THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Biosysen Limited** (the "**Company**"), you should at once hand the Prospectus Documents to the purchaser or to the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or transferee.

A copy of this Prospectus, together with copies of the documents specified in the paragraph headed "**14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Biosysen
The Bioware Company

BIOSYSEN LIMITED
生 物 系 統 工 程 有 限 公 司
(formerly known as "Legend Strategy International Holdings Group Company Limited 朸濬國際集團控股有限公司")
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1355)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent of the Company

駿達證券有限公司
Tiger Faith Securities Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. If the Rights Issue is not fully subscribed, the number of Rights Shares that are not subscribed by the Qualifying Shareholders or renouncees or transferees of the nil-paid Rights under the PALs (i.e. the Unsubscribed Rights Shares) will be placed to independent Placees on a best effort basis through the Placing. The Unsubscribed Rights Shares that are not placed will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue.

The Shares have been dealt in on an ex-rights basis from Friday, 24 July 2026. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, 6 August 2026 to Thursday, 13 August 2026 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights up to the date on which all the conditions to which the Rights Issue are fulfilled (which is expected to be on Thursday, 3 September 2026) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

4 August 2026

CONTENTS

Page

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

"AFRC"	the Accounting and Financial Reporting Council
"Announcement"	the announcement of the Company dated 24 June 2026 in relation to the Rights Issue and the Placing
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day(s) (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	Biosysen Limited 生物系統工程有限公司 (formerly known as "Legend Strategy International Holdings Group Company Limited 朸濬國際集團控股有限公司"), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1355)
"Compensatory Arrangements"	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed "The Compensatory Arrangements" in this prospectus
"connected person(s)"	has the meaning ascribed to it under the Listing Rule
"Director(s)"	the director(s) of the Company

"General Rules of HKSCC"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, are third parties independent of and not connected with the Company and its connected persons (or any of their respective associate) within the meaning of the Listing Rules
"Last Trading Day"	Wednesday, 24 June 2026, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement
"Latest Practicable Date"	27 July 2026, being the latest practicable date prior to printing of this prospectus for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 18 August 2026 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
"Latest Time for Termination"	4:00 p.m. on Thursday, 3 September 2026 or such later time or date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Rights Issue and the Placing Agreement

"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MGO Obligation"	the obligation to make a mandatory general offer under the Takeovers Code
"No Action Shareholders"	those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounces who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (if any)
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"NQS Unsold Rights Shares"	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that have not been sold by the Company
"Overseas Shareholder(s)"	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
"Placee"	any professional, institutional and other investor, independent of and not connected with the connected persons of the Company and their respective associates, whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to its obligations under the Placing Agreement

"Placing"	the offer by way of private placing of the Placing Shares on a best effort basis by the Placing Agent and/or its subplacing agents(s), who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies), to independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Tiger Faith Securities Limited, a company incorporated in Hong Kong with limited liabilities and licensed by the SFC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under SFO
"Placing Agreement"	the placing agreement dated 24 June 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
"Placing Long Stop Date"	4:00 p.m. on Thursday, 3 September 2026 or such later date as the Company and the Placing Agent may agree in writing
"Placing Period"	the period from Wednesday, 26 August 2026 up to 4:00 p.m. on Wednesday, 2 September 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Shares"	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s) to be placed to the Placee(s) by the Placing Agent
"PRC"	means the People's Republic of China, excluding, for the purposes of this prospectus, Hong Kong, Macau and Taiwan
"Prospectus"	the prospectus to be despatched to the Shareholders by the Company containing details of the proposed Rights Issue
"Prospectus Documents"	the Prospectus and the PAL to be despatched by the Company

"Prospectus Posting Date"	Tuesday, 4 August 2026 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
"Provisional Allotment Letter(s)" or "PAL(s)"	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
"Public Float Requirement"	the public float requirement under Rule 13.32B of the Listing Rules
"Qualifying Shareholder(s)"	Shareholder(s) who(se) name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Monday, 3 August 2026 or such other date as may be determined by the Company, being the date by reference to which the Shareholders' entitlements to the Rights Issue are to be determined
"Registrar"	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong
"Rights Issue"	the proposed issue of up to 596,532,580 Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing Shares held at the close of business on the Record Date, payable in full on acceptance
"Rights Shares"	up to 596,532,580 new Shares to be allotted and issued under the Rights Issue
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.068 per Rights Share
"substantial shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers
"Unsubscribed Rights Share(s)"	the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue
"%"	per cent

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the Placing is set out below:

Event	**Time and Date (Hong Kong time)**
First day of dealings in nil-paid Rights Shares	Thursday, 6 August 2026
Latest time for splitting of PALs	4:00 p. m. on Monday, 10 August 2026
Last day of dealings in nil-paid Rights Shares	Thursday, 13 August 2026
Latest time for lodging transfer documents of nil-paid Rights Shares to qualify for the Compensatory Arrangements	4:00 p.m. on Tuesday, 18 August 2026
Latest Time for Acceptance of and payment for Rights Shares	4:00 p.m. on Tuesday, 18 August 2026
Announcement of number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Tuesday, 25 August 2026
Commencement of placing of Placing Shares by the Placing Agent	Wednesday, 26 August 2026
Latest time for placing of Placing Shares by the Placing Agent	4:00 p.m. on Wednesday, 2 September 2026
Latest Time for Termination	4:00 p.m. on Thursday, 3 September 2026
Announcement of results of the Rights Issue (including results of the Placing and amount of Net Gain per Unsubscribed Rights Share and NQS Unsold Rights Share under the Compensatory Arrangements)	Monday, 7 September 2026
Despatch of share certificates for fully-paid Rights Shares and refund cheques, if any (if the Rights Issue is terminated)	Tuesday, 8 September 2026

Event	Time and Date (Hong Kong time)
Expected first day of dealings in fully-paid. Rights Shares	Wednesday, 9 September 2026
Payment of Net Gain to relevant No Action Shareholders (if any)	Thursday, 24 September 2026

Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended, amended or varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 18 August 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 18 August 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the section headed "EXPECTED TIMETABLE" in this prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

BIOSYSEN LIMITED
生物系統工程有限公司
(formerly known as "Legend Strategy International Holdings Group Company Limited 朸濬國際集團控股有限公司")
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1355)

Executive Director:
Ms. Lee Tsz Yan

Non-executive Directors:
Mr. Cheung Ching Mo
Mr. Hu Xinglong

Independent non-executive Directors:
Mr. Wu Jilin
Mr. Lam Cheung Shing Richard
Mr. So Yin Wai

Registered Office:
Cricket Square, Hutchins Drive, P.O. Box, 2681, Grand Cayman,
KY1-1111,
Cayman Islands

Headquarter and Principal Place of Business in Hong Kong:
Level 28, Lee Garden Two,
28 Yun Ping Road,
Causeway Bay, Hong Kong

4 August 2026

To the Shareholders,

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue. On 24 June 2026, the Board announced that the Company proposed to raise up to approximately HK$40 million, before expenses, by issuing up to 596,532,580 Rights Shares by way of the Rights Issue, on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.068 per Rights Share. There will be no excess application arrangements in relation to the Rights Issue. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

The purpose of this prospectus is to provide you with, among other things, further details on (i) the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) the financial information of the Group; and (iii) the general information of the Group.

PROPOSED RIGHTS ISSUE

The Board proposed the Rights Issue, details of which are summarised below:

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$0.068 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	1,193,065,160 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	Up to 596,532,580 Rights Shares (assuming (i) no change in the total number of Shares in issue on or before the Record Date and (ii) full subscription under the Rights Issue)
Total number of Shares in issue immediately upon completion of the Rights Issue	:	Up to 1,789,597,740 Shares (assuming (i) no change in the total number of Shares in issue on or before the Record Date and (ii) full subscription under the Rights Issue)
Gross proceeds from the Rights Issue (before deducting the relevant expenses)	:	Up to approximately HK$40 million (assuming (i) no change in the total number of Shares in issue on or before the Record Date and (ii) full subscription under the Rights Issue)
Net proceeds from the Rights Issue (after deducting the estimated relevant expenses)	:	Up to approximately HK$39 million (assuming (i) no change in the total number of Shares in issue on or before the Record Date and (ii) full subscription under the Rights Issue)

596,532,580 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 50% of the total number of the existing issued Shares as at the Latest Practicable Date; and (ii) approximately 33.33% of the total number of the issued Shares as enlarged by the allotment and issue of the Rights Shares immediately upon completion of the Rights Issue (assuming full subscription under Rights Issue).

As at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares, save that the Company and Osibao Cosmetics International Limited ("**Osibao Cosmetics HK**"), a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Mr. Cheung Ching Mo, a non-executive Director of the Company, have entered into the subscription and settlement agreement dated 26 May 2026 (the "**Subscription and Settlement Agreement**"), pursuant to which the Company has conditionally agreed to issue, and Osibao Cosmetics HK has conditionally agreed to subscribe for, zero coupon unsecured redeemable convertible bonds due 2031 in the aggregate principal amount of HK$50.0 million (the "**Convertible Bonds**") at face value, the subscription price of which shall be satisfied by Osibao Cosmetics HK upon completion of the issue of the Convertible Bonds by way of set-off against the shareholder's loan in the amount of HK$50.0 million owed by the Group to Osibao Cosmetics HK. The subscription of the Convertible Bonds by Osibao Cosmetics HK constitutes a connected transaction of the Company under the Listing Rules and is subject to announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to an ordinary resolution passed by the independent shareholders at the extraordinary general meeting held on 27 July 2026, the subscription of the Convertible Bonds by Osibao Cosmetics HK was approved. For further details, please refer to the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this prospectus. As at the Record Date, Osibao Cosmetics HK confirms that there will be no conversion of Shares in relation to the Convertible Bonds.

Subscription Price

The Subscription Price is HK$0.068 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 57.23% to the closing price of HK$0.159 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 51.43% to the closing price of HK$0.140 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 50.29% to the average closing price of HK$0.1368 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the Last Trading Day;

(iv) a discount of approximately 51.08% to the average closing price of HK$0.1390 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to the Last Trading Day;

(v) a discount of approximately 41.38% to the theoretical ex-rights price of HK$0.116 per Share based on the closing price of HK$0.140 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 17.14%, represented by the theoretical diluted price of HK$0.116 per Share to the benchmarked price of HK$0.140 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day);

(vii) a premium of approximately HK$0.1542 over the audited consolidated net liability value per Share as at 31 December 2025 of approximately HK$0.0862 per Share based on the audited consolidated net liabilities of the Group of approximately HK$102,901,000 as at 31 December 2025 and the total number of 1,193,065,160 Shares in issue as at the Latest Practicable Date; and

(viii) a premium of approximately HK$0.098 over the audited consolidated net tangible liabilities of the Group attributable to the owners of the Company per Share of approximately HK$0.030 as at 31 December 2025, which was calculated based on the audited consolidated net liabilities of the Group attributable to the owners of the Company of approximately HK$35,250,000 as at 31 December 2025 and the total number of 1,193,065,160 Shares in issue as at the Latest Practicable Date.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to (i) the recent market price under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of the Rights Issue as discussed in this prospectus.

In determining the Subscription Price of HK$0.068 per Rights Share, the Board took into account the following factors. As regards the prevailing market price and recent trading performance of the Shares, the Board reviewed the daily closing price and daily trading volume of the Shares during the period from 1 June 2025 to the Last Trading Day. During that period, the closing price of the Shares fluctuated within a range of HK$0.071 to HK$0.218 per Share, with the closing price on the Last Trading Day being HK$0.140 per Share. The average daily trading volume of the Shares during that period amounted to approximately 1,100,000 Shares, representing approximately 0.1% of the total number of issued Shares as at the Last Trading Day. The Board considered that the relatively low level of trading volume indicated limited liquidity and demand for the Shares in the market. Having regard to the prevailing trading price and the subdued trading liquidity of the Shares, the Board considered that a meaningful discount to the then prevailing market price of the Shares was necessary and appropriate in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders to participate in the Rights Issue. As regards the latest business performance and financial position of the Group, as at 31 December 2025, the Group recorded net liabilities of approximately HK$102.9 million and total liabilities of approximately HK$183.3 million, comprising principally borrowings and lease liabilities of approximately HK$43.6 million and approximately HK$118.6 million respectively. In addition, the Subscription Price of HK$0.068 per Rights Share represents a premium of approximately HK$0.1542 over the audited consolidated net liability value per Share of approximately HK$0.0862 as at 31 December 2025. The Board considered that, given the Group's net liabilities position and its ongoing funding requirements, it was necessary to set the Subscription Price at a level that would maximise the participation of the Qualifying Shareholders in the Rights Issue whilst enabling the Company to raise up to approximately HK$40 million in gross proceeds (assuming full subscription), which the Board considers sufficient to meet the Group's immediate funding requirements. The Rights Issue, as a form of equity financing, will directly improve the Group's net liabilities position without creating any additional debt repayment obligations, and provides all Qualifying Shareholders with the opportunity to participate in the fundraising on a pro-rata basis. As regards the reasons for and benefits of the Rights Issue, the Company intends to apply the net proceeds of up to approximately HK$39 million (assuming full subscription under the Rights Issue) towards the continuing development of the R&D Projects, sales and marketing activities in connection with the healthcare and beauty business segment, renovation and upgrading of the Group's hotel properties, and general working capital purposes, as further described in the section headed "**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**" in this prospectus. Having regard to the scale of the Group's funding requirements and the need to raise sufficient capital in a timely manner to support its business development objectives, the Board considered it necessary to offer the Rights Shares at a price that would be sufficiently attractive to encourage the maximum possible take-up by the Qualifying Shareholders.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not (i) trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) result in the non-compliance of the Public Float Requirement on the part of the Company.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of any intention in relation to the Rights Shares to be provisionally allotted to that Shareholder under the Rights Issue as at the date of this prospectus.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

(i) the electronic submission of the Prospectus Documents for authorisation by the Stock Exchange and registration of the Prospectus Documents with the Registrar of Companies in Hong Kong no later than the Prospectus Posting Date;

(ii) following registration, the Prospectus Documents being made available and/or despatched (as the case may be) to the Qualifying Shareholders (and, where applicable, the Prospectus to the Non-Qualifying Shareholders, if any, for information only), by no later than the Prospectus Posting Date;

(iii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms; and

(iv) the Placing Agreement not having been terminated pursuant to the terms thereof, and remaining in full force and effect.

None of the above conditions can be waived. If the conditions set out in paragraphs (i) to (iv) above are not fulfilled on or prior to the Latest Time for Termination, the Rights Issue will not proceed. No party thereto shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches.

The Rights Issue is subject to the fulfilment of the condition that the Stock Exchange grants the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the condition to the Rights Issue is not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. There will be no excess application arrangements in relation to the Rights Issue. Any holdings (or balance of holdings) of less than two (2) existing Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the section headed "Treatment of Fractional Entitlements to the Rights Shares" below.

Treatment of Fractional Entitlements to the Rights Shares

No fractional entitlements to the Rights Shares will be provisionally allotted to the Qualifying Shareholders. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lot arrangement

No odd lot matching services will be provided.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on 8 September 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. Those entitled, except HKSCC Nominees Limited, and in the case of joint Qualifying Shareholders, will receive one share certificate for all the Rights Shares in fully-paid form, allotted and issued thereto. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on 8 September 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Application for listing of the Rights Shares

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 20,000 Shares.

Procedures for acceptance and payment or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by a licensed bank in Hong Kong and made payable to "**BIOSYSEN LIMITED**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than the Latest Time for Acceptance, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Monday, 10 August 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be issued in respect of any PAL and/or remittances received.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of any Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated by Rule 7.21(1)(a) of the Listing Rules.

Accordingly, on 24 June 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the "**Net Gain**") will be paid to the relevant No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on 2 September 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro rata basis (but rounded down to the nearest cent):

A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholders.

In order to be registered as a member of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on 27 July 2026 (Hong Kong time).

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Such Shareholders are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Qualifying Shareholders who take up their pro rata assured entitlement in full will not suffer any dilution to their interests in the Company apart from any nominal dilution resulting from the non-issuance of fractional Rights Shares.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The Overseas Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. Based on the latest available register of members of the Company as at the Latest Practicable Date, there was 5 Shareholder with registered address situated in the PRC, who held 197,000,000 Shares in aggregate, representing approximately 16.51% of the issued share capital of the Company as at the Latest Practicable Date. Save for the aforementioned Shareholders with registered addresses in the PRC, based on the latest available register of members of the Company as at the Latest Practicable Date, there were no other Shareholders with registered addresses outside Hong Kong.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made necessary enquiries regarding the feasibility of extending the Rights Issue to Overseas Shareholders regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory bodies or stock exchanges. The Company has obtained advice from legal advisers in the PRC and has been advised that there are no restrictions under securities law or other similar laws in the PRC or requirement of any regulatory body or stock exchange in the PRC which would prevent the Company from extending the Rights Issue to the Overseas Shareholders in the PRC. Based upon such advice, the Overseas Shareholders having registered address in the PRC will not be excluded from the Rights Issue and shall therefore be the Qualifying Shareholders. Accordingly, the Rights Issue will be extended to such Overseas Shareholders having registered address in the PRC.

Overseas Shareholders should note that they may or may not be able to participate in the Rights Issue, subject to the results of enquiries made by the Company pursuant to the notes to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities laws or other laws or regulations of any territory or jurisdiction. The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

The Placing Agreement

Details of the Placing Agreement are summarised below:

Date	:	24 June 2026 (after trading hours)
Issuer	:	The Company
Placing Agent	:	Tiger Faith Securities Limited The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties.
Placing Period	:	The period commencing from Wednesday, 26 August 2026 and ending at 4:00 p.m. on Wednesday, 2 September 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing.
Commission and Expenses	:	The Company shall pay the Placing Agent a placing commission equivalent to 1.5% of the amount which is equal to the Placing Price multiplied by the total number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent.
Placing Price	:	The placing price of each of the Placing Shares shall be not less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable).

Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies). For the avoidance of doubt, none of the Placees shall become a substantial shareholder of the Company.
Ranking of the Placing Shares	:	The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Shares in issue at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled: (i) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares; (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfilment of all or any part of the conditions precedent to the Placing Agreement (other than those set out in paragraph (i) above) by notice in writing to the Company.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

Termination : The Placing Agreement shall end on 4:00 p.m. on Wednesday, 2 September 2026 or any other date by mutual written agreement between the Placing Agent and the Company.

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time on or prior to the Placing Long Stop Date if any of the following events occur at any time prior to the Placing Long Stop Date:

(a) in the reasonable opinion of the Placing Agent, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

(b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Long Stop Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or

(d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

The terms of the Placing Agreement (including the commission payable) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent Placees on a best effort basis. The net proceeds from the Placing will be utilised for the same purposes as described in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this prospectus.

Given that the Placing would provide (i) a distribution channel of the Placing Shares for the Company; and (ii) a channel of participation in the Rights Issue for independent investors, so that the Placing would allow the Company to raise the shortfall of funds required where possible after the Rights Issue, the Board considers that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Placing Agent shall use its best endeavours and make all reasonable enquiries to ensure that the Placing Shares are placed (i) to such persons or companies whose themselves and their respective ultimate beneficial owners (if applicable) are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules); (ii) such that no Placees, together with parties acting in concert with the respective Placees or any of the connected persons or associates of the respective Placees, shall hold in aggregate 30% or more of the voting rights of the Company immediately upon the completion of the Placing or otherwise trigger any MGO Obligation under the Takeovers Code immediately upon the completion of the Placing; and (iii) such that the Public Float Requirement be complied with by the Company immediately upon the completion of the Placing.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group's principal businesses are divided into two major segments: (i) the accommodation business (comprising accommodation operations, property and facilities management services, accommodation consultancy and related services); and (ii) the healthcare and beauty business.

As disclosed in the annual report of the Company for the financial year ended 31 December 2025, the Group recorded a decrease in revenue under the accommodation business segment of approximately HK$10,291,000 or approximately 26.0% as compared with the prior financial year, primarily due to a reduction in occupancy rate caused by an overall drop in market sentiment of the hotel industry in the PRC and the termination of operations of the Nanshan Branch during the year ended 31 December 2025. The occupancy rate of the Group decreased from 50.82% for the year ended 31 December 2024 to 48.57% for the year ended 31 December 2025, mainly due to termination of operations of the Nanshan Branch during the year ended 31 December 2025. A portion of the net proceeds from the Rights Issue will be utilised for the ongoing maintenance of the Group's hotel properties to ensure that its accommodation facilities remain competitive in the industry. In order to reduce the Group's financial obligations on lease liabilities of its accommodation properties, the Group successfully agreed with the landlord to early terminate the tenancy agreement of the Wuhan Branch, which had been in a continued loss-making position between 2021 and 2025. The revenue attributable to the Wuhan Branch for the year ended 31 December 2025 was approximately HK$7,154,000, representing approximately 13.9% of the Group's total revenue for the same period. The Group expects that the decrease in revenue resulting from the cessation of operations of the Wuhan Branch will be offset by the continued growth in revenue from the healthcare and beauty business segment. The Group currently does not have any specific relocation plans in respect of the Wuhan Branch, but continues to evaluate suitable hotel investment opportunities in the PRC as and when they arise. The Company is open to suitable investment opportunities in hotel properties in the PRC as and when they arise, although the primary focus of the Group's business development remains the healthcare and beauty business segment. Save for the above, the Company has no intention to scale down or dispose of the accommodation business.

The healthcare and beauty business contributed revenue of approximately HK$21,990,000 for the year ended 31 December 2025 (2024: approximately HK$1,078,000). During the year ended 31 December 2025 and up to the date of this prospectus, all revenue generated from the healthcare and beauty business segment was derived from the sales and promotion of healthcare and beauty products, supplied by third-party suppliers, under its own branding through direct sales channels in the PRC. The healthcare and beauty products sold by the Group comprise three major types, namely (i) bioregenerative products; (ii) anti-ageing products; and (iii) collagen products. The Group adopts a cost-plus pricing strategy, with a mark-up of between 18% to 25% on the products sold. The Group considers its products to have the following competitive advantages. Firstly, the Group's products employ technology that allows micro-molecules to penetrate into the dermis layer of the skin more quickly and effectively, thereby better stimulating collagen production and inhibiting melanin. Secondly, the preservation system of the Group's products significantly improves the stability of active ingredients, enhancing efficacy throughout the entire usage cycle. Thirdly, the formulations used in the Group's products are more sensitive skin friendly and skin irritation is greatly reduced when compared with competitors. Fourthly, the Group considers its products to have a higher cost-performance ratio versus competitors at the mid to high-end segment. Although the healthcare and beauty products are supplied by third-party suppliers, the Group has developed its own enhancements to the formulations of the products. The Group sells its healthcare and beauty products under its own branding and intends to further boost sales through enhanced marketing activities.

The Group believes that the research and development ("**R&D**") of proprietary rights and technology related to the healthcare and beauty business is key to attaining its competitive advantage. As disclosed in the Company's annual report for the year ended 31 December 2025, the Group is currently focusing its R&D in the following four areas: (a) Type III Collagen-Hyaluronic Acid "Dual-Protein" Aqua Shots ("**Project (a)**"), mainly aimed at using hyaluronic acid permeation enhancement technology, compounded with recombinant Type III collagen and acetylated hyaluronic acid (AcHA), to increase the transdermal efficiency and thus achieving instant filling and long-term regeneration; (b) Hydroxyapatite/Collagen Composite Filler ("**Project (b)**"), targeting the sizeable market of temple filling; (c) Photoelectric Activation-Type Collagen Repair Serum ("**Project (c)**"), mainly aimed at developing serum containing thermo/photo-sensitive liposomes that release collagen peptides under specific wavelength irradiation, achieving "device-activated" precise repair; and (d) Stem Cell Exosome Targeted Anti-ageing Therapy ("**Project (d)**"), mainly aimed at developing lyophilized exosome microspheres and achieving targeted release and long-lasting repair (collectively, the "**R&D Projects**"). The expected timeframes for completion of the respective R&D Projects are as follows: (a) the Type

III Collagen-Hyaluronic Acid "Dual-Protein" Aqua Shots is expected to be completed in the second half of 2027; (b) the Hydroxyapatite/Collagen Composite Filler is expected to be completed in the first half of 2027; (c) the Photoelectric Activation-Type Collagen Repair Serum is expected to be completed in the first half of 2028; and (d) the Stem Cell Exosome Targeted Anti-ageing Therapy is expected to be completed in the second half of 2028.

The development of each R&D Project comprises five stages, namely: (1) concept and planning; (2) active ingredient development and screening; (3) formulation development and optimisation; (4) efficacy and safety validation; and (5) scale-up and commercialisation. The current stages of completion of the respective R&D Projects as set out in the table below were achieved utilising the proceeds raised from the Group's previous fundraising activities, further details of which are set out in the section headed "EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS" in this prospectus. As at the date of this prospectus, stages 1 to 3 of each of R&D Projects (a) and (b) have been completed, stages 1 and 2 of R&D Project (c) have been completed, and stage 1 of R&D Project (d) has been completed.

A summary of the current status and planned development timeline for each R&D Project is set out in the table below:

R&D Projects		**Stage(s) completed as at the date of this prospectus**	**June 2026 to December 2026**	**January 2027 to June 2027**	**July 2027 onwards**
(a)	Type III Collagen-Hyaluronic Acid "Dual-Protein" Aqua Shots	Stages 1-3	Stage 4: Efficacy and safety validation	Stage 5: Scale-up and commercialisation	Stage 5 (continuing)
(b)	Hydroxyapatite/Collagen Composite Filler	Stages 1-3	Stage 4: Efficacy and safety validation	Stage 5: Scale-up and commercialisation	–
(c)	Photoelectric Activation-Type Collagen Repair Serum	Stages 1-2	Stage 3: Formulation development and optimisation	Stage 4: Efficacy and safety validation	Stage 5: Scale-up and commercialisation
(d)	Stem Cell Exosome Targeted Anti-ageing Therapy	Stage 1	Stage 2: Active ingredient development and screening	Stage 3: Formulation development and optimisation	Stages 4-5: Efficacy and safety validation; scale-up and commercialisation

The Group is also in the process of evaluating the registration of intellectual property rights in respect of the R&D Projects, including utility model patents and design patents. In assessing whether to proceed with such registration, the Group will weigh the benefits of formal intellectual property protection against the associated risks, including the risk of third-party infringement and the potential disclosure of trade secrets arising from the patent application process.

The Group currently has engaged 13 management staff and independent consultants to assist with the R&D Projects, covering areas of R&D, marketing, production and quality control, using synthetic biology and bio-manufacturing technologies in the healthcare and beauty business segment. The management staff and independent consultants all have over five years of relevant experience and holding a bachelor's degree or above in relevant disciplines such as biomedicine, engineering and management. The Group has its own R&D equipment acquired utilising a portion of the proceeds from the 2025 rights issue, which has been capitalised as property, plant and equipment of the Group. The R&D Projects are conducted by the Group's in-house staff, with the additional support of contract research organisations engaged by the Group from time to time, which is a common approach in the industry. The total estimated budget for the R&D Projects amounts to approximately HK$44.5 million in aggregate, comprising approximately HK$14.7 million for equipment, approximately HK$22.0 million for testing and development costs, and approximately HK$7.8 million for staff costs. Of this total, approximately HK$31.5 million has already been funded and expended from the Group's previous fundraising activities. The remaining approximately HK$13.0 million is expected to be funded from the net proceeds of the Rights Issue, comprising approximately HK$8.5 million for continuous testing and development and approximately HK$4.5 million for staff costs. To the extent that the net proceeds of the Rights Issue are insufficient to cover the remaining costs, the shortfall is expected to be funded by the Group's internal resources. Further details of the expenses of the R&D Projects are set out in the section headed "Use of Proceeds" in this prospectus. The Company raised net proceeds of approximately HK$39.1 million from a rights issue completed in March 2025 and net proceeds of approximately HK$12.4 million from a share placing in September 2025, the proceeds of which were applied towards developing its healthcare and beauty business segment and general working capital of the Group. The Group intends to further develop and strengthen its market share in the healthcare and beauty industry in the PRC.

In the course of developing its healthcare and beauty business, the Group noted the opportunity to acquire an effective interest of 37.5% in Beisheng Biotechnology (Shenzhen) Co., Ltd.* (倍生生物科技(深圳)有限公司) ("**Beisheng Biotechnology**"), a company specialising in strain design and fermentation process development. The Group believes that by holding an interest in Beisheng Biotechnology, it can secure access to Beisheng Biotechnology's services, improve the efficiency of its own R&D Projects, reduce R&D costs and accelerate the commercialisation of its R&D results. The acquisition of the interest in Beisheng Biotechnology was completed on 6 March 2026. The total consideration for such acquisition is HK$22,000,000. Beisheng Biotechnology's research and development relate to strain design and fermentation process development, which is different from the Company's existing R&D Projects. Since the completion of the acquisition, the Group has been utilising Beisheng Biotechnology's services and platform to facilitate and support the set-up and conduct of the Group's R&D Projects, and the Group intends to continue to do so going forward. Being an associate of the Group, the revenue of Beisheng Biotechnology is not consolidated into the Group's financial statements, and its primary value to the Group lies in its ability to improve the efficiency of the Group's R&D

* *For identification purposes only*

Projects, reduce R&D costs and accelerate the commercialisation of its R&D results. As explained in the announcement of the Company dated 3 March 2026, the core advantage of Beisheng Technology's integrated infrastructure platforms are: (i) design software (Tosycon®) integrated with the manufacturing platform, reducing supplies costs and improving technology utilization efficiency. The design-end software developed by Beisheng Biotechnology directly connects design and manufacturing, outsmarting traditional design software that segregate design and subsequent acquisition of raw material elements by having to go through laborious process of acquisition from various traditional biotechnology infrastructure suppliers. This direct-to-customer model saves users the time cost of decomposing material elements and sourcing from different suppliers; and (ii) through its self-established bio-manufacturing standard (ArchiCel®), Beisheng Biotechnology has innovatively achieved an optimisation of design and manufacturing. This allows a reduction of workload of clients' senior R&D personnel, enabling more efficient design work and also lower the entry barrier of senior R&D personnel as senior R&D personnel no longer required to acquire skills on manufacturing. By employing the above two features of Beisheng Technology, the Group will reduce the time and cost of Stages 4 and 5 of its R&D Projects. In particular, the Group utilises Beisheng Biotechnology's services and platform to support the efficacy and safety validation stage (stage 4) and the scale-up and commercialisation stage (stage 5) of the R&D Projects. At stage 4, Beisheng Biotechnology's standardised manufacturing process ensures high batch-to-batch reproducibility of input materials across the R&D Projects, thereby reducing the need for costly repeat validation studies and ensuring that validation outcomes are attributable to the formulation itself rather than production variability. As Project (a) and Project (b) are currently at stage 4, the Group is employing Beisheng Biotechnology's services and platform in respect of such projects at this stage. Specifically, (i) in respect of Project (a), standardised manufacturing ensures high batch-to-batch reproducibility of the dual-protein active ingredients; and (ii) in respect of Project (b), it ensures that long-term biocompatibility and stability validation studies are conducted on material representative of the eventual commercial product, reducing the risk of late-stage failures. In respect of Project (c) and Project (d), which have not yet reached stages 4 and 5, the Group intends to employ Beisheng Biotechnology's services and platform when such stages commence, where (iii) high reproducibility in liposome manufacturing will ensure that validation studies reflect true biological responses to the light activation mechanism in respect of Project (c); and (iv) reliable and scalable exosome production will support comprehensive animal efficacy and toxicology studies in respect of Project (d). At stage 5, as the design of each R&D Project has been linked to Beisheng Biotechnology's manufacturing platform from the outset, the scale-up parameters established during earlier stages of development are directly transferable to commercial production, thereby reducing scale-up time and cost and accelerating the time to market of the R&D Projects.

As at 31 December 2025, Osibao Cosmetics HK, had made available credit facilities of up to HK$150,000,000 to the Group on normal commercial terms, of which approximately HK$106,431,000 remained unutilised. Notwithstanding the above credit support, the Board considers that the Group has imminent funding needs to support its further business development and that the Rights Issue represents the most appropriate means of raising additional capital in the current market environment. Any further drawdown under the credit facility would constitute debt financing and would further increase the Group's outstanding borrowings and indebtedness. The Rights Issue, as a form of equity financing, will directly improve the Group's net liabilities position without creating any additional debt repayment obligations. In addition, the Rights Issue provides an opportunity for Qualifying Shareholders to participate in the future growth and development of the Group on a pro-rata basis.

During the year ended 31 December 2025, the Group mainly financed its operations and expansion with its own working capital generated internally and borrowings from Hehui International Development Limited ("**Hehui**"), a company incorporated in the British Virgin Islands and beneficially owned as to 100% by Mr. Yuan Fuer, who was a non-executive Director and controlling shareholder of the Company. The borrowings from Hehui arose from credit facilities provided by Hehui to the Group to meet the running costs of the Group's accommodation business.

Pursuant to a settlement agreement entered into between Hehui and Osibao Cosmetics HK on 9 October 2025: (i) the loan receivable of approximately HK$28.6 million due from the Company to Hehui as of date of the settlement agreement, was transferred to Osibao Cosmetics HK; and (ii) 345,929,020 shares of the Company were transferred by Hehui to Osibao Cosmetics HK, as partial settlement of Hehui's obligations to Osibao Cosmetics HK.

In connection with the Group's proposed acquisition of Beisheng Biotechnology, Osibao Cosmetics HK, agreed to provide financing to the Group.

As at 31 December 2025, the Group's borrowings from Osibao Cosmetics HK amounted to approximately HK$43.6 million, being unsecured, non-interest bearing and repayable on demand.

The increase of borrowings from the original amount of approximately HK$28.6 million to approximately HK$43.6 million was attributable to an additional HK$15.0 million advanced by Osibao Cosmetics HK, which was applied towards the deposit for the acquisition of Beisheng Biotechnology.

A further HK$7.0 million was drawn down to fund the remaining acquisition consideration upon completion on 6 March 2026, bringing the total outstanding borrowings to approximately HK$50.6 million as at 30 April 2026 (the "**Shareholder's Loan**").

The Company and Osibao Cosmetics HK have negotiated the substantial repayment and settlement of the Shareholder's Loan in the amount of HK$50.0 million (i.e., the set-off loan). As disclosed in the announcement of the Company dated 26 May 2026, the Company and Osibao Cosmetics HK entered into the Subscription and Settlement Agreement on 26 May 2026, pursuant to which the Company has conditionally agreed to issue, and Osibao Cosmetics HK has conditionally agreed to subscribe the Convertible Bonds. The subscription price shall be satisfied by Osibao Cosmetics HK upon completion of the issue of the Convertible Bonds by way of set-off against the set-off loan. The subscription of the Convertible Bonds by Osibao Cosmetics HK constitutes a connected transaction of the Company under the Listing Rules and is subject to announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to an ordinary resolution passed by the independent shareholders at the extraordinary general meeting held on 27 July 2026, the subscription of the Convertible Bonds by Osibao Cosmetics HK was approved.

As at 31 December 2025, the Group recorded total liabilities of approximately HK$183.3 million mainly comprising borrowings and lease liabilities of approximately HK$43.6 million and approximately HK$118.6 million, respectively. Besides, the Group recorded net liabilities of approximately HK$102.9 million as at 31 December 2025. As the Group will proactively seek appropriate opportunities to further develop its healthcare and beauty business and stabilise its accommodation operations, the Board considers that the Rights Issue will enable the Company to raise capital to support its business development and investment objectives whilst increasing the working capital and enhancing the financial position of the Company.

Use of Proceeds

Assuming full subscription under the Rights Issue, the gross proceeds from the Rights Issue are expected to be approximately HK$40 million. After deducting the relevant expenses, the net proceeds are estimated to be approximately HK$39 million. The Company intends to apply the net proceeds as follows:

(i) approximately HK$13 million, representing approximately 33.3% of the net proceeds, will be applied towards the R&D Projects as follows: (i) approximately HK$8.5 million for the continuous testing and development of the R&D Projects; and (ii) approximately HK$4.5 million for staff costs in connection with the R&D Projects;

(ii) approximately HK$8 million, representing approximately 20.5% of the net proceeds, will be allocated to sales and marketing expenses in connection with the healthcare and beauty business segment of the Group, the net proceeds will be applied as follows: (i) approximately HK$5.0 million for the sales and marketing team and key opinion leader expenses; and (ii) approximately HK$3.0 million for promotion materials, trade shows and exhibition costs. The primary focus of the sales and marketing expenditure will be on promoting the Group's existing healthcare and beauty products. The Group may also utilise part of the budget to raise market awareness of its ongoing R&D Projects and should any of the R&D Projects be successfully developed, to pave the way for the commercialisation of such new products;

(iii) approximately HK$6 million, representing approximately 15.4% of the net proceeds, will be allocated to the renovation and upgrading of the Group's hotel properties, including improving accommodation ancillary facilities and implementing staff performance programmes, with a view to enhancing customers' satisfaction and boosting revenue of the Group's accommodation business; and

(iv) approximately HK$12 million, representing approximately 30.8% of the net proceeds, will be used for general working capital purposes, including (a) inventories, trade receivables, prepayments and deposits; and (b) day-to-day operating expenses of the Group, which for the year ended 31 December 2025 comprised principally employee benefit expenses of approximately HK$17,152,000, expenses relating to short-term leases on general office of approximately HK$2,646,000, legal and professional fees of approximately HK$2,161,000, utilities of approximately HK$1,729,000, auditor's remuneration of approximately HK$935,000 and building management fees of approximately HK$647,000.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue and/or the Placing (as the case may be), the net proceeds will be allocated and utilised in proportion to the above uses.

The net proceeds of the Rights Issue is expected to be utilised (assuming full subscription under the Rights Issue) within the following timeframes from the date of completion of the Rights Issue:

Use of proceeds	**By March 2027** *(HK$ million)*	**By September 2027** *(HK$ million)*	**Total** *(HK$ million)*
Research and development in connection with the healthcare and beauty business segment of the Group			
Testing and development of the R&D Projects	4.5	4.0	8.5
Staff costs for R&D Projects	2.3	2.2	4.5
Sales and marketing expenses in connection with the healthcare and beauty business segment of the Group			
Sales and marketing team and key opinion leader expenses	2.5	2.5	5.0
Promotion materials, trade shows and exhibition costs	1.8	1.2	3.0
Renovation and upgrading of the Group's hotel properties			
Accommodation (maintenance)	6.0	–	6.0

The net proceeds allocated to the R&D Projects under the Rights Issue are expected to be sufficient to fund the Group's R&D activities for the next 12 months, beyond which the Company does not expect to incur any further funding in respect of the R&D Projects as at the date of this prospectus.

Fundraising alternatives considered

Apart from the Rights Issue, the Directors have also considered other debt or equity financing alternatives such as bank borrowings, placing or subscription of new Shares or open offer.

The Directors are of the view that further bank borrowings will result in additional finance costs and further increase the gearing ratio of the Group which is not beneficial to the Group. The Group may also be restrained by various restrictive covenants under bank financing.

With respect to placing or subscription of new Shares, such exercise would immediately dilute the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

While both the Rights Issue and open offer provide the Shareholders with equal opportunity to participate in and to maintain their pro-rata shareholdings in the Company, as opposed to an open offer, the Rights Issue further provide flexibility to the Qualifying Shareholders who do not wish to take up their provisional entitlements to sell the nil-paid rights in the market, thereby recouping some value.

Having considered the abovementioned alternatives, the Directors consider the Rights Issue to be the most appropriate and attractive means in the current market conditions. The Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, whilst allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had conducted the following equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcements	Event	Net proceeds (approximately)	Intended use of net proceeds	Actual use of net proceeds as at the date of this prospectus
8 September 2025 and 25 September 2025	Placing of 198,840,000 placing shares at a placing price of HK$0.063 per placing share under general mandate pursuant to a placing agreement dated 8 September 2025 entered into between the Company and Cheong Lee Securities Limited	HK$12.4 million	Further development of the healthcare and beauty segment of the Group	Fully used as intended (approximately HK$4.7 million for R&D equipment, approximately HK$4.7 million for testing and development costs, approximately HK$1.0 million for staff costs and approximately HK$2.0 million for marketing expenses)

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under Rights Issue; and (iii) immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming full acceptance by all Qualifying Shareholders under Rights Issue)		Immediately after completion of the Rights Issue (assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing)	
	No. of Shares	*Approx. %*	*No. of Shares*	*Approx. %*	*No. of Shares*	*Approx. %*
Mr. Cheung Ching Mo *(Note 1)*	345,929,020	28.99	518,893,530	28.99	345,929,020	19.33
Li Baoshan	93,940,000	7.87	140,910,000	7.87	93,940,000	5.25
Kwan Man Cheuk	66,082,000	5.54	99,123,000	5.54	66,082,000	3.69
Placees	–	–	–	–	596,532,580	33.33
Other Public Shareholders	687,114,140	57.60	1,030,671,210	57.60	687,114,140	38.40
Total	**1,193,065,160**	**100.00**	**1,789,597,740**	**100.00**	**1,789,597,740**	**100.00**

Note:

1. The 345,929,020 Shares are registered in the name of Osibao Cosmetics HK. Mr. Cheung Ching Mo, a non-executive Director of the Company, holds the entire issued share capital of China Regenerative Medicine Tissue Engineering Limited ("**CRMT**") and CRMT effectively holds the entire issued share capital of Osibao Cosmetics HK. Mr. Cheung Ching Mo was therefore deemed to be interested in the 345,929,020 Shares in which Osibao Cosmetics HK was interested pursuant to the SFO.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12-month period immediately preceding the date of this prospectus and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders at the shareholders' meeting convened in connection with the Rights Issue pursuant to Rules 7.19A(1) of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this prospectus.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to the fulfilment of the conditions (please refer to the section headed "Conditions of the Rights Issue" in this prospectus). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis through the Placing. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Non-Qualifying Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

Yours faithfully,
For and on behalf of the Board of
Biosysen Limited
Lee Tsz Yan
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2023, 2024 and 2025 is disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.biosysen.bio).

- Annual report for the year ended 31 December 2025 (pages 61 to 171)

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043001844.pdf

- Annual report for the year ended 31 December 2024 (pages 66 to 175)

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043002157.pdf

- Annual report for the year ended 31 December 2023 (pages 95 to 195)

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043001506.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business of 30 June 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	As at 30 June 2026
	HK$'000
Borrowings from Osibao Cosmetics HK *(Note 1)*	50,569
Lease liabilities *(Note 2)*	51,345
	101,914

Notes:

(1) As at 30 June 2026, the Group had borrowings of principal amount from Osibao Cosmetics HK of approximately HK$50.6 million. The borrowings were unsecured, interest-free and repayable on demand. Save for the borrowings, the Group did not have any outstanding bank borrowings.

(2) None of the lease liabilities were secured or guaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payable, as of 30 June 2026, being the latest practicable date for determining indebtedness, the Group did not have any outstanding mortgages, options, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees or other material contingent liabilities, nor any authorized or otherwise created but unissued debt securities.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 30 June 2026 up to the Latest Practicable Date.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's principal businesses are divided into two major segments: (i) the accommodation business (comprising accommodation operations, property and facilities management services, accommodation consultancy and related services); and (ii) the healthcare and beauty business.

As disclosed in the annual report of the Company for the financial year ended 31 December 2025, the Group recorded a decrease in revenue under the accommodation business segment of approximately HK$10,291,000 or approximately 26.0% as compared with the prior financial year, primarily due to a reduction in occupancy rate caused by an overall drop in market sentiment of the hotel industry in the PRC and the termination of operations of the Nanshan Branch during the year. The occupancy rate of the Group decreased from 50.82% for the year ended 31 December 2024 to 48.57% for the year ended 31 December 2025, mainly due to termination of operations of the Nanshan Branch during the year ended 31 December 2025. In order to reduce the Group's financial obligations on lease liabilities of its accommodation properties, the Group successfully agreed with the landlord to early terminate the tenancy agreement of the Wuhan Branch, which had been in a continued loss-making position between 2021 and 2025. The revenue attributable to the Wuhan Branch for the year ended 31 December 2025 was approximately HK$7,154,000, representing approximately 13.9% of the Group's total revenue for the same period. The Group expects that the decrease in revenue resulting from the cessation of operations of the Wuhan Branch will be offset by the continued growth in revenue from the healthcare and beauty business segment. The Group currently does not have any specific relocation plans in respect of the Wuhan Branch, but continues to evaluate suitable hotel investment opportunities in the PRC as and when they arise. The Company is open to suitable investment opportunities in hotel properties in the PRC as and when they arise, although the primary focus of the Group's business development remains the healthcare and beauty business segment. Save for the above, the Company has no intention to scale down or dispose of the accommodation business.

The healthcare and beauty business contributed revenue of approximately HK$21,990,000 for the year ended 31 December 2025 (2024: approximately HK$1,078,000). During the year ended 31 December 2025 and up to the date of this Prospectus, all revenue generated from the healthcare and beauty business segment was derived from the sales and promotion of healthcare and beauty products, supplied by third-party suppliers, under its own branding through direct sales channels in the PRC. The healthcare and beauty products sold by the Group comprise three major types, namely (i) bioregenerative products; (ii) anti-ageing products; and (iii) collagen products. The Group adopts a cost-plus pricing strategy, with a mark-up of between 18% to 25% on the products sold. The Group considers its products to have the following competitive advantages. Firstly, the Group's products employ technology that allows micro-molecules to penetrate into the dermis layer of the skin more quickly and effectively, thereby better stimulating collagen production and inhibiting melanin. Secondly, the preservation system of the Group's products significantly improves the stability of active ingredients, enhancing efficacy throughout the entire usage cycle. Thirdly, the formulations used in the Group's products are more sensitive skin friendly and skin irritation is greatly reduced when compared with competitors. Fourthly, the Group considers its products to have a higher cost-performance ratio versus competitors at the mid to high-end segment. Although the healthcare and beauty products are supplied by third-party suppliers, the Group has developed its own enhancements to the formulations of the products. The Group sells its healthcare and beauty products under its own branding and intends to further boost sales through enhanced marketing activities.

The Group believes that the R&D of proprietary rights and technology related to the healthcare and beauty business is key to attaining its competitive advantage. The Group is currently focusing its R&D in the following four areas: (a) Type III Collagen-Hyaluronic Acid "Dual-Protein" Aqua Shots, mainly aimed at using hyaluronic acid permeation enhancement technology, compounded with recombinant Type III collagen and acetylated hyaluronic acid (AcHA), to increase the transdermal efficiency and thus achieving instant filling and long-term regeneration; (b) Hydroxyapatite/Collagen Composite Filler, targeting the sizeable market of temple filling; (c) Photoelectric Activation-Type Collagen Repair Serum, mainly aimed at developing serum containing thermo/photo-sensitive liposomes that release collagen peptides under specific wavelength irradiation, achieving "device-activated" precise repair; and (d) Stem Cell Exosome Targeted Anti-ageing Therapy, mainly aimed at developing lyophilized exosome microspheres and achieving targeted release and long-lasting repair. The expected timeframes for completion of the respective R&D Projects are as follows: (a) the Type III Collagen-Hyaluronic Acid "Dual-Protein" Aqua Shots is expected to be completed in the second half of 2027; (b) the Hydroxyapatite/Collagen Composite Filler is expected to be completed in the first half of 2027; (c) the Photoelectric Activation-Type Collagen Repair Serum is expected to be completed in the first half of 2028; and (d) the Stem Cell Exosome Targeted Anti-ageing Therapy is expected to be completed in the second half of 2028.

The Group is also in the process of evaluating the registration of intellectual property rights in respect of the R&D Projects, including utility model patents and design patents. In assessing whether to proceed with such registration, the Group will weigh the benefits of formal intellectual property protection against the associated risks, including the risk of third-party infringement and the potential disclosure of trade secrets arising from the patent application process.

The Company raised net proceeds of approximately HK$39.1 million from a rights issue completed in March 2025 and net proceeds of approximately HK$12.4 million from a share placing in September 2025, the proceeds of which were applied towards developing its healthcare and beauty business segment and general working capital of the Group. The Group intends to further develop and strengthen its market share in the healthcare and beauty industry in the PRC.

In the course of developing its healthcare and beauty business, the Group noted the opportunity to acquire an effective interest of 37.5% in Beisheng Biotechnology, a company specialising in strain design and fermentation process development. The Group believes that by holding an interest in Beisheng Biotechnology, it can secure access to Beisheng Biotechnology's services, improve the efficiency of its own R&D Projects, reduce R&D costs and accelerate the commercialisation of its R&D results. The acquisition of the interest in Beisheng Biotechnology was completed on 6 March 2026. The total consideration for such acquisition is HK$22,000,000. Beisheng Biotechnology's research and development relate to strain design and fermentation process development, which is different from the Company's existing R&D Projects. Since the completion of the acquisition, the Group has been utilising Beisheng Biotechnology's services and platform to facilitate and support the set-up and conduct of the Group's R&D Projects, and the Group intends to continue to do so going forward. Being an associate of the Group, the revenue of Beisheng Biotechnology is not consolidated into the Group's financial statements, and its primary value to the Group lies in its ability to improve the efficiency of the Group's R&D Projects, reduce R&D costs and accelerate the commercialisation of its R&D results. As explained in the announcement of the Company dated 3 March 2026, the core advantage of Beisheng Technology's integrated infrastructure platforms are: (i) design software (Tosycon®) integrated with the manufacturing platform, reducing supplies costs and improving technology utilization efficiency. The design-end software developed by Beisheng Biotechnology directly connects design and manufacturing, outsmarting traditional design software that segregate design and subsequent acquisition of raw material elements by having to go through laborious process of acquisition from various traditional biotechnology infrastructure suppliers. This direct-tocustomer model saves users the time cost of decomposing material elements and sourcing from different suppliers; and (ii) through its self-established bio-manufacturing standard (ArchiCel®).

As at 31 December 2025, Osibao Cosmetics HK, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Cheung Ching Mo, a non-executive Director of the Company, had made available credit facilities of up to HK$150,000,000.

As at 31 December 2025, the Group's borrowings from Osibao Cosmetics HK amounted to approximately HK$43.6 million, being unsecured, non-interest bearing and repayable on demand.

A further HK$7.0 million was drawn down to fund the remaining acquisition consideration of Beisheng Biotechnology upon completion on 6 March 2026, bringing the total outstanding balance of the Shareholder's Loan to approximately HK$50.6 million as at 30 April 2026.

The Company and Osibao Cosmetics HK have negotiated the substantial repayment and settlement of the Shareholder's Loan in the amount of HK$50.0 million (i.e., the set-off loan). As disclosed in the announcement of the Company dated 26 May 2026, the Company and Osibao Cosmetics HK entered into the Subscription and Settlement Agreement on 26 May 2026, pursuant to which the Company has conditionally agreed to issue, and Osibao Cosmetics HK has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK$50.0 million at face value. The subscription price shall be satisfied by Osibao Cosmetics HK upon completion of the issue of the Convertible Bonds by way of set-off against the set-off loan. The subscription of the Convertible Bonds by Osibao Cosmetics HK constitutes a connected transaction of the Company under the Listing Rules and is subject to announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Pursuant to an ordinary resolution passed by the independent shareholders at the extraordinary general meeting held on 27 July 2026, the subscription of the Convertible Bonds by Osibao Cosmetics HK was approved.

The Group will proactively seek appropriate opportunities to further develop its healthcare and beauty business and stabilise its accommodation operations.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information. Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules is set out to illustrate the effects of the Rights Issue on the adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 as if the Rights Issue had been completed on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to the owners of the Company immediately or any future date after the completion of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025, as extracted from the published annual report for the year ended 31 December 2025 of the Company, and is adjusted for the effect of the Rights Issue.

	Audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue as at 31 December 2025	Audited consolidated net tangible liabilities of the Group attributable to the owners of the Company per share before completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per share immediately after completion of the Rights Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*
	(note 1)	*(note 2)*		*(note 3)*	*(note 4)*
Based on 596,532,580 Rights Shares to be issued at Subscription Price of HK$0.068 per Rights Share	(35,250)	39,564	4,314	(0.030)	0.002

Notes:

(1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 is based on the consolidated net liabilities of the Group attributable to the owners of the Company of approximately HK$35,250,000, extracted from the published annual report of the Group for the year ended 31 December 2025.

(2) The estimated net proceeds from the Rights Issue are calculated based on gross proceeds of approximately HK$40,564,000 from the issue of 596,532,580 Rights Shares at the Subscription Price of HK$0.068 per Rights Share after deduction of the estimated professional fees and other related expenses payable by the Company of approximately HK$1,000,000 attributable to the Rights Issue. The estimated net proceeds are approximately HK$39,564,000.

(3) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company per share before completion of the Rights Issue is determined based on the audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2025 of approximately HK$35,250,000, divided by 1,193,065,160 shares in issue as at 31 December 2025.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company per share immediately after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue as at 31 December 2025 of approximately HK$4,314,000, divided by 1,789,597,740 shares which comprise (i) 1,193,065,160 shares in issue as at 31 December 2025; and (ii) 596,532,580 Rights Shares to be issued immediately after the completion of the Rights Issue.

(5) 596,532,580 Rights Shares to be issued, which is calculated based on the basis of one (1) Rights Share for every two (2) existing Shares held. The number of shares in issue as at 31 December 2025 is 1,193,065,160 shares.

(6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the reporting accountant, HLB HODGSON IMPEY CHENG LIMITED, Certified Public Accountants, Hong Kong.

The Board of Directors
Biosysen Limited
Level 28
Lee Garden Two, 28 Yun Ping Road
Causeway Bay
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Biosysen Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets attributable to the owners of the Company as at 31 December 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on in Appendix II to the prospectus issued by the Company dated 4 August 2026 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's adjusted consolidated net tangible assets attributable to the owner of the Company as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of the process, information about the Group's audited consolidated net liabilities attributable to the owners of the Company has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2025, on which an annual report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA").**

Our independence and quality control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Hong Kong, 4 August 2026

1. RESPONSIBILITY STATEMENT

This prospectus, 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 this prospectus 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 herein or this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date (excluding treasury shares, if any); and (ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue from the Latest Practicable Date up to the completion of Rights Issue and full subscription under the Rights Issue) are as follows:

(i) As at the Latest Practicable Date:

Authorised:		*HK$*
2,000,000,000	Shares of HK$0.01 each	20,000,000.00
Issued and fully paid:		*HK$*
1,193,065,160	Shares of HK$0.01 each	11,930,651.60

(ii) immediately after the completion of the Rights Issue (assuming no change in the number of Shares in issue from the Latest Practicable Date up to the completion of Rights Issue and full subscription under the Rights Issue):

Authorised:		*HK$*
2,000,000,000	Shares of HK$0.01 each	20,000,000.00
Issued and fully paid:		*HK$*
1,193,065,160	Shares of HK$0.01 each	11,930,651.60
596,532,580	Rights Shares to be allotted and issued under the Rights Issue	5,965,325.80
1,789,597,740	Shares in issue immediately upon completion of the Right Issue	17,895,977.40

The Rights Shares (when allotted, issued and fully paid or credited as fully paid) will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Company has made an application to the Listing Committee for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, there was no treasury share held by the Company or its subsidiary or through any agent or nominee.

3. DISCLOSURE OF INTERESTS

(i) Directors' interests in the Shares of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") were as follows:

Name of Director	Nature of Interest	Number of Shares	Approximate percentage of shareholding *(Note 1)*
Mr. Cheung Ching Mo *(Note 2)*	Interest of a controlled corporation	345,929,020	28.99%

Notes:

1. The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 1,193,065,160.

2. The 345,929,020 Shares are registered in the name of Osibao Cosmetics HK. Mr. Cheung Ching Mo, a non-executive Director of the Company, holds the entire issued share capital CRMT and CRMT effectively holds the entire issued share capital of Osibao Cosmetics HK. Mr. Cheung Ching Mo was therefore deemed to be interested in the 345,929,020 Shares in which Osibao Cosmetics HK was interested pursuant to the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code. As at the Latest Practicable Date, none of the Directors was a director or employee of a company which has an interest or short position in the Shares and underlying Shares.

(ii) Substantial shareholders and other persons' interests in the Shares of the Company

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	**Nature of Interest**	**Number of Shares**	**Approximate Percentage** *(Note 1)*
Osibao Cosmetics HK	Beneficial owner	345,929,020	28.99%
Li Baoshan	Beneficial owner	93,940,000	7.87%
Kwan Man Cheuk	Beneficial owner	66,082,000	5.54%

Notes:

1. The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 1,193,065,160.

2. Mr. Cheung Ching Mo held the entire issued share capital of CRMT and CRMT effectively held the entire issued share capital of Osibao Cosmetics HK.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (not being a Director or the chief executive of the Company) had any interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

Save for the conditional Subscription and Settlement Agreement dated 26 May 2026 entered into between the Company and Osibao Cosmetics HK, pursuant to which (i) the Company conditionally agreed to issue, and Osibao Cosmetics HK conditionally agreed to subscribe for, the Convertible Bonds; and (ii) the subscription price of the Convertible Bonds shall be satisfied by Osibao Cosmetics HK upon completion by way of set-off against the Shareholder's Loan, there was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

Save as disclosed above, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. COMPETING BUSINESSES

As at the Latest Practicable Date, save as disclosed in this prospectus, none of the Directors nor any of their respective close associates had any interest in any business that competes or may compete, either directly or indirectly, with the business of the Group.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, no litigation or claims of material importance was pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

Save for the following, there was no material contract, not being contracts entered into in the ordinary course of business, which had been entered into by the Group within the two years immediately preceding the Latest Practicable Date and which is or may be material:

(i) the Placing Agreement;

(ii) the Subscription and Settlement Agreement dated 26 May 2026 entered into between the Company and Osibao Cosmetics HK, pursuant to which (i) the Company conditionally agreed to issue, and Osibao Cosmetics HK conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK$50.0 million at face value; and (ii) the subscription price of the Convertible Bonds shall be satisfied by Osibao Cosmetics HK upon completion by way of set-off against the Shareholder's Loan;

(iii) the conditional sale and purchase agreement dated 23 December 2025 entered into between Perfect Peace Global Limited (佳怡環球有限公司) (as purchaser) and Ms. Zheng Tong (鄭彤女士) (as vendor), in relation to the acquisition of 10,000 shares representing 100% of the issued share capital of AURO Hong Kong Limited (奧諾香港有限公司) and the shareholder's loan owed by AURO Hong Kong Limited to Ms. Zheng Tong in the amount of HK$17,536,965 at a total consideration of HK$22,000,000;

(iv) the placing agreement dated 8 September 2025 entered into between the Company and Cheong Lee Securities Limited ("**Cheong Lee**") as placing agent, pursuant to which the Company appointed Cheong Lee to place and procure subscriptions for up to 198,840,000 new Shares to not less than six independent placees at the placing price of HK$0.063 per Share; and

(v) the placing agreement dated 2 September 2024 entered into between the Company and VC Brokerage Limited ("**VC Brokerage**") as placing agent in relation to the placing of a maximum of 89,670,000 placing shares by VC Brokerage to not less than six independent placees at the placing price of HK$0.169 per Share, pursuant to which VC Brokerage would charge the Company a non-refundable documentary and placing fee of HK$128,000.

9. EXPERT AND CONSENT

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this prospectus (the "**Expert**"):

Name	**Qualification**
HLB Hodgson Impey Cheng Limited	Certified Public Accountants

As at the Latest Practicable Date, the above Expert had given and had not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its letter or report and the reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above Expert did not have any shareholding interest in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above Expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up.

10. EXPENSES

The expenses in connection with the Rights Issue and the Placing (including financial advisory fees, printing, registration, translation, legal, accounting, levy, documentation charges and placing commission) payable by the Company are estimated to be approximately HK1.0 million, subject to final subscription.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Executive Director	Ms. Lee Tsz Yan
Non-executive Directors	Mr. Cheung Ching Mo Mr. Hu Xinglong
Independent Non-executive Directors	Mr. Wu Jilin Mr. Lam Cheung Shing Richard Mr. So Yin Wai
Audit Committee	Mr. Wu Jilin *(Chairman)* Mr. Lam Cheung Shing Richard Mr. So Yin Wai
Nomination Committee	Mr. Lam Cheung Shing Richard *(Chairman)* Mr. Wu Jilin Mr. So Yin Wai
Remuneration Committee	Mr. So Yin Wai *(Chairman)* Mr. Wu Jilin Mr. Lam Cheung Shing Richard

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters & Principal Place of Business in Hong Kong	Level 28 Lee Garden Two 28 Yun Ping Road Causeway Bay Hong Kong
Company Secretary	Mr. Lee Pak Chung
Authorised Representatives	Ms. Lee Tsz Yan Mr. Hu Xinglong
Hong Kong Branch Share Registrar and Transfer Office	Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong
Principal bankers	*The PRC* Industrial Bank Co., Ltd. No. 398 Jiangbin Middle Avenue Taijiang District Fuzhou City Fujian Province China *Hong Kong* Hang Seng Bank Limited Hang Seng Bank Bldg. 83 Des Voeux Road Central Hong Kong

	Bank of China (Hong Kong) Limited No. 1 Garden Road Central Hong Kong
	Bank of Communications (Hong Kong) Limited Unit B B/F & G/F, Unit C G/F Wheelock House 20 Pedder Street Central Hong Kong
Auditor and reporting accountant	HLB Hodgson Impey Cheng Limited 31/F., Gloucester Tower The Landmark, 11 Pedder Street Central Hong Kong
Legal Adviser to the Company in relation to the Rights Issue	*As to Hong Kong law:* Bird & Bird 6/F The Annex, Central Plaza 18 Harbour Road Wanchai Hong Kong
	As to PRC law: All Bright Law Offices (Fuzhou) 37/F, International Financial Center No.1 Wanglong 2nd Avenue Taijiang District, Fuzhou 350005 Fujian Province PRC

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Ms. Lee Tsz Yan ("**Ms. Lee**"), aged 39, was appointed as an executive Director and the financial controller of the Group with effect from 20 August 2024. Ms. Lee is a certified public accountant of CPA Australia. She obtained a bachelor's degree in accounting from the University of Wollongong in 2009. Ms. Lee has over 15 years of experience in accounting, auditing, and corporate finance. Before joining the Company, she worked for several publicly listed companies and international public accounting firms.

Non-Executive Directors

Mr. Cheung Ching Mo ("**Mr. Cheung**"), aged 46, was appointed as a non-executive Director with effect from 10 October 2025. Mr. Cheung holds a bachelor's degree in Nutritional Studies from the University of Hong Kong. Mr. Cheung has over 15 years of experience in operating and investing in beauty, healthcare and medical technology projects. Before starting his own business, Mr. Cheung held key managerial positions and accumulated over 10 years of experience with multi-national companies including Samsung group, Univinson and DHC.

Mr. Hu Xinglong ("**Mr. Hu**"), aged 62, was appointed as a non-executive Director with effect from 15 August 2018. Mr. Hu holds a Master Degree in Business Administration from China Europe International Business School. Mr. Hu is a brother-in-law of Mr. Yuan Fuer, who was a non-executive Director and the chairman of the Board until his resignation with effect from 10 October 2025. Mr. Hu has been the vice president of Shenzhen Hazens since October 2016, and the chairman and the general manager of Shenzhen Hazens Property Service Company Limited (深圳市合正物業服務有限公司) from October 2016 to April 2017. Furthermore, he had also served as an audit manager, finance manager and chief accountant of FIYTA Holdings Limited, a company listed on the Shenzhen Stock Exchange ("**Shenzhen Stock Exchange**") (stock code: 000026) from June 1997 to October 2016. Mr. Hu was certified as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants in 1993 and a Certified Internal Auditor by the Institute of Internal Auditors in 1999.

Independent Non-executive Directors

Mr. Wu Jilin ("**Mr. Wu**"), aged 58, was appointed as an independent non-executive Director with effect from 15 August 2018. Mr. Wu holds a Master Degree in Accounting from Jiangxi University of Finance and Economics. Mr. Wu was an executive partner of Shenzhen Lianchuang Lixin Certified Public Accountants since January 2005 and is an adjunct professor of Accounting Faculty and a tutor of part-time master students at Jiangxi University of Finance and Economics since November 2015 and September 2016 respectively. He is a member of the Society of Chinese Accountants and Auditors since 2013. In addition, Mr. Wu has served as an independent director of Jilin Liyuan Precision Manufacturing Co., Ltd. (a listed company on the Shenzhen Stock Exchange, stock code: 002501) since April 2020, and an independent director of Huangshan Tourism Development Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600054) since December 2020.

Mr. So Yin Wai ("**Mr. So**"), aged 64, was appointed as an independent non-executive Director with effect from 20 August 2024. Mr. So is a Certified Public Accountant (Practising). Mr. So graduated from the Hong Kong Polytechnic University in 1986 and he has been in the accounting profession for more than 30 years. Mr. So is currently an independent non-executive director of China Wood International Holding Co., Limited, (a company listed on the Main Board of the Stock Exchange with stock code: 1822). He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, and the Hong Kong Institute of Certified Public Accountants. He has previously worked for international public accounting firms and has been involved in the audit of some international and local engagements and listed companies. He is currently the sole practitioner of the firm "Alex So & Co. (Certified Public Accountants)". Besides his auditing experiences, Mr. So specializes in company secretarial work, tax planning, and management consultancy matters. Mr. So is the chairman of "New SOHO New Life Association" and the former chairman of "Chinese Business Association". He is also the honorary auditor of several voluntary organizations, including "Hong Kong Parkinson's Disease Foundation" and "HK Po Yin Association for the Development of Education".

Mr. Lam Cheung Shing Richard ("**Mr. Lam**"), aged 68, has been appointed as an independent non-executive Director since 31 December 2022. Mr. Lam served as the vice chairman and chief executive officer of EverChina Int'l Holdings Company Limited, a company listed on the Main Board of the Stock Exchange, from June 2009 to October 2023. He is currently a senior advisor to EverChina Int'l Holdings Company Limited. He is a fellow member of Hong Kong Institute of Certified Public Accountants and obtained the Master's Degree in Business Administration in the Chinese University of Hong Kong in 2006. Mr. Lam spent over ten years in PricewaterhouseCoopers, an international accounting firm and was promoted to the position of senior audit manager, and is equipped with extensive experience in accountancy, taxation and corporate finance. During the period from July 2019 to July 2020, Mr. Lam was also appointed as a senior advisor to the chairman of the Board, and has a certain understanding of the business of the Group. Other than the directorship in the Company, Mr. Lam currently also serves as an independent non-executive director at Far East Holdings International Limited, Lajin Entertainment Network Group Limited and China Water Industry Group Limited (in liquidation), whose shares are listed on the GEM and the Main Board of the Stock Exchange, respectively. Besides, Mr. Lam was appointed as an independent non-executive director or executive director in various companies whose shares are listed on the Main Board of the Stock Exchange during the period from 2001 and July 2014, including Eagle Legend Asia Limited, Kai Yuan Holdings Limited and Softpower International Limited (now known as China Pipe Group Limited).

Company secretary

Mr. Lee Pak Chung ("**Mr. Lee**"), aged 61, has over 35 years of experience in finance, accounting, and corporate secretarial services. Before joining the Company, he worked for several publicly listed companies and international public accounting firms. Mr. Lee is currently the chief financial officer and company secretary of China Wood International Holding Co., Limited, (a company listed on the Stock Exchange with stock code: 1822). Mr. Lee holds a bachelor's degree in Computer Studies from the City University of Hong Kong and a Master of Business Administration degree from the Hong Kong University of Science and Technology. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants, the American Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Chinese Institute of Certified Public Accountants.

13. BINDING EFFECT

The provisions of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance shall apply to all applications made in pursuance to this prospectus and shall be binding on all persons concerned so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. EXPERT AND CONSENT" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

15. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.biosysen.bio) for a period of 14 days from the date of this prospectus:

(i) the annual reports of the Company for the financial years ended 31 December 2023, 2024 and 2025;

(ii) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;

(iii) the material contracts referred to in the paragraph headed "8. MATERIAL CONTRACTS" of this appendix;

(iv) the written consent referred to in the paragraph headed "9. EXPERT AND CONSENT" of this appendix; and

(v) the Prospectus Documents.

16. MISCELLANEOUS

(i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong;

(ii) as at the Latest Practicable Date, the Group had no significant exposure to foreign exchange liabilities;

(iii) the principal place of business in Hong Kong of all Directors and authorised representatives of the Company is Level 28, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong; and

(iv) in the event of any inconsistency, the English text of this prospectus shall prevail over the Chinese text.