TIANJIN PHARMACEUTICAL DA REN TANG GROUP CORPORATION LIMITED
(Formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited)
(Company Registration No.: 91120000103100784F)
(Incorporated in the People's Republic of China)

ANNOUNCEMENT ON BANKRUPTCY LIQUIDATION OF A SUBSIDIARY OF THE COMPANY

The board of directors (the "Board") and every individual director of Tianjin Pharmaceutical Da Ren Tang Group Corporation Limited (formerly known as Tianjin Zhong Xin Pharmaceutical Group Corporation Limited) (the "Company" and together with its subsidiaries, the "Group") hereby confirm that they will individually and collectively accept full responsibility for the accuracy of the information given in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respects as at the date of this announcement, and that there are no material facts the omission of which would make any statement in this announcement misleading.

1. INTRODUCTION

The Board wishes to announce that the Company has filed an application (the "**Bankruptcy Application**") with the Tianjin Binhai New Area People's Court (天津市滨海新区人民法院) (the "**Court**") for the bankruptcy liquidation (破产清算) of Tianjin Shin Poong Pharmaceutical Co., Ltd. (天津新丰制药有限公司) ("**Shin Poong**"), a 55%-owned subsidiary incorporated in the People's Republic of China (the "**PRC**").

The Bankruptcy Application was made on the basis that (i) the Company holds a valid and enforceable claim against Shin Poong which is due and payable, and (ii) Shin Poong is unable to repay its debts as they fall due, and its assets are insufficient to satisfy all of its liabilities, thereby meeting the criteria for bankruptcy under the *Enterprise Bankruptcy Law of the PRC (《中华人民共和国企业破产法》)* (the "**PRC Enterprise Bankruptcy Law**").

2. INFORMATION ON SHIN POONG

Shin Poong is a limited liability company incorporated in the PRC on 24 February 1995 with a registered capital of USD9 million. As at the date of this announcement, the Company holds a 55% equity interest in Shin Poong, while the remaining 45% is held by Shin Poong Pharm. Co., Ltd. (新丰制药株式会社), a company incorporated in South Korea.

Shin Poong is primarily engaged in the manufacturing, processing and sale of tablets, capsules, and injectable preparations.

The key financial information of Shin Poong is as follows:

Items	As at 31 October 2023 (audited) (RMB)	As at 30 November 2024 (unaudited) (RMB)	As at 31 March 2025 (unaudited) (RMB)
Total assets	48,308,718.56	45,063,626.19	44,090,362.83
Total liabilities	67,103,067.44	71,785,404.69	74,783,507.78
Total shareholders' equity	(18,794,348.88)	(26,721,778.50)	(30,693,144.95)

3. MAIN PROGRESS OF THE BANKRUPTCY APPLICATION

3.1 Receipt of the Court Ruling

On 14 May 2025, the Court issued a Civil Ruling (《民事裁定书》) (the "**Court Ruling**"), pursuant to which the Bankruptcy Application was accepted. The Court found that the Company had submitted legally effective and enforceable court documents to substantiate its creditor's claim and ascertained that Shin Poong was unable to repay its debts as they fell due, and that its assets were insufficient to satisfy all of its liabilities, thereby satisfying the statutory conditions for acceptance under the PRC Enterprise Bankruptcy Law.

3.2 Receipt of the Court Decision and Appointment of the Administrator

On 22 May 2025, the Court issued a Decision (《决定书》) (the "**Court Decision**"), pursuant to which Tianjin Haorong Liquidation Co., Ltd. (天津昊融清算有限公司) has been appointed by the Court as the bankruptcy administrator of Shin Poong in accordance with the PRC Enterprise Bankruptcy Law (the "**Administrator**").

The Administrator shall diligently and faithfully perform its duties in accordance with the PRC Enterprise Bankruptcy Law, report to the Court, and be subject to the supervision of the creditors' meeting and the creditors' committee. The responsibilities of the Administrator are as follows:

(a) taking over the debtor's assets, seals, as well as account books and relevant documents;

(b) investigating the debtor's assets status and preparing an assets status report;

(c) deciding the debtor's internal management affairs;

(d) determining the debtor's daily expenditures and other necessary expenses;

(e) deciding, before the first creditors' meeting is convened, whether to continue or suspend the debtor's business operations;

(f) managing and disposing of the debtor's assets;

(g) participating in litigation, arbitration, or other legal proceedings on behalf of the debtor;

(h) proposing the convening of creditors' meetings; and

(i) performing such other functions and duties as the Court deems the Administrator should perform.

3.3 Handover of Assets and Documents

On 20 June 2025, the Company and relevant personnel of Shin Poong completed the handover of Shin Poong's assets, company seals, accounting books, and relevant documents to the Administrator.

3.4 Convening of First Creditors' Meeting

On 28 July 2025, the first creditors' meeting was held at the Court, where creditors voted on the procedural matters relating to the bankruptcy proceedings.

4. IMPACT ON THE COMPANY

4.1 Financial Impact

Based on the unaudited consolidated financial statements of the Group for the three (3)-month financial period ended 31 March 2025, Shin Poong had total assets of approximately RMB44,090,362.83, total liabilities of approximately RMB74,783,507.78, and net liabilities of approximately RMB30,693,144.95. The Company's long-term equity investment in Shin Poong amounted to approximately RMB41,315,208.57, for which a full impairment provision has been made, and other receivables of approximately RMB22,944,204.60 represented an entrusted loan provided by the Company to Shin Poong.

Following the commencement of the bankruptcy proceedings, there is a risk that the above-mentioned long-term equity investment and other receivables may not be recoverable.

In addition, as Shin Poong was in an excess loss position, with accumulated losses of approximately RMB30,693,144.95 as at 31 March 2025, the portion attributable to the Company of approximately RMB16,881,229.72 has been recognised as investment loss in the Company's statement of profit or loss.

Since the appointment of the Administrator on 22 May 2025, the Company has no longer been considered to have control over Shin Poong. Accordingly, the financial results of Shin Poong have been deconsolidated from the consolidated financial statements of the Group with effect from 22 May 2025.

The final financial impact on the Group will be subject to the outcome of the bankruptcy proceedings and the completion of the Company's annual audit.

4.2 Impact on Business Operations

Shin Poong has effectively ceased operations since July 2022. As such, its bankruptcy is not expected to have any material adverse impact on the Company's ongoing business operations. As at the date of this announcement, the Company's daily production and operational activities remain normal.

The Company will continue to monitor the progress of the bankruptcy proceedings, maintain active communication with the Court and the Administrator, and take all reasonable steps to safeguard the interests of the Company and its shareholders. Further announcement(s) will be made as and when appropriate in accordance with applicable laws, regulations and rules.

Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By Order of the Board

Jiao Yan
Secretary to the Board of Directors
14 August 2025