturing process.

In April 2022, Revance announced that the FDA accepted its BLA resubmission for DaxibotulinumtoxinA for injection for the treatment of moderate to severe glabellar lines. The FDA designated the BLA as a Class 2 resubmission, which has a six-month review period and includes a required reinspection of Revance's manufacturing facility.

On September 8, 2022, Revance announced that the FDA has approved DaxibotulinumtoxinA for injection for the treatment of moderate to severe glabellar lines in adults.

4. REASONS FOR, AND BENEFITS OF, THE SUBLICENSE

In December 2018, Fosun Industrial obtained an exclusive license from Revance Therapeutics, Inc., the Head Licensor, with respect to the Licensed Product in the Territory with respect to the aesthetic indications and the therapeutic indications. Revance obtained BLA for the aesthetic indications from FDA on September 8, 2022.

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 feature its innovative and proprietary technologies. As the Company is the primary platform focusing on medical aesthetic treatment system within Fosun Pharma Group of companies, the Group would be in the best position to commercialize the Licensed Product in the Territory with respect to the aesthetic indication. In addition, through entering into the Sublicense Agreement, the Company would be able to diversify its product portfolio, create cross-selling opportunities and generate additional revenue for the Group, which in turn could also help strengthen the market position of the Group.

Taking into consideration the above, the Company believes that the entering into of the Sublicense Agreement is in the interest of the Company and its Shareholders as a whole.

5. LISTING RULES IMPLICATIONS UNDER CHAPTER 14A OF THE LISTING RULES

As at the date of this circular, Fosun Industrial is a wholly-owned subsidiary of Fosun Pharma and Fosun Pharma is a controlling shareholder of the Company, therefore, Fosun Industrial is a connected person of the Company by virtue of being an associate of the Company's connected person. Accordingly:

(1) the entering into of the Sublicense Agreement and the proposed payments of the Upfront Payment, the Regulatory Milestone Payments and the Sales Milestone Payments would constitute one-off connected transactions of the Company under Chapter 14A of the Listing Rules; and

(2) the payment of the Royalty Payments would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

With respect to (1) above, as the highest applicable percentage ratio in respect of the aggregate of the Upfront Payment, the Regulatory Milestone Payments and the Sales Milestone Payments exceeds 5%, the payments of the Upfront Payment, the Regulatory Milestone Payments and the Sales Milestone Payments under the Sublicense Agreement are subject to reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

With respect to (2) above, (i) the Company has applied for a waiver from strict compliance with the requirement under Rule 14A.53(1) to set monetary annual caps ("**Rule 14A.53(1) Waiver**"). During the Rule 14A.53 Waiver Period, as the Licensed Product has not been commercialised, there will not be any payment to be made by Sisram Tianjin to Fosun Industrial. Accordingly, the Royalty Payments during the Rule 14A.53 Waiver Period are fully exempt continuing connected transactions under Chapter 14A of the Listing Rules; and (ii) a waiver from strict compliance with Rule 14A.52 to allow the term of the Sublicense Agreement to be for an unspecified term ("**Rule 14A.52 Waiver**").

Details and Conditions of Rule 14A.53(1) Waiver and Rule 14A.52 Waiver

The Company has applied for, and the Stock Exchange has granted, the Rule 14A.53(1) Waiver to set monetary annual caps and adopt the formula set out in "*– 2. Sublicense Agreement – (b) Principal Terms of the Sublicense Agreement – (ii) Consideration – (4) Royalty Payments*" above as the annual caps for the Royalty Payments during the term of the Sublicense Agreement, on the following grounds:

(a) **Commercially impractical**: it is impractical for the Company to accurately estimate the amount of the payments to be paid to Fosun Industrial as the amounts to be paid will depend on the actual addressable market of the Licensed Product, which will in turn depend on various factors including the acceptance of the Licensed Product by the medical community and patient access, pricing and the number of patients;

(b) **Licensed Product not commercialized**: as at the date of this submission, the Licensed Product has not been commercialized and the Company cannot accurately estimate the sales amounts of the Licensed Product in order to be able to estimate the future transaction amount. Accordingly, imposing an arbitrary monetary cap would be unduly burdensome and not in the interests of the Shareholders;

(c) **Not in the interests of the Company and Shareholders to set fixed monetary caps**: it would also not be in the interest of the Company and the Shareholders to adopt fixed monetary caps for such transactions as such caps will impose an arbitrary ceiling on the profits that the Company could derive from the commercialization of the Licensed Product. In addition, such monetary caps would be contrary to the purpose of adopting royalty payment arrangements in order to incentivize the parties based on performance and would subject the Company additional administrative burden if the Company is required to convene a shareholders' meeting to amend the monetary caps; and

(d) **Disclosure in the annual reports**: the Company will disclose in its subsequent annual reports the exact amount of the Royalty Payments made in the relevant financial years.

As set out in "– *2. Sublicense Agreement – (b) Principal Terms of the Sublicense Agreement – (ii) Consideration*" above, the Royalty Payments shall continue until the end of the Royalty Term. Accordingly, the Sublicense Agreement does not have a fixed term. This does not strictly comply with Rule 14A.52, which requires that the period of an agreement for continuing connected transactions must be fixed. As such, the Company has applied for, and the Stock Exchange has granted, the Rule 14A.52 Waiver, so that the term of the Sublicense Agreement can be for an unspecified term on the following grounds and subject to the following conditions:

(a) **Strong commercial reasons**: the reason for entering into the Sublicense Agreement is for the Company to commercialize the Licensed Product in the Territory as the Company is the primary platform focusing on medical aesthetic treatment systems within the Fosun Pharma group of companies. Such cooperation is long term in nature (i.e. for so long as there is market for the Licensed Product and it is in the interest of the parties to continue to sell the Licensed Product, the parties to the Sublicense Agreement would commercially continue with the license arrangement). Imposing a restriction on the term of the Sublicense Agreement for a period of three years would be contrary to the business intention of the parties;

(b) **In the interest of the Company and the shareholders as a whole**: the transactions under the Sublicense Agreement form an important part of the business operation of the Group. It allows the Company to expand its business operations and product offerings, so as to generate additional revenue. Accordingly, the nature of the long-term cooperation of the parties as contemplated under the Sublicense Agreement is in the interest of the Company and the shareholders as a whole;

(c) **Safeguard measure**: pursuant to the terms of the Sublicense Agreement, the Company will have the right to terminate the agreement if, among other things, Fosun Industrial is in material breach of the terms of the relevant agreement and shall have failed to cure such breach within 60 days of receipt of notice thereof;

(d) **Annual caps**: notwithstanding the term of the Sublicense Agreement is for an unspecified term, the formula of the annual cap has been set out in this Circular, and as such, the investors have been provided with the information that how the relevant fees will be paid;

(e) **View of the Independent Financial Adviser**: Gram Capital has been appointed as the Independent Financial Adviser, and the reasons why the Sublicense Agreement requires a longer period of more than three years have been set out in "*Letter from the Independent Financial Adviser*" in this circular. Gram Capital has also confirmed that it is normal business practice for agreements of this type to be of such duration; and

(f) **Disclosure in this Circular and the annual reports**: details of this waiver has been disclosed in this Circular and the actual transaction amount will be set out in the subsequent annual reports of the Company.

The Stock Exchange has granted the Rule 14A.53(1) Waiver and the Rule 14A.52 Waiver subject to the following conditions:

(1) the Company will comply with the announcement, circular and independent shareholders' approval requirements under Chapter 14A if there are any material changes to the terms of the Sublicense Agreement,

(2) the Board (including the independent non-executive Directors of the Company) will ensure that the relevant transactions are undertaken in accordance with the terms of the Sublicense Agreement, and comply with the applicable Listing Rules requirements,

(3) the independent non-executive Directors will review the transactions under the Sublicense Agreement on an annual basis and confirm in the Company's annual reports the matters set out in Rule 14A.55. The auditors of the Company will also report on the same transactions and issue a letter to the Board confirming the matters set out in in Rule 14A.56,

(4) the Company will re-comply with Chapter 14A of the Listing Rules in setting the annual caps for the Royalty Payments under the Sublicense Agreement when the Licensed Product is commercialized, and

(5) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of the Announcement, the Company will take immediate steps to ensure compliance with such new requirements.

6. LISTING RULES IMPLICATIONS UNDER CHAPTER 14 OF THE LISTING RULES

According to the preliminary assessment of the Company, the Upfront Payment and the Regulatory Milestone Payments incurred for the Licensed Product meet the criteria for the recognition of the intangible assets and are expected to generate probable future economic benefits to the Company. Therefore, the Company expects to recognize such expenditures in "other intangible assets" which is capital in nature. Accordingly, the payments of the Upfront Payment and the Regulatory Milestone Payments under the Sublicense Agreement constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregate of the Upfront Payment and the Regulatory Milestone Payments exceeds 5% but is less than 25%, the payments of the Upfront Payment and the Regulatory Milestone Payments under the Sublicense Agreement are subject to the reporting and announcement requirements, but are exempt from the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

7. INFORMATION ABOUT THE PARTIES

(a) Information on Fosun Industrial

Fosun Industrial is a wholly-owned subsidiary of Fosun Pharma, the controlling shareholder of the Company, and is mainly engaged in the industrial investments, medical industry investments, import and export of goods and technologies.

(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.

8. 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 whether the Sublicense Agreement (including the transactions contemplated thereunder) 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.

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 Sublicense Agreement (including the transactions contemplated thereunder) 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. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed ordinary resolution relating to the Sublicense contained in paragraph 1 of the notice of the EGM.

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 25 to 26 of this circular. The letter from Gram Capital to the Independent Board Committee and the Independent Financial Adviser is set out on pages 27 to 48 of this circular.

9. 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 Sale and Purchase Agreement will be considered and, if thought fit, by the Independent Shareholders, at the EGM by poll.

As at the date of Latest Practicable Date, CML and Ample Up, which held 27.31% and 43.89% of the issued share capital of the Company, respectively, are each an indirect subsidiary of Fosun Pharma. Accordingly, each of CML and Ample Up are required to abstain from voting on the resolution to approve the Sublicense Agreement (including the transactions contemplated thereunder) at the EGM.

As far as the Directors are aware, having made all reasonable enquiries, save for CML and Ample Up, no other Shareholders are required to abstain from voting on the resolution referred to above at the EGM.

The notice of the EGM is set out on pages 54 to 55 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

4:00 p.m. on Tuesday, February 7, 2023 (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 Independent Shareholders to consider and, if thought fit, approve the Sublicense Agreement (including the transactions contemplated thereunder).

10. 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.

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
Email: hkinfo@computershare.com.hk

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

Under the Israeli Companies Law, 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 Sublicense Agreement (including the transactions contemplated thereunder).

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

(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 resolution 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 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.

12. RECOMMENDATION

Having regard to the reasons for, and benefits of, the Sublicense as set out above, the Directors (other than the independent non-executive Directors, who has provided their opinion separately in the "*Letter from the Independent Board Committee*" after taking into account the advice of the Independent Financial Adviser) believe that the Sublicense Agreement (including the transactions contemplated thereunder) 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. 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 Sublicense Agreement (including the transactions contemplated thereunder) and are required to abstain from voting on the resolution of the Board approving the Sublicense Agreement (including the transactions contemplated thereunder). 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 Sublicense Agreement (including the transactions contemplated thereunder).

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

Sisram Medical Ltd
復銳醫療科技有限公司*

(Incorporated in Israel with limited liability)
(Stock code: 1696)

December 23, 2022

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUBLICENSE AGREEMENT

We refer to the circular dated December 23, 2022 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 Sublicense Agreement (including the transactions contemplated thereunder, but other than the Royalty Payments during the Rule 14A.53 Waiver Period which constitutes fully-exempt continuing connected transactions) 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.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Sublicense Agreement (including the transactions contemplated thereunder, but other than the Royalty Payments during the Rule 14A.53 Waiver Period which constitutes fully-exempt continuing connected transactions).

Your attention is drawn to the letter from the Board set out on pages 5 to 24 of contained in the Circular, of which this letter forms part.

* *For identification purpose only*

Having considered the advice from the Independent Financial Adviser, we are of the view that the Sublicense Agreement (including the transactions contemplated thereunder, but other than the Royalty Payments during the Rule 14A.53 Waiver Period which constitutes fully-exempt continuing connected transactions) 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. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed ordinary resolution relating to the Sublicense Agreement (including the transactions contemplated thereunder, but other than the Royalty Payments during the Rule 14A.53 Waiver Period which constitutes fully-exempt continuing connected transactions) contained in paragraph 1 of the notice of the EGM.

Yours faithfully,

Mr. Heung Sang Addy FONG	**Mr. Chi Fung Leo CHAN**	**Ms. Jenny CHEN**	**Mr. Kai Yu Kenneth LIU**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*	*Independent Non-executive Director*

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 Sublicense for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

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

23 December 2022

To: The Independent Board Committee and the Independent Shareholders of Sisram Medical Ltd

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUBLICENSE AGREEMENT

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 Sublicense, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 23 December 2022 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.

On 14 July 2021 (the "**Announcement Date**"), Sisram Tianjin entered into the Original Sublicense Agreement with Fosun Industrial, pursuant to which Sisram Tianjin agreed to sub-license from Fosun Industrial the relevant knowhows and patents of the Licensed Product in the Fields in the Territory.

Since the effective date of the Original Sublicense Agreement was six months after the issuance of agreement, and the Original Sublicense Agreement was not effective within this period, the Original Sublicense Agreement has been invalid. As Revance, the Head Licensor, has successfully obtained the BLA for the aesthetic indications of the Licensed Product from FDA on 8 September 2022, accordingly, on 26 October 2022, the Board approved the Sublicense Agreement so as to proceed with the Sublicense as previously contemplated under the Original Sublicense Agreement. The terms of the Sublicense Agreement are substantially

the same as the terms of the Original Sublicense Agreement except for updates that are primarily related to the consideration to be paid under the Original Sublicense Agreement in light of the updates on the R&D progress of the Licensed Product.

Further, considering more than 15 months has passed since the entering into of the Original Sublicense Agreement and the expenses already paid or incurred by Fosun Industrial in respect of the Licensed Product, on 15 December 2022, Sisram Tianjin entered into the Amendment to Sublicense Agreement with Fosun Industrial to amend the Sublicense Agreement that (i) the Upfront Payment shall be made within 30 Business Days of the date of the Sublicense Agreement; (ii) if Sisram Tianjin fails to receive the approval of its board of directors and/or shareholders that is necessary for the transactions to proceed in compliance with applicable laws (i.e. the Approval) within six (6) months of the date of the Sublicense Agreement, Fosun Industrial should refund all and any of the payment made by Sisram Tianjin under the Sublicense Agreement to Sisram Tianjin promptly without any interest; and (iii) if Sisram Tianjin fails to receive the Approval within six (6) calendar months of the date of the Sublicense Agreement, the Sublicense Agreement shall lapse automatically.

With reference to the Board Letter, (1) the entering into of the Sublicence Agreement and the proposed payments of the Upfront Payment, the Regulatory Milestone Payments and the Sales Milestone Payments would constitute one-off connected transactions; and (2) the payment of the Royalty Payments would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, the payments of the Upfront Payment and the Regulatory Milestone Payments constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

With respect to (2) above, the Company has applied for (i) a waiver from strict compliance with the requirement under Rule 14A.53(1) to set monetary annual caps (i.e. the Rule 14A.53(1) Waiver). During the period from the date of grant of the Sublicense up to the date immediately before the Licensed Product is commercialized (i.e. the Rule 14A.53(1) Waiver Period), as the Licensed Product has not been commercialised, there will not be any payment to be made by Sisram Tianjin to Fosun Industrial. Accordingly, the Royalty Payments during the Rule 14A.53(1) Waiver Period are fully exempt continuing connected transactions under Chapter 14A of the Listing Rules; and (ii) a waiver from strict compliance with Rule 14A.52 to allow the term of the Sublicense Agreement to be for an unspecified term (i.e. the Rule 14A.52 Waiver). On 9 December 2022, the Stock Exchange granted the Company a waiver from Rules 14A.52 and 14A.53(1), which require the Company to fix the period for the Sublicense Agreement and to set monetary annual caps for the continuing connected transactions contemplated under the Sublicense Agreement. The waiver is subject to certain conditions. Details of the Rule 14A.52(1) Waiver and Rule 14A.53 Waiver are set out under the section headed "Details and Conditions of Rule 14A.53(1) Waiver and Rule 14A.52 Waiver" of the Board Letter.

Therefore, the Sublicense is subject to reporting, announcement and Independent Shareholders' approval (where applicable) requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Heung Sang Addy FONG, Mr. Chi Fung Leo CHAN, Ms. Jenny CHEN and Mr. Kai Yu Kenneth LIU (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Sublicense are on normal commercial terms and are fair and reasonable; (ii) whether the Sublicense is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Sublicense 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.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the 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 connected transactions, details of which are set out in the Company's circular dated 26 October 2021. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sublicense.

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 advisory 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 Sublicense. 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.

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, Fosun Industrial or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Sublicense. 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 Sublicense, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Sublicense

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.

With reference to the Board Letter, Sisram Tianjin is a wholly-owned subsidiary of the Company.

Information on Fosun Industrial

With reference to the Board Letter, Fosun Industrial is a wholly-owned subsidiary of Fosun Pharma, the controlling shareholder of the Company, and is mainly engaged in the industrial investments, medical industry investments, import and export of goods and technologies.

Information on the Licensed Product

The Licensed Product is the finished form of injectable pharmaceutical drug product containing Daxibotulinumtoxin A, also referred to by Head Licensor as RT002. With reference to the Board Letter, the Licensed Product is an investigational product and the first neuromodulator with long-acting duration. It is a novel, next-generation neuromodulator in development for the treatment of aesthetic indications and a number of potential therapeutic conditions. Under the Sublicense Agreement, RT002 aesthetic indication is targeting for the treatment, minimization, and/or eradication of, or the appearance of any lines or wrinkles on the body, including without limitation, glabellar lines and crow's feet on the face.

In October 2021, Revance announced that the FDA had issued a response letter regarding Revance's BLA for Daxibotulinumtoxin A for injection for the treatment of moderate to severe glabellar lines. In the response letter, the FDA determined it was unable to approve the BLA in its then-present form, and indicated that there are deficiencies related to the FDA's onsite inspection at Revance's manufacturing facility. Daxibotulinumtoxin A is the main substance of the Licensed Product.

In March 2022, Revance announced that it had resubmitted the BLA to the FDA for Daxibotulinumtoxin A for injection for the treatment of moderate to severe glabellar lines in response to the response letter issued by the FDA in October 2021.

The resubmission followed Revance's meeting with the FDA in December 2021 and subsequent completion of the production of three consecutive drug substance lots and one drug product lot as part of the qualification of a new working cell bank, which was required by the FDA to address the outstanding observations related to the working cell bank and the drug substance manufacturing process.

In April 2022, Revance announced that the FDA accepted its BLA resubmission for Daxibotulinumtoxin A for injection for the treatment of moderate to severe glabellar lines. The FDA designated the BLA as a Class 2 resubmission, which has a six-month review period and includes a required reinspection of Revance's manufacturing facility.

On 8 September 2022, Revance announced that the FDA has approved Daxibotulinumtoxin A for injection for the treatment of moderate to severe glabellar lines in adults.

As at the Latest Practicable Date, no Botulinum Toxin product of Type Daxibotulinumtoxin A was launched for sale in the PRC. Similar products of Botulinum Toxin Type A that were launched in the PRC include (i) Botox® Botulinum Toxin Type A for Injection of Allergan Pharmaceuticals Ireland (the "**Allergan Product**"); (ii) Dysport® Botulinum Toxin Type A for injection of IPSEN LIMITED; (iii) Heng Li® (衡力®) Botulinum Toxin Type A for Injection of Lanzhou Institute of Biological Products Co., Ltd.; and (iv) Botulinum Toxin Type A for Injection of Hugel, Inc. (the "**Hugel Product**")

Reasons for and benefits of the Sublicense

With reference to the Board Letter, in December 2018, Fosun Industrial obtained an exclusive license from Revance, the Head Licensor, with respect to the Licensed Product in the Territory with respect to the aesthetic indications and the therapeutic indications. Revance obtained BLA for the aesthetics indications from FDA on 8 September 2022. The Company, as the primary platform focusing on medical aesthetic treatment system within Fosun Pharma Group of companies, would be in the best position to commercialize the Licensed Product in the Territory with respect to the aesthetic indications.

Revance, founded in 1999, is a listed biotechnology company focused on innovative aesthetic and therapeutic offerings. Except for the Licensed Product, Revance also owns a unique portfolio of premium products and services for U.S. aesthetics practices, including the exclusive U.S. distribution rights to the RHA Collection of dermal fillers, the first and only range of FDA-approved fillers for correction of dynamic facial wrinkles and folds, and the *HintMD* fintech platform, which includes integrated smart payment, subscription and loyalty digital services. Revance has also partnered with Viatris Inc. (NASDAQ:VTRS) to develop a biosimilar to Botox® (a form of botulinum toxin, a drug used medically to treat certain muscular conditions and cosmetically remove wrinkles by temporarily paralysing facial muscles), which would compete in the existing short-acting neuromodulator marketplace.

As advised by the Directors, the Licensed Product is the first and only neuromodulator product candidate with long-acting duration (the Licensed Product has a duration of effect of 6 months whereas the duration of effect of other botulinum toxin products lasting up to 4 months), it combines a proprietary stabilizing peptide excipient (a substance used to aid manufacturing process, to protect, support or enhance stability, or for bioavailability or patient acceptability, which may also assist in enhancing overall safety or function of the product during storage or use) with a highly purified botulinum toxin that does not contain human and animal-based components. It is expected that patients treated with the Licensed Product may achieve glabellar line correction with as few as two treatments per year.

With reference to the Company's interim report for the six months ended 30 June 2022, in the second half of 2022, the Company intends to follow its constructive disruption strategy by evaluating and implementing near-future technologies, ventures and synergies so as to bolster its global position. The Group's effort throughout 2022 will strategically focus on lean innovation, digitalization, brand awareness and eco-system building. The Group will adhere its mission to provide modular offering medical grade products and services and fulfilling the corporate vision of "Enhancing Quality of Life".

Number of non-surgical procedures and botulinum toxin procedures performed worldwide

Set out below are statistics in relation to the total non-surgical procedures (Note: botulinum toxin procedures are inclusive) for aesthetic purpose and total botulinum toxin procedures performed worldwide for aesthetic purpose, as published by the International Society of Aesthetics Plastic Surgery (the "**ISAPS**").

	2016	**2017**	**2018**	**2019**	**2020**
	Procedures	*Procedures*	*Procedures*	*Procedures*	*Procedures*
Total non-surgical procedures performed worldwide for aesthetic purpose	13,196,634	12,623,694	12,659,147	13,618,735	14,440,347
Total botulinum toxin procedures performed worldwide for aesthetic purpose	4,931,577	5,033,693	6,097,516	6,271,488	6,213,859

As depicted from the statistics above, the total non-surgical procedures performed worldwide increased from approximately 13.2 million for 2016 to approximately 14.4 million for 2020, with a compound annual growth rate ("**CAGR**") of approximately 2.2%, while the total botulinum toxin procedures performed worldwide increased from approximately 4.9 million for 2016 to approximately 6.2 million for 2020, with a CAGR of approximately 5.9%. We also noted from ISAPS that botulinum toxin procedures performed worldwide rank top among other non-surgical procedures performed

worldwide in terms of number of procedures performed. In addition, the proportion of botulinum toxin procedures to total non-surgical procedures also increased from approximately 37% in 2016 to 43% in 2020.

Having considered the above, we concur with the Directors that the Sublicense is 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 Sublicense

Set out below are the principal terms of the Sublicense, details of which are set out under the section headed "Principal Terms of the Sublicense Agreement" of the Board Letter.

(i) The Sublicense

Pursuant to the Sublicense Agreement, (i) Fosun Industrial proposed to grant to Sisram Tianjin an exclusive, royalty-bearing license, with the right to grant sublicenses under relevant know-how and patents of the Head Licensor relating to the Licensed Product (but excluding manufacturing related information and patents) to, among other things, import, sell and commercialize the Licensed Product in the Fields in the Territory. Sisram Tianjin shall engage Fosun Industrial or its affiliate to provide marketing and sales services for the sales of Licensed Product to hospitals in the Territory, and the parties shall discuss and agree on specific terms separately; (ii) Fosun Industrial shall continue to carry out the clinical trials and other development studies that are commenced in the Territory to support the obtaining of the regulatory approval of the Licensed Product in the Territory; and (iii) upon commercialization of the Licensed Product in the Fields in the Territory, Sisram Tianjin expects to enter into a supply agreement with Fosun Industrial or entities designated by Fosun Industrial to purchase the Licensed Product for distribution and sale of the Licensed Product in the Territory.

As aforementioned, considering more than 15 months has passed since the entering into of the Original Sublicense Agreement and the expenses already paid or incurred by Fosun Industrial in respect of the Licensed Product, on 15 December 2022, Sisram Tianjin entered into the Amendment to Sublicense Agreement with Fosun Industrial to amend the Sublicense Agreement that (i) the Upfront Payment shall be made within 30 Business Days of the date of the Sublicense Agreement; (ii) if Sisram Tianjin fails to receive the Approval within six (6) months of the date of the Sublicense Agreement, Fosun Industrial should refund all and any of the payment made by Sisram Tianjin under the Sublicense Agreement to Sisram Tianjin promptly without any interest; and (iii) if Sisram Tianjin fails to receive the Approval within six (6) calendar months of the date of the Sublicense Agreement, the Sublicense Agreement shall lapse automatically.

As noted from the terms under the Amendment to Sublicense Agreement, Sisram Tianjin will be entitled to terminate the Sublicense Agreement and seek refund from Fosun Industrial. We noted from the Board Letter that the Directors considered the risk of breaching the Amendment to Sublicense Agreement by Fosun Industrial to be remote given that Fosun Industrial is a subsidiary of Fosun Pharma and the relationship between the Company and Fosun Pharma. We also noted from the Board Letter that the Amendment to Sublicense Agreement commensurate with the latest communication progress of the Licensed Product and better align the true intention of the parties with respect to the payment under the Sublicense Agreement, in particular, the Upfront Payment which was determined with reference to, among other things, the HLA Upfront Payment (as defined below) and the HLA Regulatory Milestone Payments that were already paid by Fosun Industrial to the Head Licensor and other expenses incurred by Fosun Industrial.

Given that (i) the Amendment to Sublicense Agreement was entered to better align the true intention of the parties with respect to the payment under the Sublicense Agreement; (ii) relevant refund mechanism was in place to ensure the recovery of any payments made by Sisram Tianjin if Sisram Tianjin fails to receive the Approval within six (6) months of the date of the Sublicense Agreement; and (iii) the likelihood of Fosun Industrial breaching the Amendment to Sublicense Agreement, we consider the entering into of the Amendment to Sublicense Agreement to be acceptable.

(ii) Consideration

Pursuant to the Sublicense Agreement, Sisram Tianjin is required to make the following payments:

(1) **Upfront Payment:** pursuant to the Amendment to Sublicense Agreement, an upfront payment of US$52.25 million (or US$55.39 million, tax inclusive) to Fosun Industrial within 30 Business Days after the date of the Sublicence Agreement. The amount of the Upfront Payment was determined with reference to, among other things, the upfront payment and the regulatory milestone payment already paid by Fosun Industrial to the Head Licensor and other expenses incurred by Fosun Industrial;

(2) **One-off Regulatory Milestone Payments:** the milestone payments in the aggregate amount of US$22 million (or US$23.32 million, tax inclusive) to be paid upon the research and development of the Licensed Product obtaining approval of BLA for the aesthetic indications from FDA and NMPA, respectively. As of the Latest Practicable Date, the BLA for the aesthetic indications from FDA has been obtained, and the only outstanding regulatory approval to be obtained is the BLA regulatory approval for the aesthetic indications of the Licensed Product from NMPA;

Pursuant to the Amendment to Sublicense Agreement, if Sisram Tianjin fails to receive the Approval within six (6) months of the date of the Sublicense Agreement, Fosun Industrial should refund all and any of the payment made by Sisram Tianjin under the Sublicense Agreement to Sisram Tianjin promptly without any interest.

(3) **One-off Sales Milestone Payments:** the sales milestone payments in the aggregate amount of US$172.5 million upon the sales of the Licensed Product achieving certain milestones.

The amount of the Regulatory Milestone Payments and the Sales Milestone Payments are determined with reference to the respective amounts to be paid by Fosun Industrial to Revance pursuant to the Head License Agreement in relation to the relevant indication.

(4) **Royalty Payments:** royalty payments to be paid by Sisram Tianjin will be determined in accordance with the following basis:

Range of annul Net Sales	**Royalty Rate**
When Net Sales in one particular financial year is less than US$100 million (the "**Net Sales Range I**")	16%
When Net Sales in one particular financial year is greater than or equal to US$100 million but less than US$300 million (the "**Net Sales Range II**")	18%
When Net Sales in one particular financial year is greater than or equal to US$300 million but less than US$500 million (the "**Net Sales Range III**")	20%
When Net Sales in one particular financial year is greater than or equal to US$500 million (the "**Net Sales Range IV**")	22%

Details of the formulae for the calculation of Royalty Payments and Net Sales are set out under the section headed "Consideration" of the Board Letter.

The Royalty Payments were determined after arm's length negotiation with reference to, among other things, the amounts of royalty to be paid by Fosun Industrial to Revance and the latest R&D progress of the Licensed Product.

The Royalty Payments shall continue until the latest of: (i) the expiration of the last valid claim (including any patent term adjustments or extensions) within the relevant patents of the Head Licensor with respect to the Licensed Product

that covers the Licensed Product (including composition of matter, method of use or making) in the Territory; (ii) the expiration of all regulatory exclusivity for the Licensed Product in the Territory; (iii) the first commercial sale of a Biosimilar of the Licensed Product in the Territory; and (iv) 15 years after the first commercial sale of the Licensed Product in the Territory (the "**Royalty Term**").

As mentioned above, the amount of the Upfront Payment is determined with reference to, among other things, the upfront payment and the regulatory milestone payment already paid by Fosun Industrial to the Head Licensor and other expenses incurred by Fosun Industrial; the amount of the Regulatory Milestone Payments and the Sales Milestone Payments are determined with reference to the respective amounts to be paid by Fosun Industrial to Revance pursuant to the Head License Agreement in relation to the relevant indication; and the Royalty Payments were determined after arm's length negotiation with reference to, among other things, the amounts of royalty to be paid by Fosun Industrial to Revance.

As the payments are determined with reference to, among other things, relevant amounts paid/to be paid by Fosun Industrial to Revance, we therefore reviewed (i) Fosun Pharma's announcement dated 4 December 2018 in respect of the Head License Agreement (the "**Fosun 2018 Announcement**") with disclosure of key figures of the Head License Agreement; and (ii) the execution copy of Head License Agreement as exhibited by Revance on the website of the U.S. Securities and Exchange Commission. (Note: certain confidential information contained in the exhibited Head License Agreement, marked by brackets, has been omitted and filed separately with the U.S. Securities and Exchange Commission pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended).

We are of the view that it is justifiable for the Company to determine considerations under the Sublicense Agreement with reference to the considerations under the Head License Agreement after taking into account following factors:

(i) based on the public information and to the best of the Directors' knowledge, Fosun Industrial and Revance are independent to each other;

(ii) to the best of the Directors' knowledge, the consideration under the Head License Agreement was determined after arm's length negotiation between Fosun Industrial and Revance;

(iii) the background and experience of Fosun Pharma in the pharmaceutical industry;

(iv) there was no other opportunity available to the Company for licensing or sublicensing similar products to the Licensed Products; and

(v) in the aspect of Fosun Industrial, total considerations under the Head License Agreement were the cost for the Sublicense. Based on our understanding, it is commercially reasonable for a vendor to make reference to the original cost of assets when the vendor proposes to transfer the assets to a purchaser.

According to the Fosun 2018 Announcement and the execution copy of Head License Agreement, Fosun Industrial shall make the following payments to Revance:

(1) an upfront payment of US$30 million (the "**HLA Upfront Payment**") within 30 Business Days after the Head License Agreement becomes effective;

Our analysis

As the Upfront Payment was significantly higher than the HLA Upfront Payment, we enquired into the Directors and understood that the Upfront Payment mainly comprised (i) the HLA Upfront Payment of US$30 million and US$1 million as one of milestone payments paid by Fosun Industrial to Revance in addition to the cost of fund of 7% per annum (including the fluctuation in exchange rate of US$:RMB); and (ii) expenses of US$12.2 million incurred by Fosun Industrial in respect of the research and development of the Licensed Products. For our due diligence purpose, we obtained the calculation for the Upfront Payment and noted that the calculation is in line with aforesaid calculation basis.

In addition, we conducted the following assessment for the fairness and reasonableness of the cost of fund of 7% per annum:

- According to Fosun Pharma's announcement dated 4 December 2018, the three phases clinical trials of Licensed Products for the aesthetic indications in the United States of America had been completed but the launching application to the FDA for Licensed Products for the aesthetic indications had not yet commenced.

  We understood from Fosun Pharma's announcement that:

  1) there are certain risks in the R&D of new drugs based on the experience; and

  2) the research & development and marketing of new drugs is a long-term task involving various uncertainties.

  As aforementioned and as advised by the Directors, as at the Latest Practicable Date, the launching application for the Licensed Products for the aesthetic indications to (i) the FDA has been approved; and (ii) the NMPA is in the Phase III of the clinical trials.

Based on the above, Fosun Pharma bore risks in research and development of the Licensed Products (including the costs for obtaining approval from FDA).

- According to Fosun Pharma's interim report for the six months ended 30 June 2022, interest rate of the Fosun Pharma and its subsidiaries for interest-bearing bank and other borrowings of approximately RMB29.6 billion as at 30 June 2022 ranged from 0.3% to 4.83% per annum.

- We noted from Fosun Pharma's annual report for the year ended 31 December 2021 and interim report for the six months ended 30 June 2022 that Fosun Pharma Group's functional currency is RMB whereas the payments under the Head License Agreement are denominated in US$. These payments expose Fosun Industrial to risks in relation to the fluctuation in exchange rate of US$:RMB.

  As such, we searched for the exchange rates of US$ to RMB during the period from 1 November 2021 to 26 October 2022, being a period of approximately one year prior to and including the date of the Sublicense Agreement (the "**Review Period**"), as quoted on the website of State Administration of Foreign Exchange of the PRC. We noted that (i) the exchange rate of US$ to RMB quoted date of the Sublicense Agreement increased by approximately 11.60% as compared to that quoted on 1 November 2021; and (ii) the highest exchange rate of US$ to RMB during the Review Period represented a premium of approximately 13.73% over the lowest exchange rate of US$ to RMB during the Review Period.

Having considered that (i) the interest rates range for borrowings of Fosun Pharma as mentioned above; (ii) Fosun Pharma dealt with the drug registration approval procedures for the Licensed Products for the aesthetic indications; and (iii) Fosun Pharma bore risks in research and development of the Licensed Products (including the costs for obtaining approval from FDA), we are of the view that the cost of fund of 7% per annum is justifiable.

(2) the regulatory milestone payments (the "**HLA Regulatory Milestone Payments**") in the aggregate amount of up to US$58 million upon the research and development of the Licensed Product obtaining approval of BLA for the aesthetic indications and therapeutic indication from FDA and NMPA, respectively;

Our analysis

The HLA Regulatory Milestone Payments were greater than the Regulatory Milestone Payments. The main reason for such difference was that the HLA Regulatory Milestone Payments also covers milestone payments for research and development of the Licensed Product for obtaining approval of BLA for therapeutic indication from FDA and NMPA. As confirmed by the Directors (based on their interview with Fosun Industrial), the Regulatory Milestone Payments (together with the payment schedule) of US$22 million is the same as the HLA Regulatory Milestone Payments without considering the milestone payments in respect of therapeutic indication and the instalment of HLA Regulatory Milestone Payments already paid to Revance by Fosun Industrial.

(3) the sales milestone payments (the "**HLA Sales Milestone Payments**") in the aggregate amount of up to US$172.5 million upon the sales of the Licensed Product achieving certain milestones;

Our analysis

Pursuant to the Fosun 2018 Announcement and as confirmed by the Directors (based on their interview with Fosun Industrial), the Sales Milestone Payments (together with the payment schedule) are the same as the HLA Sales Milestone Payments.

(4) royalty payments in accordance with the same formulae and calculation basis of Net Sales and royalty rate range from 12% to 18% (the "**HLA Royalty Rates**").

Our analysis

The royalty rates of the Licensed Product range from 16% to 22% (the "**Royalty Rate(s)**"), which are higher than the HLA Royalty Rates range from 12% to 18%. The differences between the Royalty Rates and HLA Royalty Rates indicated the net royalty rates to which Fosun Industrial is entitled to (the "**Fosun Royalty Rates**") under the Sublicense.

To assess the fairness and reasonableness of the Royalty Rates range of 16% to 22%, we attempted to search for royalty rates paid to/charged by Fosun Pharma (being the controlling Shareholder) and Shanghai Henlius Biotech Inc. ("**Shanghai Henlius**", being a subsidiary of Fosun Pharma) for the licensing of pharmaceutical products for the year ended 31 December 2021. Despite that there were only few announcements of the aforesaid listed companies, showing the royalty rates paid to/charged by Fosun and/or Shanghai Henlius (the

"**Comparable Royalty Rates**"), as the aforesaid licensed products were not the same as the Licensed Products, we therefore considered that it would be inappropriate to compare the Royalty Rates with the Comparable Royalty Rates.

To further assess the fairness and reasonableness of the Royalty Rates range, we enquired into the Directors regarding the expected gross profit from the sale of Licensed Products. Upon our enquiry, the Directors provided us the Licensed Product's estimated selling price per unit and estimated unit cost. We noted that the Licensed Product's estimated selling price is between factory prices of Allergan Product and Hugel Product as provided by the Company and the Licensed Product's estimated unit cost is the same as the maximum purchase price of the Licensed Products as preliminary agreed by Fosun Pharma and Revance.

We obtained from the Company a calculation of the expected gross profit margin of the Licensed Products. Based on the calculation, we noted that the Directors assumed (i) different scenarios with the Net Sales of the Licensed Product reaching (a) US$100 million (being the threshold of Net Sales Range I), (b) US$300 million (being the threshold of Net Sales Range II), (c) US$500 million (being the threshold of Net Sales Range III) or (d) US$1 billion; and (ii) the estimated selling price per unit and estimated unit cost as mentioned above. The Group expected to generate gross profit from the Licensed Product with implied gross profit margins (calculated based on the aforesaid assumptions and after taking into account the payment of the Royalty Payments) which are comparable to the Group's gross profit margins for each of the five years ended 31 December 2021 under each of the aforementioned scenarios.

Despite that there will be an increase in Royalty Rates if the net sales of the Licensed Product increases (i.e. from Net Sales Range I to Net Sales Range II, from Net Sales Range II to Net Sales Range III and from Net Sales Range III to Net Sales Range IV), having considered that (i) the percentage increases in upper limit for each of the net sales range (except Net Sales Range IV which has no upper limit) are much higher than the percentage increases in the corresponding Royalty Rates; and (ii) the Group is also expected to record gross profit from the Licensed Product sales assuming the Net Sales exceed the Net Sales Range IV and all of the corresponding Royalty Rates apply, we consider the Royalty Rates corresponding to Net Sales Range I, Net Sales Range II, Net Sales Range III and Net Sales Range IV, are justifiable.

Pursuant to the Sublicense Agreement, if the Licensed Product is generating net sales in the Territory during the applicable Royalty Term at a time when one or more biosimilar(s) with respect to the Licensed Product is being sold in

the Territory, then the royalties that would otherwise be payable on Net Sales of the Licensed Product in the Territory in such calendar quarter shall be reduced for so long as the biosimilar is being sold in the Territory during the Royalty Term.

Having considered that (i) the Royalty Rates are justifiable as analyzed above; (ii) a higher Royalty Rates will be charged only when a higher net sales to be recorded by the Group; (iii) as at the Latest Practicable Date, no Botulinum Toxin product of Type Daxibotulinumtoxin A was launched for sale in the PRC; and (iv) pursuant to the Sublicense Agreement, there is biosimilar step-down arrangement which set the downward adjustment on royalties at a certain percentage if there is/are biosimilar product(s) being sold in the Territory, we are of the view that the Royalty Rates are justifiable.

According to a research material directly issued by Frost & Sullivan to the Company in November 2022, the Sales Milestone Payments and the Fosun Royalty Rates are in line with the industry practice. Based on public information, Frost & Sullivan was founded in 1961 with a team of experts based in 45 global offices. We also noted that Frost & Sullivan prepared various industry reports, which were made reference to by listing applicants on the Stock Exchange.

Having considered our analyses above, including:

a. the Upfront Payment was calculated by the sum of (i) the HLA Upfront Payment of US$30 million; (ii) US$1 million as part of the milestone payments paid by Fosun Industrial to Revance; (iii) research and development expenses incurred by Fosun Industrial; and (iv) the cost of fund of 7% per annum and the fluctuation in exchange rate of US$:RMB. Based on our analyses above, the cost of fund of 7% per annum is justifiable;

b. the Regulatory Milestone Payments (together with the payment schedule) of US$22 million is the same as the HLA Regulatory Milestone Payments (other than the milestone payments in respect of Therapeutic indication and the instalment of HLA Regulatory Milestone Payments already paid to Revance by Fosun Industrial) of US$22 million;

c. the Sales Milestone Payments (together with the payment schedule) are the same as the HLA Sales Milestone Payments;

d. as analyzed above, the Royalty Rates are justifiable;

e. the implied gross profit margins (based on different Net Sales scenarios) from the sales of Licensed Products are comparable to the Group's gross profit margin for each of the five years ended 31 December 2021; and

f. according to the research material directly issued by Forest & Sullivan to the Company in November 2022, the Sales Milestone Payments and the Fosun Royalty Rates are in line with the industry practice,

we are of the view that the consideration under the Sublicense Agreement is fair and reasonable.

(iii) Effective Date

The Sublicense Agreement will become effective on the date on which the later of the following occurs: (a) the Sublicense Agreement is approved by the Board in accordance with the Company's articles of association; (b) the Sublicense Agreement is approved by the Shareholders in a Shareholders' meeting in accordance with the Company's articles of association; and (c) the entering into of the Sublicense Agreement.

(iv) Term of the Sublicense Agreement and Termination

The term of the Sublicense Agreement shall commence as of the Effective Date and, unless earlier terminated as provided herein, shall continue in effect until the date on which all of Sisram Tianjin's payment obligations under the Sublicense Agreement as set out in section (ii) above have been performed or have expired (i.e. the Term). Pursuant to the Amendment to Sublicense Agreement, if Sisram Tianjin fails to receive the Approval within six (6) calendar months of the date of the Sublicense Agreement, the Sublicense Agreement shall lapse automatically without requirement for any act, election or notice on the part of either Party, and neither Party shall have any right, obligation, claim or liability thereunder.

Subject to the terms of the Sublicense Agreement, if either party to the Sublicense Agreement (i.e. the Breaching Party) has committed a material breach of any of its material obligations under the Sublicense Agreement, and such material breach shall remain uncured and shall be continuing for a period of 60 days following the Breaching Party's receipt of notice of such breach from the other party (i.e. the Non-Breaching Party) stating the Non-Breaching Party's intent to terminate the Sublicense Agreement in its entirety if such breach remains uncured.

A party to the Sublicense Agreement may terminate the Sublicense Agreement immediately upon written notice to the other party if at any time during the term of the Sublicense Agreement, the other party (i) becomes insolvent, (ii) has a case commenced by or against it under the Bankruptcy Code, (iii) files for or is subject to the institution of bankruptcy, liquidation or receivership proceedings, (iv) assigns all or a substantial portion of its assets for the benefit of creditors, (v) has a receiver or custodian appointed for its business, or (vi) has a substantial part of its business being subject to attachment or similar process.

In addition, the Sublicense Agreement may be terminated at any time prior to its expiration when Head License Agreement has been terminated. The Head License Agreement contained similar termination rights as to those of the Sublicense Agreement.

With reference to the Board Letter, the Royalty Payments shall continue until the end of the Royalty Term. Accordingly, the Sublicense Agreement does not have a fixed term (which is indefinite in practice). In assessing the reasons for the duration of the Sublicense Agreement being longer than three years and being unspecified, we have considered, the following factors:

(i) the term of the Sublicense Agreement is in line with the term of the Head License Agreement;

(ii) reason for entering into the Sublicence Agreement is for the Company to commercialise the Licensed Product in the Territory as the Company is the primary platform focusing on medical aesthetic treatment systems within the Fosun Pharma group of companies. Such cooperation is long term in nature (i.e. for so long as there is market for the Licensed Product and it is in the interest of the parties to continue to sell the Licensed Product, the parties would commercially continue with the license arrangement). Imposing a restriction on the term of the Sublicence Agreement for a period of three years would be contrary to the business intention of the parties;

(iii) the transactions under the Sublicence Agreement allows the Company to expand its business operations and product offerings by sale and distribution of the Licensed Products in the Territory so as to generate additional revenue; and

(iv) as the Company will have the right to terminate the agreement if (among other things) Fosun Industrial is in material breach of the terms of the relevant agreement and shall have failed to cure such breach within 60 days of receipt of notice thereof, the Company's interest will be safeguarded.

In considering whether it is normal business practice for agreements of similar nature with the Sublicense Agreement to have a term of such duration, we searched on the Stock Exchange's website for license arrangements (with term of such arrangements explicitly disclosed) entered into and announced by both Fosun Pharma and Shanghai Henlius from 1 January 2022 up to 26 October 2022 (the "**Research Period**"), being the 10-month period up to and including the date of the Sublicense Agreement within the current calendar year, reflecting the recent market practices for the licensing of pharmaceutical products by both Fosun Pharma and Shanghai Henlius, which is fair and representative for our analysis purpose. To the best of our knowledge and as far as we are aware, we found five license arrangements (the "**Fosun Comparable License Agreement(s)**") which met the said criteria and they are exhaustive. We noted that such license arrangements were also with duration of more than three years. In addition, we also identified, on a non-exhaustive basis, more than three license arrangements which were disclosed by certain companies listed on the Stock Exchange during the Research Period (as the same Research Period was adopted, we also consider the Research Period to be fair and representative for our analysis purpose) and noted that duration of such arrangements were also more than three years.

Details of the above-mentioned license arrangements are listed below for Shareholders' reference:

No.	Announcement date	Company name	Licensed products	Duration of agreement term
Entered into by Fosun Pharma and Shanghai Henlius				
1.	23 February 2022	Shanghai Henlius Biotech, Inc. (stock code: 2696)	HANDAYUAN	Valid for 10 years, which may be automatically renewed for an addition term of 5 years unless any of the parties notifies the other of its intention to not renew the license agreement
2.	11 May 2022	Shanghai Henlius Biotech, Inc. (stock code: 2696)	HANLIKANG, HANQUYOU and HANBEITAI	Continue to be effective for an initial term of 10 years from the commercial sale of the relevant licensed products in each country in the territory unless being terminated in accordance with its terms, and shall be automatically renewed every two years for an additional period of two years upon expiry of the initial term or each renewal, unless either party notifies the other party of its intention not to renew
3.	24 May 2022	Shanghai Henlius Biotech, Inc. (stock code: 2696)	HANLIKANG and HANQUYOU	Continue to be effective for an initial term of 10 years from the commercial launch of the relevant Licensed Products in the territory unless being terminated in accordance with its terms, and shall be automatically renewed for five years upon expiry of the initial term, unless the counterparty notifies Shanghai Henlius of its intention not to renew
4.	13 June 2022	Shanghai Henlius Biotech, Inc. (stock code: 2696)	HLX11 and HLX14	Remain in effect until the counterparty decide to terminate it on a licensed product-by-licensed product and country-by-country basis, or the parties decide to terminate earlier pursuant to the terms of the agreement

No.	Announcement date	Company name	Licensed products	Duration of agreement term
5.	28 June 2022	Shanghai Henlius Biotech, Inc. (stock code: 2696)	Bifunctional HER2-Sialidase Fusion Protein and Tumour-Related Target-Sialidase Bifunctional Fusion Protein	Remain in effect until all payment obligations for each licensed product have expired, unless it is terminated earlier in accordance with the agreed circumstances

Entered into by other companies listed on the Stock Exchange (Note: as there were many listed companies which had entered into license arrangement for different products, i.e. pharmaceutical products, trademarks, etc., we only listed out three listed companies with licensed pharmaceutical products, on a non-exhaustive basis, for Shareholders' information purpose)

No.	Announcement/ prospectus date	Company name	Licensed products	Duration of agreement term
6.	19 August 2022 (prospectus date)	Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (stock code: 2315)	YH001	Continuing until the latest of: (i) expiration of the last to expire of the patents of YH001 or its use in the relevant fields in such country; (ii) expiration of marketing or regulatory exclusivity for YH001 in such country; and (iii) ten years from first commercial sale of YH001 in such country.
7.	10 October 2022	HBM Holdings Limited (stock code: 2142)	HBM9161	Unless terminated earlier in accordance with the terms of the license agreement, the license agreement shall be effective as of 10 October 2022 and shall continue to be in full force until the expiration of the royalty term.

No.	Announcement/ prospectus date	Company name	Licensed products	Duration of agreement term
8.	7 October 2022	China Medical System Holdings Limited (stock code: 867)	BMI Botulinum Toxin Product	Continue to be valid until the tenth anniversary of the first marketing authorization approval date of the product in mainland China. Upon the expiration of the aforementioned term, the license agreement may automatically be renewed for every single period of five years thereafter unless otherwise agreed.

Taking into account of the above, including:

(i) the Term is in line with the term of the Head License Agreement; and

(ii) our findings during the Research Period as listed out above, in particular, the term of most Fosun Comparable License Agreements are unspecified or specified but indefinite in practice:

a. the term of two out of five Fosun Comparable License Agreements are unspecified (please refer to items 4 and 5 in the above table);

b. three out of five Fosun Comparable License Agreements can be automatically renewed upon each expiry, unless terminated earlier according to such agreement or either party notifies the other party of its intention not to renew such agreement. Although the term is specified, it is indefinite in practice (please refer to items 1, 2 and 3 in the above table);

c. the term of one license agreement (entered into by other listed companies as listed out above) is indefinite (please refer to item 7 in the above table);

d. one license agreement (entered into by other listed companies as listed out above) can be automatically renewed for a term at the end of each renewed term (please refer to item 8 in the above table); and

e. one license agreement (entered into by other listed companies as listed out above) shall continue until the latest of, among other things, expiration of the last expiry of the licensed product; expiration of marketing or regulatory exclusivity of the licensed product; or ten years from first commercial sale of the licensed product (please refer to item 6 above).

we confirm that the Term, which is longer than three years, is required, and it is normal business practice for the Term to be (i) of such duration; and (ii) unspecified or specified but indefinite in practice. Therefore, we are also of the view that duration of the Sublicence Agreement, being unspecified, is justifiable and in line with common practice.

Having reviewed and considered the terms of the Sublicense Agreement in particular the key terms as listed above (including the Consideration being fair and reasonable; duration of the Sublicence Agreement is justifiable and a common practice; and no abnormal term observed), we are of the view that the terms of the Sublicense are on normal commercial terms and are fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Sublicense are on normal commercial terms and are fair and reasonable; and (ii) the Sublicense 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 resolution(s) to be proposed at the EGM to approve the Sublicense and we recommend the Independent Shareholders to vote in favour of the resolution(s) 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.

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
Yi LIU	Company	Ordinary Shares	Beneficial owner	250,000	0.05%
	Fosun Pharma	A shares	Beneficial owner	46,800	0.00%
Guojun BU	Company	Ordinary Shares	Beneficial owner	80,000	0.02%
Lior Moshe DAYAN	Company	Ordinary Shares	Beneficial owner	938,500	0.20%
	Fosun International	Ordinary Shares	Beneficial owner	200,000	0.00%
Yifang WU	Fosun Pharma	H shares	Beneficial owner	373,000	0.07%
		A shares	Beneficial owner	1,007,100	0.05%
Rongli FENG	Fosun Pharma	A shares	Beneficial owner	113,500	0.01%

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	203,705,360 (L)	43.70%
	Interest in controlled corporation	127,318,640 (L)	27.31%
Fosun Industrial[(3)]	Interest in controlled corporation	331,024,000 (L)	71.01%
Fosun Pharma[(4)]	Interest in controlled corporation	331,024,000 (L)	71.01%
Fosun High Tech[(5)]	Interest in controlled corporation	331,024,000 (L)	71.01%
Fosun International[(6)]	Interest in controlled corporation	331,024,000 (L)	71.01%
FHL[(7)]	Interest in controlled corporation	331,024,000 (L)	71.01%

Name of Shareholders	Capacity	Number of Shares held or interested	Approximate Percentage *(%)*
FIHL[8]	Interest in controlled corporation	331,024,000 (L)	71.01%
Guangchang GUO[9]	Interest in controlled corporation	331,024,000 (L)	71.01%

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 331,024,000 Shares which Ample Up is interested in, comprising 203,705,360 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% of 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 2021, 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 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 31 December 2021, 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 Limited	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 31 December 2021, 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 for inspection on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.sisram-medical.com) from the date of this Circular up to and including the date of the EGM:

(a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 25 to 26 of this circular;

(b) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 27 to 48 of this circular;

(c) the written consent of the Independent Financial Adviser referred to in paragraph 7 of this Appendix;

(d) the Sublicense Agreement;

(e) the Amendment to Sublicense Agreement; and

(f) this circular.

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 Shanghai Room, 2101-05 ICBC Tower, 3 Garden Road, Hong Kong on Thursday, February 9, 2023 at 4:00 p.m. for the purposes of considering and, if thought fit, passing the following resolution as ordinary resolution:

ORDINARY RESOLUTION

1. To consider and, if thought fit, approve the sublicense agreement between Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司) ("**Fosun Industrial**") and Sisram Medical (Tianjin) Limited* (復銳醫療科技(天津)有限公司) ("**Sisram Tianjin**") dated October 26, 2022 with respect to the sublicense of rights by Fosun Industrial to Sisram Tianjin (including the transactions contemplated thereunder, but other than the Royalty Payments during the Rule 14A.53 Waiver Period which constitutes fully-exempt continuing connected transactions).

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

Hong Kong, December 23, 2022

* *for identification purpose only*

Notes:

1. All resolution 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 4:00 p.m. on Tuesday, February 7, 2023 (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 Monday, February 6, 2023 to Thursday, February 9, 2023 (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 Friday, February 3, 2023.

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 (http://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.