INTERIM REPORT 2017

Stock Code: 1696

Sisram Medical

(Incorporated in Israel with limited liability)

Enhancing Quality of Life

CONTENTS

FINANCIAL HIGHLIGHTS

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
Operating results		
Revenue	**66,288**	58,725
Gross profit	**36,087**	30,493
Profit before tax	**10,656**	8,324
Profit for the period	**7,818**	6,147
Profit for the period attributable to owners of the parent	**7,818**	5,701
Adjusted net profit*	**13,295**	10,178
Profitability		
Gross margin	**54.4%**	51.9%
Net profit margin	**11.8%**	10.5%
Adjusted net profit margin*	**20.1%**	17.3%

	As at June 30, 2017 US$'000	As at December 31, 2016 US$'000
Assets		
Total assets	**284,307**	279,161
Equity attributable to owners of the parent	**48,787**	40,486
Total liabilities**	**235,520**	238,675
Cash and bank balances	**40,731**	41,653

* The terms of adjusted net profit and adjusted net profit margin are not financial measures defined under IFRSs. Please see "Management Discussion and Analysis – Adjusted net profit and adjusted net profit margin" in this interim report for the definition of these non-IFRSs measures.

** The carrying amount of interest-free loan from shareholders payable within one year was US$143,024,000 as at June 30, 2017 and it was capitalized upon the Company's Listing with a total investment amount of US$146,920,000 on September 19, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors of Sisram Medical Ltd is pleased to present this interim report, including the unaudited consolidated interim results of the Company and its subsidiaries (together, the "Group") for the six months ended June 30, 2017 (the "Reporting Period").

Initial Public Offering and Use of Net Proceeds

The Shares of the Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on September 19, 2017 (the "Listing"), marking a key milestone in the business development of the Group. In connection with the Company's initial public offering, 88,000,000 new Shares of the Company were issued and allotted at the offer price of HK$8.88 per Share.

The Group raised approximately HK$688.7 million (approximately US$88.3 million) net proceeds from the initial public offering (before any exercise of the over-allotment option), which will be used in accordance with the use of proceeds as disclosed in the Prospectus of the Company dated September 5, 2017.

Business Review

In the first half of 2017, the medical aesthetic treatment business of the Company continued to benefit from the launch of four new applicators and the increased awareness and acceptance of medical aesthetic treatments.

During the Reporting Period, the revenue increased by 12.9% as compared to the corresponding period of 2016 to US$66.3 million. The Group generated revenue from the following revenue streams: (i) sales of goods and (ii) services and others. Goods were further categorized into: (i) non-invasive medical aesthetic products and (ii) minimally invasive products. Substantially all of the products are energy-based medical aesthetic treatment systems and ancillary products for use with the Group's treatment systems. The Group sells products both directly to treatment providers and to distributors, who on-sell the products to treatment providers.

The revenue from sales of goods amounted to US$61.6 million, representing an increase of 14.8% as compared to the corresponding period of 2016, which was mainly contributed by the growing revenue from sales of non-invasive medical aesthetic products. The revenue from services and others amounted to US$4.7 million, representing a decrease of 7.1% as compared to the corresponding period of 2016.

During the Reporting Period, the Group recorded profit before tax of US$10.7 million and profit attributable to owners of the parent of US$7.8 million, representing an increase of 28.0% and 37.1%, respectively, as compared to the corresponding period of 2016. The increase in profit before tax and profit attributable to owners of the parent was mainly due to the steady business growth and the further optimized sales structure.

During the Reporting Period, the Group recorded adjusted net profit of US$13.3 million, representing an increase of 30.6% as compared to the corresponding period of 2016. The adjusted net profit margin for the Reporting Period was 20.1%, increased by 16.2% as compared to the corresponding period of 2016.

During the Reporting Period, net cash flow from operating activities amounted to US$9.3 million, representing an increase of 42.4% as compared to the corresponding period of 2016. The profitability and operational quality of the Group further improved.

During the Reporting Period, the Group continued to increase R&D investment. The total R&D investment amounted to US$4.8 million, representing an increase of US$1.3 million or 38.4% as compared to the corresponding period of 2016, primarily attributable to increased costs relating to purchasing more raw materials and prototypes producing for research and development purposes.

Business Outlook for the Second Half of 2017

In the second half of 2017, the Group will continue to be committed to its mission to provide cost-effective and high-performance systems based on the very latest clinical research and cutting-edge technology, adhere to its corporate philosophy of "Enhancing Quality of Life", and it will endeavor to capture the opportunities presented by the broad aesthetic and surgical markets, in order to focus on the development strategies of organic growth, external expansion and integrated development, and step up its efforts to acquire and integrate with domestic and overseas quality aesthetic and surgical manufacturing companies. The Group will further enhance its core competence to improve its operating results.

In the second half of 2017, the Group will continue to focus on innovation and development, and strive to develop strategic products. The Group will actively seek opportunities for mergers and acquisitions.

- The Group intends to expand its sales channels in the United States, Germany, and India and its distribution network globally.
- The Group intends to develop analytics capabilities using cloud technology in its treatment systems and which link to its information technology system.
- The Group intends to upgrade existing or establishing new service centers in its direct sales markets in India and Germany.
- The Group intends to upgrade and remap its production lines to, among other things, enhance efficiency and increase throughput, as well as to strengthen its capability in developing and producing more advanced products as technologies evolve.
- The Group intends to develop and expand its minimally invasive product line to treat additional non-medical aesthetic indications utilizing its current minimally invasive technologies, such as treatment systems for various out-patient indications (such as proctology). The Group intends to complete developing the relevant products in 2018.
- The Group intends to increase the funding for its clinical studies.
- The Group also intends to bolster its regulatory capabilities.

Financial Review

During the Reporting Period, the unaudited interim results and the summary of basic financial results prepared by the Group in accordance with International Financial Reporting Standards ("IFRSs") are as follows:

During the Reporting Period, profit before tax and profit attributable to owners of the parent of the Group were US$10.7 million and US$7.8 million, increased by 28.0% and 37.1% as compared to the corresponding period of 2016, respectively.

Revenue

During the Reporting Period, revenue of the Group increased by US$7.6 million, representing an increase of 12.9% as compared to the corresponding period of 2016.

During the Reporting Period, we generated revenue from the following revenue streams: (i) sales of goods; and (ii) services and others. The revenue from sales of goods amounted to US$61.6 million, representing an increase of 14.8% as compared to the corresponding period of 2016. The revenue from services and others amounted to US$4.7 million, representing a decrease of 7.1% as compared to the corresponding period of 2016.

Cost of sales

During the Reporting Period, cost of sales of the Group increased by 7.0% to US$30.2 million from US$28.2 million for the corresponding period of 2016.

Gross profit and gross profit margin

During the Reporting Period, gross profit of the Group increased by 18.3% to US$36.1 million from US$30.5 million for the corresponding period of 2016. The gross profit margin increased to 54.4% for the Reporting Period when compared with 51.9% for the corresponding of 2016 mainly due to the optimized sales structure.

Selling and distribution expenses

During the Reporting Period, selling and distribution expenses of the Group increased by 16.6% to US$11.8 million from US$10.1 million for the corresponding period of 2016, which was mainly due to the growth in the sales volume of non-invasive medical aesthetic products and the extensive market expansion.

Administrative expenses

Administrative expenses primarily consist of (i) amortization of intangible assets arising from the acquisition of Alma Lasers Ltd. ("Alma") (the "Alma Acquisition"); (ii) remuneration paid to employees that are not engaged in production, research and development or sales and marketing activities; (iii) professional fees paid and administrative costs; (iv) fees relating to our operation facilities; (v) listing expenses; and (vi) other miscellaneous expenses.

During the Reporting Period, administrative expenses of the Group increased by 22.8% to US$6.0 million from US$4.9 million for the corresponding period of 2016, which was mainly due to the listing expenses of US$1.2 million that were incurred during the Reporting Period.

Research and development expenses

During the Reporting Period, R&D expenses of the Group increased by 38.4% to US$4.8 million from US$3.5 million for the corresponding period of 2016. The Group's research and development expenses primarily consist of remuneration to research and development team members, cost of materials used in research development efforts and expenses related to regulatory compliance and registration of patents and trademarks. During the Reporting Period, all the research and development expenses were recorded in the period that such expenses were incurred and were not capitalized.

During the Reporting Period, R&D expenses of the Group accounted for 7.3% of the revenue for the Reporting Period.

Finance costs

Finance costs mainly comprise interest on bank loans and imputed interest on interest-free long-term capital notes issued to then existing shareholders (the "Capital Notes"). Finance costs remained stable for the Reporting Period and the corresponding period of 2016.

Income tax expense

The Israeli corporate tax rates applicable to the Company were 24.0% and 25.0% for the six months ended June 30, 2017 and 2016, respectively. Each entity in the group is taxable based on its standalone results as measured by the local tax system.

Alma Lasers Ltd., the major operating subsidiary of the Company, was granted the status of "Preferred Enterprise" under the Law for the Encouragement of Capital Investments, 1959 (as amended in 2011, the "2011 Amendment of the Investment Law") and therefore enjoyed a preferential corporate tax rate of 16% during the Reporting Period.

Income tax expense increased by 30.4% from US$2.2 million for the six months ended June 30, 2016 to US$2.8 million for the six months ended June 30, 2017, primarily attributable to an increase in profit before tax.

The effective tax rate of the Group was 26.6% for the Reporting Period (six months ended June 30, 2016: 26.2%).

Profit for the period

Due to the above reasons, during the Reporting Period, profit for the period of the Group increased by 27.2% to US$7.8 million from US$6.1 million for the corresponding period of 2016. Net profit margin for the period of the Group during the Reporting Period and the corresponding period of 2016 were 11.8% and 10.5%, respectively.

Profit for the period attributable to owners of the parent

During the Reporting Period, profit for the period attributable to owners of the parent of the Group increased by 37.1% to US$7.8 million from US$5.7 million for the corresponding period of 2016. On June 26, 2016, the Company acquired all the remaining shares held by the non-controlling shareholders of Alma. As a result of the transaction, and as of the date of this report, the Company held 100% of Alma's shares.

Adjusted net profit and adjusted net profit margin

The Group calculates adjusted net profit by taking profit for the period and adding back (a) amortization of other intangible assets resulting entirely from the Alma Acquisition; (b) imputed interest expenses arising from the Capital Notes, which was no longer outstanding upon the completion of the Listing; (c) expenses incurred in relation to the Listing (one-off in nature); (d) finance costs arising from the buy-out loan from a related company, which will be repaid subsequent to the Listing and no longer be outstanding; and (e) deferred tax liability arising from other intangible assets, which primarily relates to the Alma Acquisition. The Group calculates adjusted net profit margin by dividing adjusted net profit by revenue.

The Group presents this financial measure because it is used to evaluate financial performance by excluding the impact of items that the Group does not consider indicative of the Group's ordinary operating performance or that will no longer be outstanding subsequent to the Listing.

The term adjusted net profit is not a financial measure defined under IFRSs. The use of adjusted net profit has material limitations as an analytical tool, as it does not include all items that impact net profit for the period. Items excluded from adjusted net profit are significant components in understanding and assessing the Group's operating and financial performance. The following table reconciles the adjusted net profit for the period presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is profit for the period:

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
Profit for the period	**7,818**	6,147
Adjusted for:		
Amortization of other intangible assets arising from the Alma Acquisition	**2,446**	2,449
Capital Notes imputed interest expenses	**2,112**	2,061
Listing expenses	**1,189**	—
Interest expense from a related party loan	**170**	—
Deduct: deferred tax arising from other intangible assets	**(440)**	(479)
Adjusted net profit	**13,295**	10,178
Adjusted net profit margin	**20.1%**	17.3%

Debt Structure, Liquidity and Sources of Funds

Net Current Liabilities

As at June 30, 2017, total liabilities of the Group decreased to US$235.5 million from US$238.7 million as at December 31, 2016 which shows no obvious change. While total current liabilities increased to US$191.9 million from US$47.0 million and total non-current liabilities decreased to US$43.6 million from US$191.7 million as at December 31, 2016, which led to a net current liabilities of US$91.6 million as at June 30, 2017, as compared to the net current assets of US$48.0 million as at December 31, 2016. The shift from a net current asset position to net current liabilities position was primarily due to the fact that in accordance with the terms of the Capital Notes issued against the interest-free loan from shareholders, the loan is repayable on demand in May 2018, and as such this was reclassified as current liabilities as at June 30, 2017 instead of non-current liabilities. As the Capital Notes were capitalized upon Listing, this does not affect the Group's liquidity or financial position after Listing.

Gearing Ratio

As at June 30, 2017, the gearing ratio, calculated as net debt divided by total equity plus net debt, was 77.8%, as compared with 81.8% as at December 31, 2016. Net debt includes interest-bearing bank borrowings, the Capital Notes and a loan from a related party, less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The Capital Notes were capitalized upon the Company's Listing on September 19, 2017.

Interest Coverage

During the Reporting Period, the interest coverage, which is calculated by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) divided by financial costs, was 4.8 times as compared with 4.2 times for the corresponding period of 2016. The interest coverage increased mainly because the Group's EBITDA during the Reporting Period increased by 17.0% to US$17.1 million from US$14.6 million for the corresponding period of 2016.

Available Facilities

The Group did not have any unutilized banking facilities. This is because the Company's borrowing was mainly used for the Alma Acquisition and the Group financed its operations historically through cash generated from operating activities.

Interest Rate

As at June 30, 2017, total interest-bearing bank and other borrowings at a floating interest rate amounted to US$43.0 million (December 31, 2016: US$48.9 million).

Maturity Structure of Outstanding Debts

	June 30, 2017 US$'000	December 31, 2016 US$'000
Within 1 year	**23,135**	22,091
1 to 2 years	**14,870**	13,995
2 to 5 years	**15,009**	22,677
Total	**53,014**	58,763

Collateral and Pledged Assets

On April 13, 2014, the Company entered into a loan agreement pursuant to which an unconditional guarantee agreement with the banks was entered into, pursuant to which the Company granted and pledged to the banks a continuing security interest in all the Company's assets. In addition, the Company granted and pledged to the banks all of the issued and outstanding shares of Alma and a floating charge over all of the present and future assets of the Company as they may be from time to time, the Company also agreed not to sell, transfer, assign, mortgage, pledge, lease, grant a security interest in, or encumber any of its assets. As at June 30, 2017, the Company has met all the aforementioned financial covenants.

Cash Flow

The cash of the Group is mainly used for meeting capital requirements, repaying interest and principals of debts due, paying for purchases and capital expenditures, and funding growth and expansion of facilities and businesses of the Group. The table below shows the cash flow of the Group generated from (or used in) operating activities, investing activities and financing activities for the Reporting Period and the corresponding period of 2016.

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
Net cash flows from operating activities	**9,339**	6,556
Net cash flows from investing activities	**5,813**	1,195
Net cash flows used in financing activities	**(7,759)**	(7,951)
Net increase/(decrease) in cash and cash equivalents	**7,393**	(200)
Cash and cash equivalents at the beginning of the period	**18,105**	19,256
Effect of foreign exchange rate changes, net	**(320)**	(93)
Cash and cash equivalents at the end of the period	**25,178**	18,963

Capital Commitments and Capital Expenditures

During the Reporting Period, capital expenditures of the Group amounted to US$2.4 million, which mainly consisted of additions to property, plant and equipment and other intangible assets.

As at June 30, 2017, the Group did not have any significant capital commitments.

Contingent Liabilities

As at June 30, 2017, the Group did not have any contingent liabilities.

Material Acquisition and Disposal

During the Reporting Period, the Group did not conduct any material acquisition or disposal.

Risk Management

Foreign Currency Exposure

The functional currency of the Group is the U.S. dollar and most of our sales proceeds are denominated in U.S. dollars. However, we also receive revenue globally in a few other currencies, particularly Euros, and incur costs mostly in New Israeli Shekels. Furthermore, the functional currencies of certain overseas subsidiaries are currencies other than the U.S. dollar, including the Euro and the Indian Rupee. As at the end of the Reporting Period, the assets and liabilities of these entities were translated into the U.S. dollar at the exchange rates prevailing at the end of the Reporting Period and their statements of profit or loss were translated into the U.S. dollar at the weighted average exchange rates for the period. As such the Group's results of operations are sensitive to changes in foreign currency exchange rates.

We have formally established hedging management framework since 2014 and our hedging transactions are mainly managed by our finance department. By analyzing our currency balance sheet and trends in the foreign exchange markets, we have entered into forward contracts from time to time to mitigate the adverse effects of exchange rate fluctuations.

Interest Rate Exposure

It is the Group's strategy to use debts with fixed and floating interest rates to manage its interest costs. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Potential Risks

I. Market risks

The global medical aesthetic treatment market is subject to intense competition. The Group competes against energy-based aesthetic devices offered by private and public companies, and these companies have specialty in developing and marketing energy-based medical aesthetic treatment systems. Additional competitors may enter the market, and the Group is likely to compete with new companies in the future. New technologies could be developed and commercialized that are superior to the Group's technologies. New entrants or existing competitors may develop products that would compete directly with the Group's products. If these competitors are better able to develop and market aesthetic treatment systems, or develop more effective and/or less expensive products that render the Group's systems obsolete or non-competitive, or deploy larger or more effective marketing and sales resources, the Group's business will be harmed and commercial opportunities will be reduced or eliminated.

II. Business and operating risks

Energy-based medical aesthetic treatment systems are inherently complex in design and require ongoing regular maintenance. The technical complexity of the products, changes in suppliers' manufacturing processes, the inadvertent use of defective or contaminated materials by suppliers and subcontractors, as well as various other factors, could restrict the Group's ability to achieve acceptable product reliability. In addition, the Group's products are produced using components and subassemblies supplied by third party suppliers, which may contain defects. As a result, should problems occur, it may be difficult to identify the source of the problem. There are also risks of physical injury to treatment recipients when treated with one of the Group's products, even if the product is not defective.

Employees and Remuneration Policies

The following table sets forth the number of our employees by function as at June 30, 2017:

Function	**Number of Employees**
Executive	1
Operations	145
Research and Development	57
Sales	86
Logistics	20
Marketing	17
Finance	19
Administrative	7
Total	**352**

The employees' remuneration comprises basic salary and performance-based salary. The performance-based salary is determined by reference to the performance appraisal of the employees of the Group. Through clearly locating position-oriented performance targets and formulating performance standards, the Company has managed to assess employees' performance in an objective manner. By materializing reward and penalty in the performance-related portion of the employees' remuneration, the Company is able to achieve the coexistence of incentives and restraints.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

	Notes	Six months ended June 30, 2017 US$'000 (Unaudited)	2016 US$'000 (Unaudited)
REVENUE	5	**66,288**	58,725
Cost of sales		**(30,201)**	(28,232)
Gross profit		**36,087**	30,493
Other income and gains	5	**1,376**	280
Selling and distribution expenses		**(11,821)**	(10,135)
Administrative expenses		**(5,971)**	(4,861)
Research and development expenses		**(4,818)**	(3,482)
Other expenses		**(642)**	(529)
Finance costs	7	**(3,555)**	(3,442)
PROFIT BEFORE TAX	6	**10,656**	8,324
Income tax expense	8	**(2,838)**	(2,177)
PROFIT FOR THE PERIOD		**7,818**	6,147
Attributable to:			
Owners of the parent		**7,818**	5,701
Non-controlling interests		**—**	446
		7,818	6,147
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted			
For profit for the period (US cents)	9	**3.51**	2.56

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2017

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**7,818**	6,147
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**483**	(32)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement loss of a defined benefit plan	—	(120)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**483**	(152)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**8,301**	5,995
Attributable to:		
Owners of the parent	**8,301**	5,549
Non-controlling interests	—	446
	8,301	5,995

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended June 30, 2017

	Notes	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
NON-CURRENT ASSETS			
Plant and equipment	10	**2,455**	2,353
Goodwill		**108,351**	108,351
Other intangible assets		**66,579**	67,092
Deferred tax assets		**6,503**	6,259
Other non-current assets		**136**	138
Total non-current assets		**184,024**	184,193
CURRENT ASSETS			
Inventories		**26,921**	21,955
Trade receivables	11	**28,327**	28,207
Prepayments, deposits and other receivables		**4,182**	2,966
Derivative financial instruments		**122**	187
Cash and bank balances	12	**40,731**	41,653
Total current assets		**100,283**	94,968
CURRENT LIABILITIES			
Trade payables	13	**9,631**	7,372
Other payables and accruals	14	**157,026**	15,209
Interest-bearing bank borrowings	15	**13,120**	12,246
Loan from a related party	16	**10,015**	9,845
Tax payable		**2,138**	2,300
Total current liabilities		**191,930**	46,972
NET CURRENT (LIABILITIES)/ASSETS		**(91,647)**	47,996
TOTAL ASSETS LESS CURRENT LIABILITIES		**92,377**	232,189
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	15	**29,879**	36,672
Deferred tax liabilities		**12,207**	12,613
Deferred income		**723**	634
Other long-term liabilities		**781**	141,784
Total non-current liabilities		**43,590**	191,703
NET ASSETS		**48,787**	40,486
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2**	2
Reserves		**48,785**	40,484
Total equity		**48,787**	40,486

Yi LIU
Director

Lior Moshe DAYAN
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2017

	Attributable to owners of the parent					
	Share capital US$'000 (Unaudited)	Share premium account US$'000 (Unaudited)	Other reserves US$'000 (Unaudited)	Exchange fluctuation reserve US$'000 (Unaudited)	Retained earnings US$'000 (Unaudited)	Total US$'000 (Unaudited)
At January 1, 2017	**2**	**999**	**17,263**	**(551)**	**22,773**	**40,486**
Profit for the period	—	—	—	—	**7,818**	**7,818**
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations	—	—	—	**483**	—	**483**
Total comprehensive income for the period	—	—	—	**483**	**7,818**	**8,301**
At June 30, 2017	**2**	**999***	**17,263***	**(68)***	**30,591***	**48,787**

* These reserve accounts comprise the reserves of US$ 48,785,000 (December 31, 2016: US$ 40,484,000) in the consolidated statement of financial position.

	Attributable to owners of the parent							
	Share capital US$'000 (Unaudited)	Share premium account US$'000 (Unaudited)	Other reserves US$'000 (Unaudited)	Exchange fluctuation reserve US$'000 (Unaudited)	Retained earnings US$'000 (Unaudited)	Total US$'000 (Unaudited)	Non-controlling interests US$'000 (Unaudited)	Total equity US$'000 (Unaudited)
At January 1, 2016	2	999	17,075	(341)	14,810	32,545	—	32,545
Profit for the period	—	—	—	—	5,701	5,701	446	6,147
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations	—	—	—	(32)	—	(32)	—	(32)
Remeasurement loss of a defined benefit plan	—	—	—	—	(120)	(120)	—	(120)
Total comprehensive income for the period	—	—	—	(32)	5,581	5,549	446	5,995
Reclassification of non-controlling interests of a subsidiary embedded with put options	—	—	—	—	—	—	(446)	(446)
Fair value adjustment on non-controlling interests of a subsidiary embedded with put options	—	—	205	—	—	205	—	205
At June 30, 2016	2	999	17,280	(373)	20,391	38,299	—	38,299

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2017

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**13,082**	9,175
Income tax paid	**(3,743)**	(2,619)
Net cash flows from operating activities	**9,339**	6,556
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**207**	140
Purchases of items of plant and equipment	**(461)**	(445)
Additions to other intangible assets	**(1,933)**	—
Decrease in term deposits with original maturity of more than three months	**8,000**	1,500
Net cash flows from investing activities	**5,813**	1,195
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loans	**(7,177)**	(6,393)
Acquisition of non-controlling interests	**—**	(169)
Interest paid	**(1,302)**	(1,190)
Proceeds from settlement of foreign currency forward contracts	**720**	115
Dividends paid to non-controlling shareholders of a subsidiary	**—**	(314)
Net cash flows used in financing activities	**(7,759)**	(7,951)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**7,393**	(200)
Cash and cash equivalents at beginning of period	**18,105**	19,256
Effect of foreign exchange rate changes, net	**(320)**	(93)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**25,178**	18,963
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the consolidated statements of cash flows	**25,178**	18,963
Pledged bank balances for long-term bank loans	**53**	51
Term deposits with original maturity of more than three months	**15,500**	18,500
Cash and bank balances as stated in the consolidated statements of financial position	**40,731**	37,514

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2017

1. CORPORATE INFORMATION

Sisram Medical Ltd (the "Company" or "Sisram") is a limited liability company incorporated under the laws of the State of Israel on April 25, 2013. The registered office of the Company is located at 14 Halamish Street, Caesarea Industrial Park, Caesarea 38900, Israel.

The Company is an investment holding company. During the Reporting Period, the Company's subsidiaries (together with the Company, the "Group") were mainly involved in the design, development, manufacture and sale of energy-based aesthetic medical and minimally invasive treatment systems.

On May 27, 2013, the Company acquired a 95.16% equity interest in Alma Lasers Ltd. ("Alma"), a global medical technology company incorporated in Caesarea, Israel. More details are set out in the paragraph headed "The Acquisition of the Group by the Fosun Pharma Group" in the section headed "History and Corporate Structure" in the Prospectus. On July 28, 2016, the Company acquired all the remaining shares held by the non-controlling shareholders of Alma (the "Remaining Shares"). As a result of the transaction, and as of the date of this report, the Company held 100% of Alma's shares.

The Shares of the Company became listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on September 19, 2017 (the "Listing").

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at June 30, 2017 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months ended June 30, 2017 (the "Reporting Period") have been prepared in accordance with IAS 34 *Interim Financial Reporting* approved by the International Accounting Standards Board (the "IASB").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group' s consolidated financial statements as at December 31, 2016.

The interim condensed consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended December 31, 2016, except for the adoption of revised International Financial Reporting Standards ("IFRSs") as noted below.

The Group has adopted the following revised IFRSs for the first time for the current period's interim condensed consolidated financial statements:

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements 2014–2016 Cycle*	*Disclosure of Interests in Other Entities*

The adoption of these revised IFRSs has had no significant financial effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these interim condensed consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating activities are related to a single operating segment, which is the design, development, manufacture and sale of energy-based aesthetic medical and minimally invasive treatment systems. Therefore, no analysis by operating segment is presented.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the value of services rendered.

An analysis of revenue, other income and gains is as follows:

	Six months ended June 30,	
	2017 US$'000 (Unaudited)	2016 US$'000 (Unaudited)
Revenue		
Sale of goods	**61,575**	53,653
Services and others	**4,713**	5,072
	66,288	58,725
Other income and gains		
Bank interest income	**185**	155
Foreign exchange gains, net	**602**	107
Fair value gains from foreign exchange forward contracts not qualifying as hedges	**589**	18
	1,376	280

6. PROFIT BEFORE TAX

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	**21,409**	19,380
Cost of services and others	**8,792**	8,852
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages and salaries	**10,077**	8,722
Defined benefit plan costs	**421**	348
	10,498	9,070
Research and development expenses:		
Current period expenditure	**4,818**	3,482
Listing expenses	**1,189**	—
Auditors' remuneration	**127**	117
Minimum lease payments under operating leases	**830**	782
Depreciation (note 10)	**430**	369
Amortisation of other intangible assets	**2,446**	2,449
Provision for impairment of inventories	**337**	258
Provision for impairment of trade receivables	**305**	271
Foreign exchange differences, net	**(602)**	(107)

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Interest on loans and borrowings	**1,443**	1,381
Imputed interest on long-term interest-free capital notes	**2,112**	2,061
	3,555	3,442

8. INCOME TAX

The Israeli corporate tax rates applicable to the Company were 25.0% and 24.0% for the six months ended June 30, 2016 and 2017, respectively. Each entity in the group is taxable based on its standalone results as measured by the local tax system.

No income tax has been provided for Sisram itself as there was no assessable profit earned by Sisram for the Reporting Period. Taxes on taxable income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

Alma Lasers Ltd., the major operating subsidiary of the Company, was granted the status of "Preferred Enterprise" under the Law for the Encouragement of Capital Investments, 1959 (as amended in 2011, the "2011 Amendment of the Investment Law") and therefore enjoyed a preferential corporate tax rate of 16% during the Reporting Period.

The income of Alma Lasers Inc. is taxed based upon the tax law in the United States, the country of residence. Alma Lasers Inc. had cumulative net operating losses for U.S. federal income tax return purposes at the end of the Reporting Period.

The income of the Alma Lasers GmbH, a subsidiary incorporated in Germany, is taxed based upon the tax law in Germany, the country of residence. Income was taxed at a flat corporate income tax rate of 15% during the Reporting Period and was also subject to additional trade income taxes of 15.65% as applicable.

The income of the Alma Lasers AT GmbH, a subsidiary incorporated in Austria, is taxed based upon the tax law in Austria, the country of residence. Income was taxed at a flat corporate income tax rate of 25% during the Reporting Period and was also subject to additional trade income taxes as applicable.

The income of Alma Medical Private Limited, a subsidiary incorporated in India, is taxed based upon the tax law in India, the country of residence. Income was taxed at a corporate income tax rate of 30.9% during the Reporting Period (which was not a flat rate but included many deductions/exemptions/rebates as per Income tax Act 1961) and was also subject to withholding taxes as per provisions of the said Income tax act 1961.

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Current	**3,488**	2,521
Deferred	**(650)**	(344)
Total tax charge for the period	**2,838**	2,177

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the six months ended June 30, 2017 and 2016 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 222,948,648 (six months ended June 30, 2016: 222,948,648) in issue during the period.

The calculation of basic earnings per share is based on:

	Six months ended June 30,	
	2017	2016
	US$' 000	US$' 000
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	**7,818**	5,701

	Six months ended June 30,	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation*	**222,948,648**	222,948,648

* Arrived at on the assumption that the capitalization issue of 222,213,648 shares (note 22) had been effective since January 1, 2016.

No adjustment has been made to the basic earnings per share presented for the six months ended June 30, 2017 and 2016 as the Group had no potentially dilutive ordinary shares in issue during those periods.

10. PLANT AND EQUIPMENT

	Six months ended June 30,	
	2017	2016
	US$' 000	US$' 000
	(Unaudited)	(Unaudited)
Carrying value at beginning of the Reporting Period	**2,353**	2,054
Additions	**532**	718
Depreciation charge for the Reporting Period	**(430)**	(369)
Carrying value at end of the Reporting Period	**2,455**	2,403

11. TRADE RECEIVABLES

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Trade receivables	**29,261**	29,185
Impairment	**(934)**	(978)
	28,327	28,207

The Group's trading terms with its customers are mainly on credit. The ordinary credit period is up to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of the Reporting Period, based on the invoice date and net of provisions, is as follows:

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Within 1 month	**12,218**	12,361
1 to 2 months	**6,591**	6,584
2 to 3 months	**3,414**	3,152
Over 3 months	**6,104**	6,110
	28,327	28,207

12. CASH AND BANK BALANCES

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Cash and cash equivalents as stated in the consolidated statements of cash flows	**25,178**	18,105
Pledged bank balances for long-term bank loans	**53**	48
Term deposits with original maturity of more than three months	**15,500**	23,500
Cash and bank balances as stated in the consolidated statements of financial position	**40,731**	41,653

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of above three months to less than one year, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

13. TRADE PAYABLES

An aged analysis of the trade payables as at the end of Reporting Period, based on the invoice date, is as follows:

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Within 1 month	**2,293**	3,024
1 to 2 months	**2,566**	2,030
2 to 3 months	**4,711**	2,318
Over 3 months	**61**	—
	9,631	7,372

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

14. OTHER PAYABLES AND ACCRUALS

	Note	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Advances from customers		**458**	618
Payroll		**4,675**	5,217
Accrued expenses		**6,084**	6,385
Current portion of deferred warranty income		**1,579**	1,721
Interest-free loan from shareholders payable within one year	(a)	**143,024**	—
Others		**1,206**	1,268
		157,026	15,209

Note:

(a) In May 2013, the Company issued capital notes (the "Capital Notes") to its three shareholders in the amount of US$146,920,000. The Notes bear no interest and the holders of the Notes may demand repayment at any time after five years from the date of issuance of the Notes. The repayment of the Notes is subordinated to other obligations of the Company but senior to the distribution of the assets of the Company in its liquidation.

The Group recognised the Capital Notes as the long-term liabilities initially in their present value using the discount rate of 3%, which was the interest rate of 5-year long-term loan in US$ in the local financial market. The difference between original value and present value was recorded in reserves. The Company then recorded the interest expenses using the effective interest method in the following years.

The Group reclassified the Capital Notes as other payables and accruals as at June 30, 2017 since it is repayable on demand in May 2018 according to the loan agreement.

On September 19, 2017, all the carrying amount of the Capital Notes was capitalized into 129,051,352 Shares issued (note 22).

15. INTEREST-BEARING BANK BORROWINGS

	As at June 30, 2017			As at December 31, 2016		
	Effective interest rate (%)	Maturity	US$'000 (Unaudited)	Effective interest rate (%)	Maturity	US$'000 (Audited)
Current						
	6-month LIBOR+ 2.75	**2017-2018**	**13,120**	6-month LIBOR+ 3.75	2017	12,246
Non-current						
	6-month LIBOR+ 2.75	**2020**	**29,879**	6-month LIBOR+ 3.75	2020	36,672
			42,999			48,918

Note: LIBOR stands for London Interbank Offered Rate.

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Loan balance	**43,734**	49,857
Less: loan arrangement fees	**735**	939
	42,999	48,918
Analysed into:		
Within one year	**13,120**	12,246
In the second year	**14,870**	13,995
In the third to fifth years, inclusive	**15,009**	22,677
	42,999	48,918

(a) In May 2014, the Company obtained a bank loan of US$82,000,000 from a group of banks. The loan was to be repaid in twelve semi-annual instalments commencing in October 2014. On December 31, 2014, the Company paid US$9,900,000 as an early repayment. The loan was secured by 100% equity interests of the Company held by the three shareholders of the Company. As part of this loan, the Company paid coordination and arrangement fees in the amount of US$2,050,000 which will be amortised over the term of the loan.

(b) On April 13, 2014, the Company entered into a loan agreement pursuant to which an unconditional guarantee agreement with the banks was entered into, pursuant to which, the Company granted and pledged to the banks a continuing security interest in all the Company's assets. In addition, the Company granted and pledged to the banks all of the issued and outstanding shares of Alma and a floating charge over all of the present and future assets of the Company as they may be from time to time, the Company also agreed not to sell, transfer, assign, mortgage, pledge, lease, grant a security interest in, or encumber any of its assets. As at June 30, 2017, the Company has met all the aforementioned financial covenants.

16. LOAN FROM A RELATED PARTY

	Note	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Fosun Industrial Co., Limited	(a)	**10,015**	9,845

Note:

(a) On July 21, 2016, the Company received a loan from Fosun Industrial Co., Limited, a related party of the Company, in an aggregate amount of US$9,690,000 under the following terms:

1. The loan principal bears interest at an annual interest rate of 3.5%.
2. The principal amount and the applicable interest will be paid in one instalment on the earlier of July 21, 2020, and no later than 60 days from the occurrence of any of the following events:
    - The consummation of an Initial Public Offering ("IPO") of Sisram on the Stock Exchange;
    - Inability to comply with certain financial covenants.

The loan is classified as a current liability because of the early repayment option in connection with the IPO. The Company has fully repaid the loan on September 21, 2017.

17. DIVIDEND

The Directors did not recommend the payment of an interim dividend in respect of the Reporting Period (for the six months period ended June 30, 2016: Nil).

18. OPERATING LEASE ARRANGEMENTS AND COMMITMENTS

Operating lease arrangements

As lessee

The Group leases certain of its office building, production plant and equipment and commercial vehicles under operating lease arrangements. The leases are negotiated for terms ranging from three to ten years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Within one year	**3,008**	2,554
In the second to fifth years, inclusive	**6,762**	7,781
After five years	**11,468**	9,377
	21,238	19,712

Commitments

Other than the operating lease commitments detailed above, the Group did not have any significant capital commitments as at the end of the Reporting Period.

19. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the interim condensed consolidated financial statements, the Group had no transactions with its related parties during the Reporting Period:

(b) Outstanding balances with related parties:

(i) The Company had outstanding capital notes due to their shareholders at the end of the Reporting Period.

(ii) Details of the Company's loan from a related party are included in note 16 to the notes to interim condensed consolidated financial statements.

(c) Compensation of key management personnel of the Group:

	Six months ended June 30,	
	2017	2016
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Salaries, allowances and benefits in kind	**712**	652
Performance related bonuses	**189**	189
Total compensation paid to key management personnel	**901**	841

20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows:

Financial assets

	As at June 30, 2017	As at December 31, 2016
	US$'000	US$'000
	(Unaudited)	(Audited)
Financial assets at fair value through profit or loss designated as such upon initial recognition		
Derivative financial instruments	**122**	187
Loans and receivables		
Other non-current assets	**136**	138
Trade receivables	**28,327**	28,207
Financial assets included in prepayments, deposits and other receivables	**946**	1,400
Cash and bank balances	**40,731**	41,653
	70,140	71,398
	70,262	71,585

20. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows (continued):

Financial liabilities

	As at June 30, 2017 US$'000 (Unaudited)	As at December 31, 2016 US$'000 (Audited)
Financial liabilities at amortised cost		
Trade payables	**9,631**	7,372
Financial liabilities included in other payables and accruals	**150,314**	7,653
Interest-bearing bank borrowings	**42,999**	48,918
Loan from a related party	**10,015**	9,845
Financial liabilities included in other long-term liabilities	**–**	140,912
	212,959	214,700

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at June 30, 2017 and December 31, 2016, the fair values of the Group's financial assets or financial liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, deposits, and other receivables, trade payables, financial liabilities included in other payables and accruals and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of the Reporting Period, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the non-current portion of interest-bearing bank borrowings and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank borrowings as at the end of the Reporting Period was assessed to be insignificant.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group enters into derivative financial instruments with The Hongkong and Shanghai Banking Corporation Limited. Derivative financial instruments, including forward currency contracts, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at June 30, 2017 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Foreign exchange forward contracts	—	122	—	122

As at December 31, 2016 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
Foreign exchange forward contracts	—	187	—	187

During the Reporting Period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

22. EVENTS AFTER THE REPORTING PERIOD

The Company became listed on the Main Board of The Stock Exchange of Hong Kong Limited on September 19, 2017. In connection with the Company's initial public offering, 88,000,000 new Shares of the Company were issued and allotted at an offer price of HK$8.88 per Share.

A total number of 351,265,000 new Shares was issued pursuant to the capitalization issue on September 19, 2017, comprising 222,213,648 Shares issued pursuant to the capitalization of the share premium upon the share premium account of the Company being credited as a result of the allotment and issue of the Shares pursuant to the Listing and 129,051,352 Shares issued pursuant to the capitalization of the Capital Notes with a total investment amount of US$146,920,000 (note 14).

On September 21, 2017, the Company fully repaid the loan from a related party, Fosun Industrial Co., Limited (note 16).

23. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on September 28, 2017.

GENERAL INFORMATION

Results and Dividends

The Group's profit for the six months ended June 30, 2017 (the "Reporting Period") and the state of affairs of the Group as at June 30, 2017 are set out in the interim condensed consolidated financial statements and the accompanying notes on pages 11 to 30.

The Board has not recommended the distribution of any interim dividend for the Reporting Period.

The Global Offering

On September 19, 2017, the Shares of the Company were listed on the Main Board of the Stock Exchange. The global offering of the Shares (the "Global Offering") comprised the Hong Kong public offering of initially 11,000,000 Shares and the international offering (including the preferential offering) of initially 99,000,000 Shares (subject to, in each case, reallocation and the over-allotment option granted by the Company). Net proceeds from the Global Offering before any exercise of the over-allotment option received by the Company were approximately HK$688.7 million. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus. As at the date of this interim report, the Company has not used any of the net proceeds received from the Global Offering.

Share Capital

On August 30, 2017, in preparation for the Global Offering, the existing shareholders of the Company passed resolution to increase the authorised share capital of the Company from NIS10,000 comprising 1,000,000 Shares of NIS0.01 each to NIS10,000,000, comprising 1,000,000,000 Shares of NIS0.01 each.

Immediately following the completion of the Global Offering and the capitalisation issue, comprising the capitalization of NIS2,222,136.48 from the share premium account of the Company and the capitalization of the capital notes in the amount of US$146,920,000 and as at the date of this interim report, the authorised share capital of the Company is NIS10,000,000, comprising 1,000,000,000 Shares of NIS0.01 each, among which, 440,000,000 Shares are issued and fully paid.

Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued Shares as at the date of this interim report.

Purchase, Sale or Redemption of Listed Securities by the Company

Since the Listing Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures

As at September 26, 2017, being the latest practicable date for ascertaining certain information contained herein (the "Latest Practicable Date"), the interest 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 (Chapter 571 of the laws of Hong Kong) (the "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 (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

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
WU Yifang	Shanghai Fosun Pharmaceutical (Group) Co., Ltd. ("Fosun Pharma")	H shares	Beneficial owner (Personal)	312,000	0.06%
		A shares	Beneficial owner (Personal)	683,900	0.03%
WANG Yao	Fosun Pharma	A shares	Beneficial owner (Personal)	50,000	0.002%
LI Chun	Fosun Pharma	A shares	Beneficial owner (Personal)	233,000	0.01%

Save as disclosed in the foregoing, as at the date of this interim report, none of the Directors or chief executive 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.

Interests and Short Positions of Substantial Shareholders in Shares and Underlying Shares of the Company

As at the Latest Practicable Date, the following persons (other than the Director or chief executive of the Company) had the following interests and short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of Part XV of the SFO:

Name of Shareholder	Capacity	Number of Shares held or interested	Approximate Percentage (%)
Chindex Medical Limited ("CML")	Legal and beneficial interest	127,318,640(L)[1]	28.94%
Ample Up Limited ("Ample Up")[3]	Legal and beneficial interest	105,705,360(L)	
	Interest in controlled corporation	127,318,640(L)	
		233,024,000(L)	52.96%
Magnificent View Investments Limited ("Magnificent View")	Legal and beneficial interest	96,976,000(L)	22.04%
Pramerica-Fosun China Opportunity Fund, L.P. ("Pramerica-Fosun Fund")[4]	Interest in controlled corporation	96,976,000(L)	22.04%
Fosun Equity Investment Ltd. ("Fosun Equity Investment")[5]	Interest in controlled corporation	96,976,000(L)	22.04%
Fosun Pharma[6]	Interest in controlled corporation	233,024,000(L)	52.96%
Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun High Tech")[7]	Interest in controlled corporation	233,024,000(L)	52.96%
Fosun International Limited ("Fosun International")[8]	Interest in controlled corporation	330,000,000(L)	75.00%
Fosun Holdings Limited ("FHL")[9]	Interest in controlled corporation	330,000,000(L)	75.00%
Fosun International Holdings Ltd. ("FIHL")[10]	Interest in controlled corporation	330,000,000(L)	75.00%
Mr. GUO Guangchang[11]	Interest in controlled corporation	330,000,000(L)	75.00%
China International Capital Corporation Hong Kong Securities Limited ("CICC Securities")	Legal and beneficial interest	21,705,441(L) 16,500,000(S)[2]	4.93% 3.75%
China International Capital Corporation (Hong Kong) Limited ("CICC HK")[12]	Interest in controlled corporation	21,705,441(L) 16,500,000(S)	4.93% 3.75%
China International Capital Corporation Limited ("CICC")[13]	Interest in controlled corporation	21,705,441(L) 16,500,000(S)	4.93% 3.75%

Notes:

(1) (L): Long Positions

(2) (S): Short Positions

(3) CML is wholly owned by Ample Up. Ample Up is deemed to be interested in the Shares which CML is interested in as legal and beneficial owner.

(4) Magnificent View is wholly owned by Pramerica-Fosun Fund. Pramerica-Fosun Fund is deemed to be interested in the Shares which Magnificent View is interested in as legal and beneficial owner.

(5) Fosun Equity Investment is the general partner of Pramerica-Fosun Fund. Fosun Equity Investment is deemed to be interested in the Shares which Pramerica-Fosun Fund is interested in.

(6) Ample Up is wholly owned by Fosun Pharma and Fosun Pharma's wholly-owned subsidiary, Fosun Industrial Co., Limited. Accordingly, Fosun Pharma is deemed to be interested in an aggregate holding of 233,024,000 Shares which Ample Up is interested in, comprising 105,705,360 Shares held by Ample Up and 127,318,640 Shares held by CML.

(7) 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 which Fosun Pharma is interested in.

(8) Fosun High Tech and Fosun Equity Investment are both wholly owned by Fosun International. Fosun International is deemed to be interested in the Shares which Fosun High Tech and Fosun Equity Investment are interested in.

(9) 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 which Fosun International is interested in.

(10) FHL is wholly owned by FIHL. FIHL is deemed to be interested in the Shares which FHL is interested in.

(11) Mr. GUO Guangchang controls the exercise of more than one-third of the voting rights at the general meeting of FIHL. Mr. GUO Guangchang is deemed to be interested in the Shares which FIHL is interested in.

(12) CICC Securities is wholly owned by CICC HK. CICC HK is deemed to be interested in the Shares which CICC Securities is interested in as legal and beneficial owner.

(13) CICC HK is wholly owned by CICC. CICC is deemed to be interested in the Shares which CICC HK is interested in.

Save as disclosed herein, there is no other person known to the Directors or chief executive of the Company who, as at the date of this interim report, 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 any other member of the Group.

Model Code for Securities Transactions

The Company has adopted the Model Code as its code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all Directors confirmed that they have complied with the standards as set out in the Model Code since the Listing Date.

Compliance with the Corporate Governance Code

The Company is committed to enhancing shareholder value by achieving high standards of corporate conduct, transparency and accountability. Since the Listing Date, the Company has been in full compliance with all applicable code provisions of the Corporate Governance Code and Corporate Governance Report as contained in Appendix 14 of the Listing Rules.

Review of Interim Report by the Audit Committee of the Company

The Audit Committee of the Company comprised Mr. Heung Sang Addy FONG, Mr. Chi Fung Leo CHAN and Ms. Jenny CHEN, all being independent non-executive Directors. The Audit Committee of the Company has reviewed the unaudited interim results and the interim report of the Group for the six months ended June 30, 2017.

Share Option Scheme

The Company adopted a share option scheme on June 29, 2015, which has been terminated immediately upon the listing of the Shares on the Main Board of the Stock Exchange. The Company did not grant any options under such share option scheme.

CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yi LIU (劉毅) *(Chairman)*
Mr. Lior Moshe DAYAN *(Chief Executive Officer)*

Non-executive Directors

Mr. Yifang WU (吳以芳)
Mr. Chun LI (李春)
Mr. Yao WANG (汪曜)
Ms. Yu HU (胡羽)

Independent Non-executive Directors

Mr. Heung Sang Addy FONG (方香生)
Mr. Chi Fung Leo CHAN (陳志峰)
Ms. Jenny CHEN (陳怡芳)
Mr. Kai Yu Kenneth LIU (廖啟宇)

Company Secretary

Ms. Yee Har Susan LO (盧綺霞) *(FSC(PE), FCIS)*

Authorized Representatives

Ms. Yee Har Susan LO (盧綺霞)
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Mr. Yi LIU (劉毅)
1#-1-302, No.56
Jiaoda East Road
Haidian District
Beijing
the PRC

Audit Committee

Mr. Heung Sang Addy FONG (方香生) *(Chairman)*
Mr. Chi Fung Leo CHAN (陳志峰)
Ms. Jenny CHEN (陳怡芳)

Nomination Committee

Mr. Yi LIU (劉毅) *(Chairman)*
Mr. Heung Sang Addy FONG (方香生)
Mr. Chi Fung Leo CHAN (陳志峰)

Remuneration Committee

Mr. Chi Fung Leo CHAN (陳志峰) *(Chairman)*
Mr. Yi LIU (劉毅)
Mr. Heung Sang Addy FONG (方香生)

Headquarters, Registered Office and Principal Place of Business in Israel

14 Halamish Street
Caesarea Industrial Park
Caesarea 38900
Israel

Principal Place of Business in Hong Kong

Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Compliance Adviser

CMB International Capital Limited
Units 1803-4, 18/F
Bank of America Tower
12 Harcourt Road
Hong Kong

Auditors

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

Hong Kong Legal Adviser

Freshfields Bruckhaus Deringer
11/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Israeli Legal Adviser

Weinstock Zecler & Co, Law Offices
5 Azrieli Center
Tel-Aviv, 67025
Israel

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Stock Short Name

SISRAM MED

Stock Code

1696

Company Website

www.sisram-medical.com

DEFINITIONS

In this interim report, the following expressions have the meanings set out below unless the context requires otherwise.

"Board"	the board of Directors of the Company
"Company"	Sisram Medical Ltd, a company incorporated in Israel with limited liability and whose Shares are listed on the Stock Exchange
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Date"	September 19, 2017, being the date on which the Shares were listed on the Main Board of the Stock Exchage
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Prospectus"	the prospectus issued by the Company on September 5, 2017 in connection with the Hong Kong public offering and the preferential offering of the Shares
"Share(s)"	the share(s) in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of the United States