B&K CORPORATION LIMITED
青城新藥生物科技（青島）股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2396

2026
Interim Report

Contents

Contents	1
Company Information	2
Financial Highlights	4
Management Discussion and Analysis	5
Other Information	19
Independent Review Report	27
Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	28
Interim Condensed Consolidated Statement of Financial Position	29
Interim Condensed Consolidated Statement of Changes in Equity	30
Interim Condensed Consolidated Statement of Cash Flows	31
Notes to the Interim Condensed Consolidated Financial Statements	33
Definition	41

Company Information

BOARD OF DIRECTORS

Executive Directors

Ms. JIA Lijia *(Chairperson)*
Mr. WANG Kelong *(President and vice chairperson)*
Dr. ZHAI Junhui *(General manager, appointed as chief scientist with effect from August 2026)*
Mr. MIAO Tianxiang *(Chief Strategy Officer)*

Non-executive Directors

Ms. LIN Ying
Mr. YUAN Fei

Independent non-executive Directors

Mr. FOK Chi Tat Michael
Mr. LI Jiayan
Mr. YUE Yichun

SUPERVISORS *(Note)*

Ms. SONG Bing *(terminated with effect from 22 June 2026)*
Ms. LIU Yali *(terminated with effect from 22 June 2026)*
Ms. CHEN Xuanyu *(terminated with effect from 22 June 2026)*

Note: At the annual general meeting of the Company held on 22 June 2026, a special resolution was approved by the Shareholders in approving the abolition of the Supervisory Committee.

AUDIT COMMITTEE

Mr. YUE Yichun *(Chairperson)*
Mr. FOK Chi Tat Michael
Mr. LI Jiayan

REMUNERATION COMMITTEE

Mr. YUE Yichun *(Chairperson)*
Ms. JIA Lijia
Mr. LI Jiayan

NOMINATION COMMITTEE

Mr. YUE Yichun *(Chairperson)*
Ms. JIA Lijia
Mr. LI Jiayan

INTERNAL CONTROL COMMITTEE

Ms. JIA Lijia *(Chairperson)*
Mr. FOK Chi Tat Michael
Mr. LI Jiayan
Mr. YUE Yichun

JOINT COMPANY SECRETARIES

Mr. HO Hung Tim Chester *(resigned with effect from 30 January 2026)*
Ms. ZHANG Liting *(appointed with effect from 30 January 2026)*
Ms. WONG Wai Yee Ella

AUTHORISED REPRESENTATIVES

Dr. ZHAI Junhui
Ms. WONG Wai Yee Ella

REGISTERED OFFICE

Room 1507, Building 1
Xiexin Center, No. 19 Qinling Road
Laoshan District, Qingdao
Shandong Province, PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 1507, Building 1
Xiexin Center, No. 19 Qinling Road
Laoshan District, Qingdao
Shandong Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1915, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANK

Agricultural Bank of China Limited, Qingdao Laoshan Sub-branch
No. 242 Hong Kong East Road
Qingdao Hi-Tech Industrial Park
Laoshan District, Qingdao
Shandong Province, PRC

STOCK CODE

2396

COMPANY WEBSITE

qingchengxinyao.com

COMPANY ADVISOR

Orient Capital (Hong Kong) Limited
28/F–29/F, 100 Queen's Road Central
Central
Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

HONG KONG LEGAL ADVISER

Fangda Partners
26/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Financial Highlights

	Six months ended 30 June		
	2026	2025	Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	*(Unaudited)*	
Loss before tax	**(121,918)**	(86,684)	40.6%
Loss for the period	**(121,918)**	(86,684)	40.6%
Loss per share attributable to Ordinary equity holders of the Parent *(RMB per share)*	**(1.04)**	(0.87)	19.5%
R&D expenses	**61,274**	38,581	58.8%

	As at		
	30 June 2026	31 December 2025	Change
	RMB'000	*RMB'000*	+/(-)
	(Unaudited)	*(Audited)*	
Cash and cash equivalents	**535,847**	632,372	(15.3)%
Total assets	**593,736**	684,245	(13.2)%
Total liabilities	**37,317**	59,662	(37.5)%
Total equity	**556,419**	624,583	(10.9)%

BUSINESS REVIEW

Our Vision

Our vision is to provide better treatment solutions for patients with skin injuries, starting with our core technology adopted in PDGF drugs, and ultimately become a global leader in the pharmaceutical industry.

Company Overview

Founded in 2012, we are a China-based biopharmaceutical company committed to developing therapies with an emphasis on protein drugs for indications with medical needs and market opportunities. We primarily focus on the discovery, development and commercialization of therapies for wound healing, currently PDGF drugs. As of 30 June 2026, our pipeline consisted of ten candidates, seven of which are PDGF candidates, including two Core Products, namely Pro-101–1 for the treatment of thermal burns and Pro-101–2 for the treatment of DFUs, which are rhPDGF-BB drugs.

On 13 July 2026, the Company completed the change of its Chinese name from "華芢生物科技(青島)股份有限公司" to "青城新藥生物科技(青島)股份有限公司", whilst the English name of the Company remained unchanged. The Board considers that the new name of the Company will more accurately reflect the future strategic positioning of the Group and help further enhance the corporate image and market competitiveness, which is in the best interests of the Company and all Shareholders as a whole.

Product Pipelines

Since the commencement of our research and development of PDGF drugs in 2013, we have improved the gene sequence combination of PDGF and developed a proprietary PDGF gene sequence for manufacturing purposes, applicable for our protein/peptide pharmaceutical platform and nucleic acid pharmaceutical platform. These improvements and developments have facilitated the development of PDGF drugs in a more efficient manner and further contributed to a significant technological barrier for our competitors to enter the market. Compared to the only PDGF drug for treating DFUs approved by the FDA in the U.S. which used the *Saccharomyces cerevisiae* expression technology, our PDGF candidates employ *Pichia pastoris* as their carrier and have a lower glycosylation level, extracellular secretion and expression of the target product, a mature fermentation process and an easy separation and purification process. In comparison with *Saccharomyces cerevisiae*, the *Pichia pastoris* expression system has a higher efficiency of secretory expression, and can make purification of recombinant protein easier due to its limited production of endogenous secretory proteins. The PDGF sequence on which they are based is distinct from those of the only PDGF drug approved by the FDA in the U.S. for treating DFUs. In particular, the sequence of our PDGF candidates is reduced by five amino acids that are prone to cleavage, which enables higher stability and consistency of our PDGF candidates.

As at 30 June 2026, we had researched and developed three pipelines consisting of ten candidates covering 14 indications, comprising two Core Products, 1) Pro-101–1, which is undergoing the Phase IIIa clinical trial in China; and 2) Pro-101–2, which has entered the Phase II clinical trial in China. Seven of our candidates are PDGF candidates covering a broad spectrum of wound healing indications comprising (i) thermal burns, (ii) DFUs, (iii) fresh wounds, (iv) pressure ulcers, (v) radiation ulcers, (vi) dry eye syndrome, (vii) corneal injury, (viii) photodermatitis, (ix) alopecia, (x) hemorrhoids and (xi) gastric ulcers. Our PDGF candidates are being developed in several formulations, including (i) topical gel, (ii) spray, (iii) eye drops and (iv) oral, while we are also exploring routes of administration that are supported by medical devices. We are also developing mRNA and ASO injections, as well as T β 4 products.

Our Core Products, Pro-101–1 and Pro-101–2, are PDGF candidates for the treatment of thermal burns and DFUs, respectively. As of 30 June 2026, we had completed the Phase IIb clinical trial for Pro-101–1 and are in progress for the treatment of Phase IIIa clinical trial for deep second-degree burns in China. Pro-101–2 has entered the Phase II clinical trials, and we are also advancing pre-clinical development of PDGF candidates for the nine other indications. Among which, Pro-101–3 is one of such candidates. We have received a clinical trial approval notice from the NMPA in March 2026 for Pro-101–3 for the treatment of fresh wounds, chronic radiation ulcers and pressure ulcers, and candidates for other indications are currently progressing through preclinical development. We plan to submit a clinical trial application to the NMPA for T β 4 eye drops for the treatment of neurotrophic keratitis in the third quarter of 2026 and are advancing pre-clinical development for the other indications. Meanwhile, we have developed our pipeline of early-stage mRNA candidate for the treatment of solid tumor, as well as ASO candidate to cover brain glioma, and TNBC. The following chart summarizes our pipeline and the development status of each product candidate and indication as of 30 June 2026:

Candidate	Mechanism/ Target	Indication	Form	Clinical Trial Region	Development Phase (Pre-Clinical / Phase I / Phase II: IIa, IIb / Phase III: IIIa, IIIb)	Upcoming Milestone	Competent or Regulatory Authorities	Commercial Rights	Self-developed or Co-developed
★Pro-101-1	PDGF receptor	Thermal burns	Topical gel	China		The treatment of Phase IIIa clinical trial for deep second-degree burns is in progress, and the Phase IIb clinical trial report for the treatment of superficial second-degree burns is expected to be completed in 2027Q1	NMPA	Global	Self-developed
				U.S.		Submit the IND submission for the Phase III clinical trials of Pro-101-1 for the treatment of deep second-degree burns in 2027Q1	FDA	Global	
				Japan		Expected to hold the consultation meeting to discuss our plan to commence a Phase III clinical trial for Pro-101-1 for the treatment of deep second-degree burns in 2026Q3	PMDA	Global	
★Pro-101-2		DFUs	Topical gel	China		Expected to complete Phase II in 2027Q1 and initiate Phase III in 2027Q2	NMPA	Global	Co-developed with the Institute of Bioengineering of AMMS
				U.S.		Expected to submit IND filing to start Phase III clinical trials in 2027Q1	FDA	Global	
				Japan		Expected to submit CTN filing to start a Phase III clinical trial in 2027Q1	PMDA	Global	
Pro-101-3		Fresh wounds, Pressure ulcers, Radiation ulcers, Photodermatitis, Alopecia, Hemorrhoids	Topical gel	China		For indications of fresh wounds, pressure ulcers and radiation ulcers, IND submission was submitted in China in December 2025, and the notice of approval for clinical trials was obtained on 19 March 2026. For indications of photodermatitis, alopecia and hemorrhoids, IND submission is expected to be submitted in China in 2026	NMPA	Global	Self-developed
Pro-102		Fresh wounds, Photodermatitis	Spray	China		IND submission in China expected in 2028	NMPA	Global	
Pro-103		Dry eye syndrome, Corneal injury	Eye drops	China		IND submission in China expected in 2026	NMPA	Global	
Pro-104		Alopecia	Drug-device combination product	China		IND submission in China expected in 2029	NMPA	Global	
Pro-105		Gastric ulcers	Oral	China		IND submission in China expected in 2027	NMPA	Global	
Mes-201 (mRNA)	TSAs	Solid tumor	Injection	China		IND submission in China expected in 2027	NMPA	Global	Self-developed
Oli-101 (ASO)	lncRNA	Brain glioma	Injection	China		IND submission in China expected in 2028	NMPA	Global	Self-developed
Oli-201 (ASO)		TNBC	Injection	China		IND submission in China expected in 2029	NMPA	Global	

★ Core Products

Note: With regard to Pro-201, we plan to submit a clinical trial application to the NMPA for T β 4 eye drops for the treatment of neurotrophic keratitis in the third quarter of 2026.

Core Pipeline Progress

Our Core Products have demonstrated safety profile with notable increases in wound healing rates across multiple clinical studies for different wound healing indications.

Pro-101–1 for Thermal Burns

We hold the rights to develop and commercialize Pro-101–1 for the treatment of thermal burns globally. As of 30 June 2026, we were conducting the Phase IIIa clinical trial of Pro-101-1 for the treatment of deep second-degree burns and scalds in China, with 40 trial participants enrolled. The Phase IIIa clinical trial is expected to be completed in the first quarter of 2027.

In China, we applied for NMPA approval to directly commence clinical trial of Pro-101–1 from the Phase IIa clinical trial for the treatment of thermal burns based on the data of the treatment of DFUs' Phase I clinical trial, and received such approval for the clinical trial of Pro-101–1 in June 2022. We completed the Phase IIa clinical trial of Pro-101–1 in thermal burns in May 2023, during which Pro-101–1 demonstrated safety and tolerability profile, and preliminary efficacy studies during the Phase IIa clinical trial demonstrate that it helps to expedite the healing process of superficial second-degree and deep second-degree burn wounds. We entered the Phase IIb clinical trial of Pro-101–1 in thermal burns in China in December 2023. We reached last trial participant out for Phase IIb clinical trials for the treatment of deep and superficial second-degree burns in April 2025, and finalized the clinical report for the treatment of deep second-degree burns in December 2025. We received the ethics review opinion from the lead unit to conduct the clinical trial in late December 2025. Pro-101–1 for the treatment of deep second-degree burns has entered Phase IIIa clinical trial, with 40 trial participants enrolled as of 30 June 2026.

In the U.S., we submitted a pre-IND communication application to the FDA in December 2021 with respect to Pro-101–1 for thermal burns. In their response, the FDA agreed with our proposal to carry out the clinical trials and submit a BLA via section 351(a) pathway (the pathway for approval of innovator biologics) for Pro-101–1 in thermal burns. We have conducted a gap analysis of the clinical trial materials between China and the United States, and expect to obtain the gap analysis report in the third quarter of 2026. Based on the findings of the gap analysis report, we will supplement and submit the preparation materials for the U.S. clinical trial. We have conducted research into the requirements for conducting clinical trials in Japan, as well as an analysis of the Japanese market. We are currently preparing to submit materials for a consultation meeting.

Pro-101–2 for DFUs

We hold the rights to develop and commercialize Pro-101–2 for the treatment of DFUs globally.

We received the IND approval of Pro-101–2 from NMPA for the treatment of DFUs in July 2021, and completed the Phase I clinical trial in October of the same year. We initiated the Phase II clinical trial in China in February 2022, with the first trial participant enrolled in December 2024 and all 160 trial participants enrolled in July 2026.

We have conducted research on the requirements for conducting clinical trials of Pro-101–2 for the treatment of DFUs in the U.S. and Japan, and have analyzed the U.S. and Japanese markets. With the enrollment for the clinical trial in China now completed, we are actively advancing clinical data consolidation and preparing supplementary materials for submission of clinical trial applications in the United States and Japan. We plan to submit an IND application to the FDA to initiate a Phase III clinical trial in the first quarter of 2027, and plan to submit a CTN application to the PMDA to commence a Phase III clinical trial in the first quarter of 2027.

Non-Core Pipeline Progress

Pro-101–3: In December 2021, we submitted an application to the CDE requesting direct approval to initiate a Phase Ib clinical trial of Pro-101–3 for the treatment of fresh wounds, based on our Phase I clinical trial data of Pro-101–2 for diabetic foot. In March 2022, the CDE responded in writing in lieu of a meeting. The CDE provided useful suggestions on the design of the Phase Ib clinical trial of Pro-101–3 for fresh wounds, and advised that the need for additional safety studies should depend on the mechanism of action, dosage, administration duration, and systemic/local exposure results of Pro-101–2 for diabetic foot. Based on the results of the Phase IIa and Phase IIb clinical trials of Pro-101–1 for deep second-degree burns and scalds, as well as the Phase I clinical trial results of Pro-101–2 for diabetic foot, we submitted an IND submission to the NMPA in the fourth quarter of 2025, and obtained the notice of approval for clinical trials for the treatment of fresh wounds, pressure ulcers and chronic radiation ulcers on 19 March 2026.

Pro-102: For the spray product indicated for fresh wounds and solar dermatitis, the Company expects to submit an IND submission to the NMPA in 2028.

Pro-103: For the PDGF eye drop product indicated for dry eye syndrome and corneal damage, the Company expects to submit an IND submission to the NMPA in 2026.

Pro-104: As of 30 June 2026, the PDGF microneedle candidate product (a drug-device combination product) for the treatment of alopecia is at the research and development stage, and the Company expects to submit an IND submission to the NMPA in 2029.

Pro-105: As one of the Company's PDGF candidate products, it shares rhPDGF-BB as the active ingredient with other PDGF products. The Company expects to submit an IND submission to the NMPA in 2027.

mRNA AND ASO

In addition to our PDGF candidates for several pre-clinical-stage indications, we are developing three pre-clinical candidates in our pipeline, namely an mRNA drug Mes-201 and two ASO drugs, Oli-101 and Oli-201. With the support of the nucleic acid pharmaceutical platform, we meticulously evaluate these candidates' toxicity and pharmacological effects in a variety of pre-clinical studies using in vitro and in vivo laboratory testing techniques, and we actively explore their clinical development opportunities. As of 30 June 2026, we were conducting pre-clinical biological, cytological and pharmacological researches on mRNA and ASO molecules.

Pro-201 for Neurotrophic Keratitis

As of 30 June 2026, the Company had established the pilot-scale production processes for T β 4 drug substance and eye drops, manufactured batches for toxicological studies and clinical use, completed pharmaceutical research as well as pharmacological and toxicological studies, and finalized the design of clinical trial protocols, and aims to submit a clinical trial application in the third quarter of 2026.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET OUR PDGF CANDIDATES SUCCESSFULLY.

Research and Development

We consistently adhere to the "innovation-driven" development strategy, regarding technological innovation as the core engine for the Company's continuous progress. In the Reporting Period, we continued to increase our R&D investment, with R&D expenditure of approximately RMB61.3 million, aiming to strengthen our independent R&D capabilities, deepen our core technology moat, and comprehensively enhance the Company's overall competitiveness in the biopharmaceutical field.

High-quality scientific research talent is the cornerstone of innovation. Currently, the Company has assembled a highly educated and professional R&D team comprising 4 doctoral degree holders, 10 master's degree holders, and 30 bachelor's degree holders, ensuring deep accumulation and academic foresight in key technological areas. We have established a full-chain R&D system covering everything from target discovery to industrialisation, and implement rigorous project tiered management and milestone assessment mechanisms. Through standardised processes and efficient resource allocation, we ensure R&D quality while significantly improving the efficiency of translation from the laboratory to clinical application.

The Company actively engages in in-depth industry-university-research cooperation, establishing strategic partnerships with several renowned universities and research institutions. We have launched a special cooperation project with West China Hospital of Sichuan University to jointly develop an innovative delivery system and conduct biological activity evaluations, focusing on validating the targeting, sustained-release efficiency, and tissue repair function of innovative PDGF formulations, providing forward-looking treatment solutions for the industry. The clinical research of the Company's Core Product, PDGF (platelet-derived growth factor), made significant progress, reaching clinical trial cooperation agreements with many hospitals nationwide.

To further expand our talent pipeline and strengthen our R&D capabilities, we are committed to fostering an innovation-driven and vibrant corporate culture to attract and retain talent. We have established a Science and Technology Committee to provide professional support for the R&D of pipeline candidates, clinical trial design and development strategy selection. We plan to continue providing both internal and external training for R&D personnel and optimizing our employee incentive schemes. At the same time, we will continuously reinforce our advanced biomolecular therapeutic drug development platforms, including the protein/peptide pharmaceutical platform and the nucleic acid pharmaceutical platform centered on mRNA molecular design and LNP delivery technology, to maintain our leading position in relevant therapeutic areas. We recognize the strategic value of formulation innovation in product market positioning and, leveraging our in-development formulations such as eye drops and sprays, as well as our patent portfolio, will continue to explore innovative formulations to support the commercial application of our pipeline candidates. Furthermore, leveraging our experience with existing drug development platforms, we will deepen collaborations with leading domestic and international pharmaceutical companies and research institutions, while continuously building internal technical and biological knowledge to develop new therapies and potential pipeline candidates. We will establish strategic partnerships with renowned academic institutions and industry leaders, continue to deepen collaborations with top-tier domestic pharmaceutical companies and actively expand global collaboration opportunities. We are also actively exploring overseas markets for our pipeline candidates.

Intellectual property rights are a core pillar supporting the Company's R&D as well as its business growth. We have established a comprehensive patent portfolio to protect our product candidates and technologies, as of 30 June 2026, we own 26 granted patents and 31 pending patent applications. In addition to patents, we place a strong emphasis on the protection of non-patent intellectual property rights, including trade secrets, confidential information and know-how. By entering into confidentiality and non-competition agreements with our consultants, R&D personnel, senior management and key employees, and by enhancing physical security measures at our premises and electronic security of our information systems, we safeguard the integrity and confidentiality of our core technologies and proprietary information. We have also systematically established a presence in the areas of trademarks, software copyrights and domain names. Furthermore, through cooperation agreements, licensing arrangements and other means, we actively leverage our own intellectual property rights and appropriately obtain third-party intellectual property rights, thereby building an intellectual property system of considerable scale and quality, which provides a solid foundation for our business development and technological innovation.

Management

Our corporate culture is characterized by inclusiveness, collaboration, professional pride, commitment and innovation. Led by our experienced management team, we have been fully committed to implementing such corporate culture to develop and commercialize our candidates and achieve sustainable business growth. Our management team possesses extensive industrial experience in the pharmaceutical industry, coupled with an international vision and profound expertise in cutting-edge technology fields.

Development Strategies and Business Prospects

During the Reporting Period, we continued to advance the research and development of our Core Products and actively explore potential overseas business development opportunities. We will continue to proactively and dynamically pursue opportunities in China and to position ourselves as a leading enterprise in the globalization of the pharmaceutical industry. We will:

- continually advance the research and development of our Core Products to reach commercialization
- rapidly establish production and commercialization systems of Core Products and well-rounded capabilities encompassing research, manufacture and sales
- further enhance our research and development capabilities and collaborations, and continually upgrade and launch product pipelines leveraging our core technology platforms
- continue to explore potential business development opportunities overseas, deepen international development strategy and reinforce global partnerships

I. Specific Strategic Action Plans for 2026 and 2027

1. Continuous Advancement of R&D and Commercialization of Core Products

— Pro-101–1: The treatment of Phase IIIa clinical trial for deep second-degree burns is in progress; the Phase IIb clinical trial report for the treatment of superficial second-degree burns is expected to be completed in 2027Q1; prepare for submission of the IND submission for the Phase III clinical trials for the treatment of deep second-degree burns; and expected to hold a communication meeting with Japan's PMDA in 2026Q3.

— Pro-101–2: Trial participant enrollment for Phase II is completed, and it is expected to complete Phase II in 2027Q1 and initiate Phase III in 2027Q2.

2. Acceleration of Core Product Production and Commercial System Establishment

— Finalize a large-scale commercial production solution (leasing/self-construction/cooperation with CMOs) and the Company is considering locating suitable manufacturing facilities within PRC to establish a GMP-compliant production system.

— Build integrated R&D, production and marketing capabilities, and commence preliminary preparation for the commercial team.

3. Enhancement of R&D Capabilities

— Procure professional R&D and quality control equipment, and upgrade the protein/peptide and nucleic acid pharmaceutical R&D platforms.

— Advance preclinical R&D of new PDGF products, as well as mRNA, ASO products and T β 4 candidate products.

— Build an AI-empowered platform for drug discovery.

— Conduct R&D of new drugs under space environment, and explore novel pathways for the development of pharmaceutical molecules and formulation optimization at the frontier.

4. Exploration of Overseas Business Opportunities

— Progress clinical application and trial preparation for Pro-101–1 and Pro-101–2 in the United States and Japan.

II. Pro-101–1 2027 Product Commercialization and Marketing Plan

— Production: To ensure product supply, we are preparing to initiate the process of leasing and/or purchasing domestic production facilities (including feasibility analysis) Through cooperation with qualified CMOs/CDMOs, we will establish a GMP-compliant commercialization production and supply system.

— Marketing: For the thermal burn therapy market, build an expert network based on clinical data and conduct clinical education for medical professionals; leverage the first-mover advantage of launching PDGF pharmaceuticals in China to capture the thermal burn wound healing therapy market.

— Access: Advance preparation for product inclusion in medical insurance and hospital access, covering core national thermal burn therapy medical institutions.

FINANCIAL REVIEW

Other Income and Gains

During the Reporting Period, the other income and gains primarily consisted of interest income from bank deposits.

Other income and gains increased by 59.1% from approximately RMB0.6 million for the six months ended 30 June 2025 to approximately RMB1.0 million for the six months ended 30 June 2026, mainly due to the increase in the interest income from bank deposits as a result of the net proceeds from the Global Offering in December 2025.

Administrative Expenses

Administrative expenses increased by 15.6% from approximately RMB48.2 million for the six months ended 30 June 2025 to approximately RMB55.7 million for the six months ended 30 June 2026, mainly attributable to the increase in employee remuneration during the Reporting Period and the one-off recognition in respect of share-based payment of certain employees as of 30 June 2026 relating to the employee incentive plan approved and adopted by us in February 2024.

Research and Development Expenses

During the Reporting Period, the research and development expenses primarily consist of: (i) employee benefit expenses of research and development personnel; (ii) share-based payment; (iii) service fee, mainly in relation to CDMO and CRO services; (iv) cost of raw materials, mainly in relation to our research and development activities; (v) depreciation and amortization expenses; (vi) office expenses; and (vii) others.

Research and development expenses increased by 58.8% from approximately RMB38.6 million for the six months ended 30 June 2025 to approximately RMB61.3 million for the six months ended 30 June 2026, mainly due to (i) the one-off recognition in respect of share-based payment of certain employees as of 30 June 2026 relating to the employee incentive plan approved and adopted by us in February 2024; and (ii) the increase in services fees incurred by us with respect of CDMOs and CROs during the Reporting Period.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Employee benefit expenses	**8,181**	7,857
Share-based payment	**26,132**	18,686
Service fee	**21,076**	4,061
Cost of raw materials	**1,366**	3,882
Depreciation and amortization expense	**3,430**	3,189
Office expenses	**529**	545
Others	**560**	361
Total	**61,274**	38,581

Other Expenses

During the Reporting Period, the other expenses primarily consisted of net foreign exchange differences and handling fees.

Other expenses increased by 121.1 times from approximately RMB44,000 for the six months ended 30 June 2025 to approximately RMB5.4 million for the six months ended 30 June 2026, mainly attributable to the foreign exchange losses arising from our cash balances on hand.

Finance Costs

Finance costs increased by 16.4% from approximately RMB0.5 million for the six months ended 30 June 2025 to approximately RMB0.6 million for the six months ended 30 June 2026, mainly resulting from the increase in interest on long-term payables recognized pursuant to the instalment payment agreement for intangible assets, as well as other financial liabilities relating to leases.

Loss for the Reporting Period

Due to the above reasons, our loss increased by 40.6% or by approximately RMB35.2 million from approximately RMB86.7 million for the six months ended 30 June 2025 to approximately RMB121.9 million for the six months ended 30 June 2026.

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates indicated:

	As at	
	30 June 2026	31 December 2025
Current ratio (times)	**41.6**	17.1

Note: Represents current assets divided by current liabilities as of the same date.

Net Current Assets

Our net current assets decreased by 12.1% from approximately RMB598.7 million as of 31 December 2025 to approximately RMB526.0 million as of 30 June 2026, which was due to our continued advancement of our R&D pipeline development and the corresponding increase in operating and R&D investments.

As of 30 June 2026, our current assets amounted to approximately RMB539.0 million, including prepayments, other receivables and other assets of approximately RMB3.1 million and cash and cash equivalents of approximately RMB535.8 million. As of 30 June 2026, our current liabilities amounted to approximately RMB12.9 million, including trade payables of approximately RMB6.5 million, lease liabilities of approximately RMB2.2 million and other payables and accruals of approximately RMB4.2 million.

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust return capital to shareholders, issue new shares or the dividend payment to shareholders (if any).

LIQUIDITY AND FINANCIAL RESOURCES

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Company to finance the operations and mitigate the effects of fluctuations in cash flows.

The principal sources of working capital of the Group during the Reporting Period was the net proceeds from the Global Offering. As at 30 June 2026, the Group had prepayments, other receivables and other assets of approximately RMB3.1 million (31 December 2025: RMB2.9 million) and cash and cash equivalents of approximately RMB535.8 million (31 December 2025: RMB632.4 million), most of which were denominated in either Renminbi or Hong Kong dollars.

The interest-bearing borrowings of the Group as at 30 June 2026 was nil (31 December 2025: nil). As such, the gearing ratio (total borrowings divided by total equity as of the same date) is not applicable.

As at 30 June 2026, the net current assets of the Group were approximately RMB526.0 million (31 December 2025: RMB598.7 million), which consisted of current assets of approximately RMB539.0 million (31 December 2025: RMB635.9 million) and current liabilities of approximately RMB12.9 million (31 December 2025: RMB37.2 million), representing a current ratio of approximately 41.6 (31 December 2025: 17.1).

EMPLOYEES AND REMUNERATION POLICIES

Currently, our employees are mainly from the Chinese mainland and Hong Kong. As of 30 June 2026, the Group had a total of 103 employees (as of 31 December 2025: 100 employees). Total remuneration costs incurred by the Group amounted to RMB76.4 million in six months ended 30 June 2026 (six months ended 30 June 2025: RMB62.0 million).

The Group remunerates the employees, including the Directors, on the basis of their merit, qualifications and competence. The Group endeavors to attract and retain the employees by offering underlying Shares to employees and employee benefits including but not limited to offering recognizing employee commitment and achievement by offering bonus and cash incentive award on performance basis and promotions based on annual performance appraisal process.

To incentivize and maintain the directors, senior management members, core technical personnels and key employees of the Group, we have granted employee incentive plans. The Company adopted three employee incentive plans in December 2020, October 2021 and February 2024, respectively. For further details, please refer to the paragraph headed "Statutory and General Information — C. Further Information about our Directors and Supervisors — 3. Employee Incentive Plans" in Appendix IV in the Prospectus.

We organize training programs on data security, compliance, and occupational health and safety. We continuously provide a variety of internal and external training opportunities to the R&D staff, and we manage the recruitment, training and evaluation of the sales and marketing teams of the Company.

SIGNIFICANT INVESTMENTS, ACQUISITIONS OR DISPOSAL

During the Reporting Period, the Group did not have any significant investments, acquisitions or disposals that require additional disclosures or adjustments.

CONTINGENT LIABILITIES

As at 30 June 2026, we did not have any contingent liabilities.

CHARGE ON ASSETS

As at 30 June 2026, the Group had no charge on assets.

EXPOSURE TO FOREIGN EXCHANGE RISK

Our subsidiaries mainly operate in Chinese Mainland and Hong Kong with most of the transactions settled in RMB and HK dollars, respectively. Foreign exchange rate risk arises when recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency.

As at 30 June 2026, the financial assets and liabilities of our subsidiaries in Chinese Mainland and Hong Kong were primarily denominated in RMB and HK dollars, respectively. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's foreign exchange rate risks. Any material fluctuation in the exchange rates of RMB or HK dollars may have an impact on the operating results of the Group. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

CAPITAL EXPENDITURE AND COMMITMENTS

During the Reporting Period, the Group incurred capital expenditures of approximately RMB4.3 million (for the six months ended 30 June 2025: approximately RMB2.7 million), primarily due to purchases of equipment.

The following table sets forth our capital expenditures for the periods indicated:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Purchases of items of property, plant and equipment	**4,326**	2,665

As at 30 June 2026, the Group had a total capital commitment of approximately RMB0.6 million (31 December 2025: RMB0.6 million), mainly related to equipment.

USE OF PROCEEDS FROM THE LISTING

The Company's shares were listed on the Main Board of the Stock Exchange on 22 December 2025. After deducting the underwriting fees and commissions and expenses payable by the Company in connection with the Global Offering, the final net proceeds from the Global Offering amounted to approximately HK$599.8 million. There was no change to the intended use of the net proceeds from that disclosed in the Prospectus as at the date of this report.

The following table sets forth the planned use and actual use of the net proceeds from the Listing Date up to 30 June 2026:

Business objective as stated in the Prospectus	**Proportion**	**Planned allocation of total net proceeds** *(HK$ million)*	**Amount utilised as at 30 June 2026** *(HK$ million)*	**Unutilised net proceeds as at 30 June 2026** *(HK$ million)*	**Expected timetable of utilisation of the unutilised net proceeds from the Global Offering** [(1)]
Funding the continual clinical development and commercialization of the Core Products, Pro-101-1 and Pro-101-2	61.8%	370.7	42.3	328.4	By the end of 2030 [(2)]
Enhancing the research and development capabilities by purchasing specialized equipment and instruments related to the research and development and quality control activities	18.8%	112.8	4.1	108.7	By the end of 2028 [(2)]
For payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of the continual pre-clinical research and development of the PDGF products other than the Core Products for other indications	6.3%	37.8	2.3	35.5	By the end of 2028 [(2)]
For payment of the expenses of third-parties' services, R&D personnel costs and raw materials costs of pre-clinical research and development activities of our Mes-201, Oli-101 and Oli-201	3.1%	18.5	0.1	18.4	By the end of 2028 [(2)]
Working capital and for general corporate uses	10.0%	60.0	27.6	32.4	By the end of 2028 [(2)]
	100%	599.8	76.4	523.4	

Notes:

(1) The expected timetable of the unutilised net proceeds is based on the Group's current best estimate of market conditions.

(2) The Company will deposit the unutilised net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

MATERIAL LITIGATION

The Group was not involved in any material litigation, arbitration, or administrative proceeding that would have a material adverse effect on its financial condition or results of operations during the Reporting Period. The Directors are also not aware of any material litigation, arbitration, or administrative proceedings that are pending or threatened against the Group as at 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 30 June 2026, save for the "Use of proceeds from the Listing" disclosed in this report, the Group did not have any existing plan for acquiring other material investments or capital assets.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF THE REPORTING PERIOD

Following the change of the Chinese name of the Company becoming effective on 13 July 2026, the Shares were traded on the Stock Exchange under the new stock short name of "青城新藥 – B" in Chinese, instead of "華芢生物 – B", with effect from 9:00 a.m. on 22 July 2026. The stock short name for trading in English remained unchanged as "B&K CORP-B" and the stock code of the Company remained unchanged as "2396".

Save as disclosed above, no significant events affecting the Group that require additional disclosures or adjustments occurred after the Reporting Period and up to the date of this report.

DIVIDEND

No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. In view of our accumulated losses, the Company shall not declare or pay dividend until the accumulated losses are covered by the after-tax profits and sufficient statutory common reserve is drawn in accordance with the relevant laws and regulations. Accordingly, no dividend was declared and paid by the Group during the Reporting Period and no payment of an interim dividend for the Reporting Period was recommended.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if any) during the Reporting Period. The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2026.

DEBENTURE ISSUED

The Group did not issue any debenture during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

For the purpose of this interim report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

Our Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures, to enhance transparency of the work of the Board, and to strengthen accountability to all the Shareholders.

During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code and has adopted them as the standard for the Company's corporate governance practices.

The Company is also committed to the view that the Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that the Board has a strong independent element that can effectively exercise independent judgement.

The Board will continue to review and monitor the corporate governance practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own securities dealing code to regulate all dealings of securities in the Company by Directors, Supervisors and other employees (including the senior management) of the Company and other matters covered by the Model Code.

Specific enquiry has been made by the Company to all Directors and Supervisors and all of them have confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance with the Model Code by the senior management or other employees of the Group during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee comprises three independent non-executive Directors, namely, Mr. YUE Yichun (Chairperson of the Audit Committee), Mr. FOK Chi Tat Michael and Mr. LI Jiayan.

The unaudited condensed consolidated interim results of the Company represent an extract from the condensed interim consolidated financial statements, which are unaudited but have been reviewed by the Company's auditor, Ernst & Young, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The interim results have also been reviewed by the Audit Committee.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As of 30 June 2026, the interests and short positions of our Directors, the Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in Shares of the Company

Name of Director, Supervisor or chief executive	Nature of interest	Number and class of Shares held(1)	Approximate percentage of shareholding in the relevant class of Shares (%)	Approximate percentage of total number of Shares in issue (%)
Ms. Jia	Beneficial owner and interest of concert parties(2)	22,895,959 Unlisted Shares	66.11	19.46
	Beneficial owner and interest of concert parties(2)	44,099,978 H Shares	53.12	37.48
Mr. Wang	Beneficial owner and interest of concert parties(2)	22,895,959 Unlisted Shares	66.11	19.46
	Beneficial owner and interest of concert parties(2)	44,099,978 H Shares	53.12	37.48

Notes:

(1) All interests stated are long positions. As at 30 June 2026, the total number of issued Shares was 117,657,522 Shares, comprising (i) 34,635,377 Unlisted Shares and (ii) 83,022,145 H Shares.

(2) Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li directly held 19,540,937 Shares, 17,980,000 Shares, 17,475,000 Shares and 12,000,000 Shares in the Company, respectively. By virtue of the concert party agreement dated 16 April 2024, each of Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li is deemed to be interested in such Shares by the other Controlling Shareholders as they are parties acting in concert.

Save as disclosed above, as of 30 June 2026, so far as is known to the Directors, Supervisors or chief executive of the Company, none of the Directors, Supervisors or chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations which (a) were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

To the best knowledge of our Company based on publicly available information, as at 30 June 2026, the interests and short positions of the following persons (other than the Directors, Supervisors and chief executive of the Company) in the Shares and underlying Shares of the Company (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which the persons (other than the Directors, Supervisors and chief executive of the Company) were taken or deemed to have under such provisions of the SFO) or interests or short positions in the register required to be kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholder	Nature of interest	Number and class of Shares held[(1)]	Approximate percentage of shareholding in the relevant class of Shares[(1)] (%)	Approximate percentage of total number of Shares in issue[(1)] (%)
Ms. Zhang	Beneficial owner and interest of concert parties[(2)]	22,895,959 Unlisted Shares	66.11	19.46
	Beneficial owner and interest of concert parties[(2)]	44,099,978 H Shares	53.12	37.48
Mr. Li	Beneficial owner and interest of concert parties[(2)]	22,895,959 Unlisted Shares	66.11	19.46
	Beneficial owner and interest of concert parties[(2)]	44,099,978 H Shares	53.12	37.48
Qingdao Hitech[(3)]	Beneficial owner	5,999,923 Unlisted Shares	17.32	5.10
	Beneficial owner	3,090,870 H Shares	3.72	2.63
Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司)[(3)]	Interest in controlled corporation	5,999,923 Unlisted Shares	17.32	5.10
	Interest in controlled corporation	3,090,870 H Shares	3.72	2.63
Qingdao Huaren[(4)]	Beneficial owner	3,600,000 Unlisted Shares	10.39	3.06
	Beneficial owner	4,400,000 H Shares	5.30	3.74
Tang Anqi (唐安琪)[(4)]	Interest in controlled corporation	3,600,000 Unlisted Shares	10.39	3.06
	Interest in controlled corporation	4,400,000 H Shares	5.30	3.74

Notes:

(1) All interests stated are long positions. As at 30 June 2026, the total number of issued Shares was 117,657,522 Shares, comprising (i) 34,635,377 Unlisted Shares and (ii) 83,022,145 H Shares.

(2) Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li directly held 19,540,937 Shares, 17,980,000 Shares, 17,475,000 Shares and 12,000,000 Shares in the Company, respectively. By virtue of the concert party agreement dated 16 April 2024, each of Ms. Jia, Mr. Wang, Ms. Zhang and Mr. Li is deemed to be interested in such Shares by the other Controlling Shareholders as they are parties acting in concert.

(3) Qingdao Hitech directly held a total of 9,090,793 Shares in the Company. It is wholly owned by Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司), which is in turn wholly controlled by Laoshan District Financial Bureau of Qingdao City (青島市嶗山區財政局), a PRC government body. As such, Qingdao Laoshan Science and Technology Innovation Development Group Co. Ltd. (青島嶗山科技創新發展集團有限公司) is deemed to be interested in such Shares held by Qingdao Hitech.

(4) Qingdao Huaren is a limited partnership established under the laws of the PRC on 30 November 2020 and is one of the Employee Shareholding Platforms. It was managed by its executive partner, Tang Anqi (唐安琪), who is an employee of the Company, and none of the limited partners of Qingdao Huaren contributed more than one third of the capital to Qingdao Huaren. Accordingly, Tang Anqi is deemed to be interested in such Shares held by Qingdao Huaren.

Save as disclosed above, as at 30 June 2026, to the best knowledge of the Directors, no other person (not being the Directors, Supervisors and chief executive of the Company) had any interests or short positions in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be recorded in the register maintained by the Company.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Directors, Supervisors or their respective spouse or children under 18 years of age, or were such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, Supervisors or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period up to the date of this report.

EMPLOYEE INCENTIVE PLANS

The Company approved and adopted certain employee incentive plans (the "**Employee Incentive Plans**") in December 2020 (the "**Plan I**"), October 2021 (the "**Plan II**") and February 2024 (the "**Plan III**") respectively. All the partnership interests in Qingdao Huaren and Hainan Huaren and Shares under the Employee Incentive Plans have been fully granted and all the 17 individual participants have been registered as general partners and/or limited partners of Qingdao Huaren and Hainan Huaren, respectively prior to the Listing Date. No further partnership interests in Qingdao Huaren and Hainan Huaren or Shares shall be granted under the Employee Incentive Plans after the Listing Date. The terms of the Employee Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

As of 30 June 2026, Qingdao Huaren and Hainan Huaren, our Employee Shareholding Platforms, hold 8,000,000 Shares (representing approximately 6.80% of total issued shares of the Company) and 4,785,000 Shares (representing approximately 4.07% of total issued shares of the Company), respectively, as underlying Shares under the Employee Incentive Plans. Set out below is the ownership structure of the Employee Shareholding Platforms as at 30 June 2026.

Name	Current and/or Historical Position in our Company	Position in the Employee Shareholding Platforms	Partnership Interests %	Disposal Restriction
Qingdao Huaren				
Qiu Dongmei (邱冬梅)	Deputy R&D director	Limited Partner	15.00%	A
Zhai Junhui (翟俊輝)	General manager and executive Director	Limited Partner	13.75%	A
Xiao Jianlin (肖建林)	Vice president	Limited Partner	12.50%	B
Zhang Jingfang (張璟芳)	Human resource deputy director	Limited Partner	9.38%	A
Ding Bo (丁波)	Head of investment and financing in Hong Kong	Limited Partner	6.25%	A
Fu Ling (付玲)	Deputy R&D director	Limited Partner	6.25%	C
Jia Qiuli (賈秋麗)(1)(2)	Deputy director of procurement department (used to serve as our head of R&D department, director of procurement department)	Limited Partner	6.25%	A
Liu Hao (劉豪)	Government affairs liaison officer	Limited Partner	6.25%	A
Xu Zhenyu (徐震宇)	Vice president and chief marketing officer	Limited Partner	6.25%	D
Xia Xinyu (夏鑫玉)	Deputy internal control director	Limited Partner	6.25%	A
Zhang Liting (張麗婷)(1)	Joint company secretary and deputy director of financial department	Limited Partner	5.00%	A
Chen Xuanyu (陳炫宇)	Head of internal control and Supervisor	Limited Partner	3.13%	A
Cheng Long (成龍)	Medical director	Limited Partner	2.50%	A
Ho Hung Tim Chester (何鴻添)	Vice president, chief financial officer and secretary to the Board	Limited Partner	0.63%	A
Tang Anqi (唐安琪)(2)	Head of Funds Settlement	General Partner	0.63%	A

Name	Current and/or Historical Position in our Company	Position in the Employee Shareholding Platforms	Partnership Interests %	Disposal Restriction
Hainan Huaren				
Zhao Xinghui (趙興卉)	Chief R&D officer	Limited Partner	31.35%	E
Song Bing (宋冰)	Chairperson of the Supervisory Committee and Supervisor	Limited Partner	21.66%	E
Jia Qiuli (賈秋麗)(1)(2)	Deputy director of procurement department (used to serve as our head of R&D department, director of procurement department)	Limited Partner	20.90%	E
Cheng Long (成龍)(1)	Medical director	Limited Partner	6.27%	E
Zhang Liting (張麗婷)(1)	Joint company secretary and Deputy director of financial department	General Partner	19.82%	E

A. The interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans. The Shares held by Qingdao Huaren are subject a 12-month lock-up period under the PRC laws.

B. 20% of the interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans; the remaining 80% interest are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

C. The interests held by such participant in Qingdao Huaren are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year, respectively. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

D. 40% of the interests held by such participant in Qingdao Huaren are not subject to any disposal restriction under the Employee Incentive Plans; the remaining 60% interests are subject to a three-year disposal restriction since the grant date, with 30%, 30% and 40% of such interests unlocked upon the first, second and third anniversary year, respectively. The Shares held by Qingdao Huaren are also subject a 12-month lock-up period under the PRC laws.

E. The Shares held by Hainan Huaren are subject a 12-month lock-up period under the PRC laws.

Notes:

(1) Jia Qiuli, Zhang Liting and Cheng Long hold partnership interests in both Qingdao Huaren and Hainan Huaren.

(2) Jia Qiuli is the sister of Ms. Jia, aunt of Mr. Wang, mother of Wang Shen (王紳) (the cousin of Mr. Wang and nephew of Ms. Jia), aunt of Shao Yubo (邵煜博) (the cousin of Mr. Wang and nephew of Ms. Jia) and mother-in-law of Tang Anqi. Tang Anqi is the spouse of Wang Shen and daughter-in-law of Jia Qiuli.

Among the above 17 individual participants, the interests granted to and held by three participant under the Employee Incentive Plans have been fully vested and the interests granted to and held by the other 14 participants under the Employee Incentive Plans are subject to restrictions under the Employee Incentive Plans and are therefore considered not to have been fully vested as at 30 June 2026.

Save as disclosed above, to the best knowledge of the Company, each of the general and limited partners of Qingdao Huaren and Hainan Huaren is independent from our Company, our connected persons, and from each other.

(a) Objectives

The objectives of the Employee Incentive Plans are to further improve the corporate governance of the Company, to build an incentive mechanism for senior management members, core employees and consultants engaged by the Group, among others, to achieve our strategies and to advance development of the Group.

(b) Eligibility

Pursuant to the plan documents (the "**Plan Documents**"), participants of the Employee Incentive Plans include the Company's and its subsidiaries' directors, senior management members, core technical personnels, key employees consultants engaged by the Group and other eligible persons as approved by the Board. The Plan Documents further provided that the following employees or other talents may not be selected as participants to the Employee Incentive Plans (as the case may be):

- Persons who have received public reprimand from, or was considered as unfit for his or her position by, relevant regulators in the preceding twelve months;

- Persons who have received administrative penalties or prohibition order for entering into the market from relevant regulators in the preceding twelve months;

- Persons who was penalized by, or received prohibition order for entering into the market from, the China Securities Regulatory Commission or its relevant branches in the preceding twelve months;

- Persons who are not allowed to hold the position of director, supervisor or senior management pursuant to the Company Law of the PRC; and

- Persons who have been considered as not eligible by the Board in accordance with the Articles of Association, the Company Law of the PRC and the Securities Law of the PRC.

(c) Administration

The Employee Incentive Plans shall be approved by the Board and Shareholders. Subject to authorization from Shareholders, the Board shall be responsible for the amendment, explanation and implementation of the Employee Incentive Plans.

(d) Shares and Share Price under the Plan

As at 30 June 2026, there were a total of 12,785,000 Shares, representing 10.87% of the total issued Shares, and 17 individual participants under the Employee Incentive Plans. The Company does not expect to grant additional partnership interest or Shares as incentive under the Employee Incentive Plans, and no dilution of the shareholding of the Shareholders shall be caused after the Listing Date.

(e) Repurchase of Shares Granted

The partnership interests granted to any participant may be repurchased by the entities designated by the Company, the managing partner of the Employee Shareholding Platforms or the Board (as the case may be), at cost, cost plus interests or otherwise at an agreed price, in the event of, including but not limited to:

(i) the death, loses his/her ability to work or loss of civil capacity of the participant;

(ii) the participant engages in bribery, solicitation of bribes, embezzlement, theft, disclosure of commercial or technical secrets and violation of the Company's regulations on non-competition or restriction of non-competition during the period of his/her employment, breach of fiduciary duty, or carrying out related parties transaction or other violations of relevant laws, administrative regulations or the provisions of the Articles of Association, causing significant economic losses to our Company;

(iii) the participant has seriously neglected his/her duties, dereliction of duty, or committed malpractice for personal gain, which has caused significant damage to the Company;

(iv) the participant, as resolved by the Board, is directly liable for material adverse effect caused to the Company's operation, management, production and research and development; and

(v) for Plan II and Plan III only, the participant resigns, whose terms of service agreement expire and are not renewed, or whose service agreement is terminated.

Neither the Company nor its subsidiaries had any share scheme within the meaning under Chapter 17 of the Listing Rules during the six month ended 30 June 2026.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and the knowledge of the Directors, as at the date of this report, sufficient public float as required under the Listing Rules has been maintained in respect of the issued shares of the Company.

CONSTITUTIONAL DOCUMENTS

At the annual general meeting of the Company held on 22 June 2026, a special resolution was approved by the Shareholders in approving amendments to the Articles of Association of the Company to, among other things, to reflect the proposed change of Company name and pursuant to the Company Law of the PRC, and with reference to the Guidelines for the Articles of Associations of Listed Companies, the Listing Rules and other relevant laws and regulations, and taking into account the actual circumstances of the Company. For further details on the amendments made to the Articles of Association of the Company, please refer to the circular of the Company dated 29 May 2026.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

Dr. ZHAI Junhui (翟俊輝), our executive Director and general manager, was appointed as chief scientist of the Company with effect from August 2026.

Save as disclosed above, as at the date of this report, the Directors confirm that there is no information of the Director, Supervisor or chief executive of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Note: Dr. Zhao Xinghui (趙興卉) resigned from the position of chief R&D Officer with effect from April 2026.

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the board of directors of B&K Corporation Limited
(Registered in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 28 to 40, which comprises the condensed consolidated statement of financial position of B&K Corporation Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

14 August 2026

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Notes	**2026** **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Other income and gains	4	**999**	628
Administrative expenses		**(55,654)**	(48,156)
Research and development expenses		**(61,274)**	(38,581)
Other expenses		**(5,371)**	(44)
Finance costs		**(618)**	(531)
LOSS BEFORE TAX	5	**(121,918)**	(86,684)
Income tax expense	6	**—**	—
LOSS FOR THE PERIOD		**(121,918)**	(86,684)
Attributable to:			
Owners of the parent		**(121,918)**	(86,684)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted loss per share for the period *(RMB per share)*	8	**(1.04)**	(0.87)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent period:			
Exchange difference on translation of a foreign operation		**(174)**	(58)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(174)**	(58)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(122,092)**	(86,742)
Attributable to:			
Owners of the parent		**(122,092)**	(86,742)

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

	Notes	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	**13,089**	10,146
Right-of-use assets		**5,973**	4,927
Intangible assets		**27,233**	28,299
Prepayments, other receivables and other assets		**8,461**	4,994
Total non-current assets		**54,756**	48,366
CURRENT ASSETS			
Trade receivables	10	**—**	590
Prepayments, other receivables and other assets		**3,133**	2,917
Cash and cash equivalents		**535,847**	632,372
Total current assets		**538,980**	635,879
CURRENT LIABILITIES			
Trade payables	11	**6,533**	9,086
Lease liabilities		**2,206**	3,394
Other payables and accruals		**4,208**	24,693
Total current liabilities		**12,947**	37,173
NET CURRENT ASSETS		**526,033**	598,706
TOTAL ASSETS LESS CURRENT LIABILITIES		**580,789**	647,072
NON-CURRENT LIABILITIES			
Lease liabilities		**1,401**	58
Other non-current liabilities		**22,969**	22,431
Total non-current liabilities		**24,370**	22,489
Net assets		**556,419**	624,583
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**117,658**	117,658
Reserves		**438,761**	506,925
Total equity		**556,419**	624,583

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributable to owners of the parent					
	Share capital RMB'000	**Capital reserves RMB'000**	**Share awards reserve RMB'000**	**Exchange fluctuation reserve RMB'000**	**Accumulated losses RMB'000**	**Total equity RMB'000**
At 31 December 2025 (audited)	**117,658**	**1,092,723**	**226,176**	**(47)**	**(811,927)**	**624,583**
Loss for the period (unaudited)	**—**	**—**	**—**	**—**	**(121,918)**	**(121,918)**
Exchange differences related to a foreign operation (unaudited)	**—**	**—**	**—**	**(174)**	**—**	**(174)**
Total comprehensive loss for the period (unaudited)	**—**	**—**	**—**	**(174)**	**(121,918)**	**(122,092)**
Equity-settled share award arrangement (unaudited) (note 13)	**—**	**—**	**53,928**	**—**	**—**	**53,928**
At 30 June 2026 (unaudited)	**117,658**	**1,092,723**	**280,104**	**(221)**	**(933,845)**	**556,419**

	Attributable to owners of the parent					
	Share capital RMB'000	Capital reserves RMB'000	Share awards reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
At 31 December 2024 (audited)	100,009	521,459	131,981	29	(602,943)	150,535
Loss for the period (unaudited)	—	—	—	—	(86,684)	(86,684)
Exchange differences related to a foreign operation (unaudited)	—	—	—	(58)	—	(58)
Total comprehensive loss for the period (unaudited)	—	—	—	(58)	(86,684)	(86,742)
Equity-settled share award arrangement (unaudited) (note 13)	—	—	44,042	—	—	44,042
At 30 June 2025 (unaudited)	100,009	521,459	176,023	(29)	(689,627)	107,835

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(121,918)**	(86,684)
Adjustments for:			
Finance costs		**618**	531
Interest income		**(950)**	(584)
Depreciation of property, plant and equipment		**1,587**	1,163
Depreciation of right-of-use assets		**2,471**	2,288
Amortisation of intangible assets		**1,066**	1,066
Foreign exchange differences, net		**5,353**	19
Equity-settled share award expenses		**53,928**	44,042
		(57,845)	(38,159)
Decrease in trade receivables		**590**	—
Increase in prepayments, other receivables and other assets		**(3,479)**	(746)
(Decrease)/Increase in trade payables		**(2,553)**	1,778
(Decrease)/Increase in other payables and accruals		**(4,001)**	2,558
Cash used in operations		**(67,288)**	(34,569)
Interest received		**950**	584
Net cash flows used in operating activities		**(66,338)**	(33,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of items of property, plant and equipment		**(4,326)**	(2,665)
Net cash flows used in investing activities		**(4,326)**	(2,665)

For the six months ended 30 June 2026

	Notes	**2026 RMB'000 (Unaudited)**	2025 RMB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of listing expenses		**(16,670)**	(622)
Principal portion of lease payments		**(3,434)**	(2,048)
Net cash flows from financing activities		**(20,104)**	(2,670)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(90,768)**	(39,320)
Cash and cash equivalents at beginning of period		**632,372**	139,213
Effect of foreign exchange rate changes, net		**(5,757)**	(6)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**535,847**	99,887
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position		**535,847**	99,887
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows		**535,847**	99,887

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of amended standards effective as of 1 January 2026 as follow.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

The nature and impact of the amended IFRS Accounting Standards are described below: *(Continued)*

(c) *Annual Improvements to IFRS Accounting Standards — Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group is engaged in research and development of biopharmaceutical products, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

(a) Non-current assets

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Chinese mainland	**54,332**	48,313
Hong Kong	**256**	17
Total non-current assets	**54,588**	48,330

The non-current asset information above is based on the locations of the assets and excludes financial instruments.

4. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Interest income	**950**	584
Others	**49**	44
Total other income and gains	**999**	628

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**1,587**	1,163
Depreciation of right-of-use assets	**2,471**	2,288
Amortisation of intangible assets	**1,066**	1,066
Lease payments not included in the measurement of lease liabilities	**468**	693
Research and development expenses	**61,274**	38,581
Foreign exchange differences, net	**5,353**	19
Listing expenses	**351**	4,997

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current	**—**	—
Deferred	**—**	—
Total	**—**	—

7. DIVIDENDS

No dividends have been declared and paid by the Company during the period (Six months ended 30 June 2025: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 117,657,522 (2025: 100,008,722) outstanding during the period. As the Group had no potentially dilutive ordinary shares in issue during the period, no adjustment has been made to the basic loss per share amounts presented during the period.

The calculation of basic loss per share is based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to ordinary equity holders of the parent, for the purpose of calculating basic loss per share	**(121,918)**	(86,684)

	Number of shares For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic loss per share calculation	**117,657,522**	100,008,722

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment at a cost of RMB4,346,000 (30 June 2025: RMB3,707,000).

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net off loss allowance, is as follows:

	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 month	**—**	590

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	**4,694**	6,278
Over 1 year	**1,839**	2,808
Total	**6,533**	9,086

The trade payables are non-interest-bearing and are normally settled within one month after the receipt of the invoice.

12. SHARE CAPITAL

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Issued and fully paid	**117,658**	117,658

13. SHARE-BASED PAYMENTS

On 30 November 2020, Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership) (青島華芢共創企業管理諮詢合夥企業(有限合夥)) was established in the PRC as a limited partnership as an employee incentive platform of the Group.

On 25 April 2021, Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) (海南華人共贏企業管理諮詢合夥企業(有限合夥)) was established in the PRC as a limited partnership as an employee incentive platform of the Group.

2021 incentive plan

On 26 October 2021, an employee incentive plan ("**2021 incentive plan**") was implemented to incentivise certain eligible employees of the Group to retain them for the continued operation and development of the Group. The vesting conditions of the granted share awards is subject to a listing-based vesting condition and a service period vesting condition.

13. SHARE-BASED PAYMENTS *(Continued)*

2024 incentive plan

On 7 February 2024, an employee incentive plan ("**2024 incentive plan**") was implemented to incentivise certain eligible employees of the Group to retain them for the continual operation and development of the Group. The vesting conditions of the granted share awards is subject to a service period vesting condition.

The Group recognised the share-based payment expenses of RMB53,928,000 (Six months ended 30 June 2025: RMB44,042,000) during the six months ended 30 June 2026.

14. COMMITMENTS

The Group had the following contracted commitments at the end of the reporting period:

	30 June 2026 **RMB'000** **(Unaudited)**	31 December 2025 RMB'000 (Audited)
Property, plant and equipment	**4,326**	2,665

15. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Names and relationship

The directors of the Group are of the review that the following company and individual are related parties that had transactions or balances with the Company during the period.

Name of related parties	Relationship with the Group
Beijing Houmingde New Material Packaging Co., Ltd. ("**Beijing Houmingde**")*	Other related party

* Controlled by an immediate family member of the single largest shareholder of the Company.

(b) Transactions with related parties

	For the six months ended 30 June	
	2026 **RMB'000** **(Unaudited)**	2025 RMB'000 (Unaudited)
Lease from Beijing Houmingde	**516**	1,080
Utility charges for Beijing Houmingde	**7**	23

15. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(c) Outstanding balances with a related party:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Prepayments, other receivables and other assets:		
Prepayment to Beijing Houmingde	**29**	2
Other payables and accruals:		
Due to Beijing Houmingde	**—**	40
Lease liabilities:		
Due to Beijing Houmingde	**1,044**	1,987

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

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Fees	**158**	330
Salaries, bonuses, allowances and benefits in kind	**4,013**	8,889
Equity-settled share award expenses	**24,486**	31,101
Pension scheme contributions	**136**	322
Total compensation paid to key management personnel	**28,793**	40,642

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, the current portion of financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals and other non-current liabilities, approximate to their carrying amounts.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Assets and liabilities measured at fair value:

The Group did not have any financial assets and financial liabilities measured at fair value as at the end of the reporting period.

Assets for which fair values are disclosed:

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at the end of the reporting period.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 14 August 2026.

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings. These terms and their definitions may not correspond to any industry standard definitions, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"AMMS"	Academy of Military Medical Sciences of the People's Liberation Army Academy of Military Sciences (中國人民解放軍軍事科學院軍事醫學研究院), or its predecessor, the People's Liberation Army Academy of Military Medical Sciences (中國人民解放軍軍事醫學科學院)
"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"ASO"	antisense oligonucleotide, small nucleic acid drugs comprised of single-stranded nucleic acid used to treat rare or refractory infectious diseases, cancers and genetic diseases at the gene level
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of the Company
"CDE"	the Center for Drug Evaluation of the National Medical Products Administration of the PRC (國家藥品監督管理局藥品審評中心), mainly responsible for review and approval of investigational new drug or investigational new drug application and biologics license application
"CDMO(s)"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CG Code"	the code provisions of the Corporate Governance Code contained in part 2 of Appendix C1 to the Listing Rules
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan province
"CMO(s)"	a company that serves other companies in the pharmaceutical industry on a contract basis to provide comprehensive services from drug development through drug manufacturing
"Company"	B&K Corporation Limited (青城新藥生物科技(青島)股份有限公司, formerly known as 華芢生物科技(青島)股份有限公司), a joint stock company incorporated in PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2396)
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and as the context requires, Ms. Jia, Mr. Wang, Ms. Zhang and/or Mr. Li
"Core Products"	Pro-101-1 and Pro-101-2, a topical PDGF-BB gel used in clinical trials for thermal burns and DFUs and pre-clinical studies for other indications

"CRO(s)"	contract research organization, a company that provides support to pharmaceutical companies by providing a range of professional research services on a contract basis
"CTN"	Clinical Trial Notification
"DFU(s)"	diabetic foot ulcer, an open sore or wound that occurs in approximately 25% of patients with diabetes in China, and is commonly located on the bottom of the foot
"Director(s)"	the director(s) of the Company
"Employee Shareholding Platform(s)"	Hainan Huaren and Qingdao Huaren
"FDA"	the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
"Global Offering"	the Hong Kong public offering and the international offering, as detailed in the Prospectus
"Group", "our", "our Group", "we" or "us"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"H Share(s)"	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and are listed on the Stock Exchange
"Hainan Huaren"	Hainan Huaren Gongying Corporate Management Consultancy Partnership (Limited Partnership) (海南華人共贏企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 25 April 2021, one of the Employee Shareholding Platforms
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"lncRNA(s)"	long non-coding RNA, a type of RNA, generally defined as transcripts more than 200 nucleotides that are not translated into protein
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"Internal Control Committee"	the internal control committee of the Board
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	22 December 2025, on which dealings in the H Shares first commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
"Mr. Li"	Mr. Li Gewei (李葛衛), one of the Controlling Shareholders
"Mr. Wang"	Mr. Wang Kelong (王軻瓏), the president of the Company, an executive Director, the vice chairperson of the Board, one of the Controlling Shareholders and the son of Ms. Jia
"mRNA"	messenger ribonucleic acid, a single-stranded molecule of RNA that corresponds to the genetic sequence of a gene, and is read by a ribosome in the process of synthesizing a protein
"Ms. Jia"	Ms. Jia Lijia (賈麗加), the founder of the Company, an executive Director, the chairperson of the Board, one of the Controlling Shareholders and the mother of Mr. Wang
"Ms. Zhang"	Ms. Zhang Hongbo (張紅波), one of the Controlling Shareholders
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Board
"PDGF"	platelet-derived growth factor, which is a type of growth factors secreted by platelets after injury that stimulates cell proliferation and angiogenesis, or where the context requires, PDGF-BB, or rhPDGF-BB
"PDGF-BB"	platelet-derived growth factor BB, which is one of the five dimeric isoforms of platelet-derived growth factor
"Prospectus"	the prospectus of the Company dated 12 December 2025
"Qingdao Hitech"	Qingdao Hitech Industry Development Co., Ltd. (青島高科產業發展有限公司), a limited liability company established under the laws of the PRC on 26 June 2001
"Qingdao Huaren"	Qingdao Huaren Gongchuang Corporate Management Consultancy Partnership (Limited Partnership) (青島華荏共創企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 30 November 2020, one of the Employee Shareholding Platforms

"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	From 1 January 2026 to 30 June 2026
"rhPDGF-BB"	recombinant human platelet-derived growth factor BB, which is a clinically utilized recombinant form of the naturally occurring PDGF-BB
"RMB"	Renminbi, the lawful currency of the PRC
"RNA"	ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of our Company
"Tß4"	a small protein involved in cell migration, proliferation and tissue repair, which plays a key role in wound healing, inflammation and regeneration in various tissues, including, but not limited to, the heart and nervous system
"TNBC"	triple-negative breast cancer, broadly refers to any breast cancer that does not express the genes for estrogen receptor, progesterone receptor and HER2/neu
"TSA(s)"	tumor-specific antigen, a protein or other molecule that is found only on cancer cells and not on normal cells, which can be used as possible targets for targeted therapy or for immunotherapy to help boost the body's immune system to kill more cancer cells
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"%"	per cent

In this report, the terms "associate", "close associate", "connected person", "connected transaction", "continuing connected transaction", "controlling shareholder", "subsidiary" and "substantial shareholder" shall have the same meanings ascribed to them in the Listing Rules, unless the context otherwise requires.