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Hepalink

HEPALINK PHARMACEUTICAL GROUP CO., LTD.
(深圳市海普瑞藥業集團股份有限公司)

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

(注册编号 : 9989)

INSIDE INFORMATION ANNOUNCEMENT RESULTS OF INDEPENDENT THIRD PARTY INVESTIGATION

This announcement is made by Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (the "Company") pursuant to the independent mandatory provisions of Article XIV A of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

FORMATION OF SPECIAL INVESTIGATION GROUP

Reference is made to the telecommunication disclosed by the independent mandatory announcement of the Company dated 15 January 2024, 30 January 2024 and 15 March 2024 (the "Financial Information").

The Company established a dedicated investigation group (the "Special Investigation Group") on 30 January 2024. The Special Investigation Group, led by the Company's independent non-executive director, engaged independent all leading forensic investigation team (the "Independent Team") to conduct a dedicated forensic investigation, collaboration with a dedicated external legal firm, the Telecom Fraud Control Centre established by the Company's wholly-owned subsidiary Tech Pharma Italia S.R.L. ("Tech Pharma Italia") (the "Independent Team").

On 26 March 2024, the Investigation Team delivered the investigation report to the Special Investigation Group (the RUC). The elements of the investigation are as follows:

I. BACKGROUND OF THE INVESTIGATION

According to the information provided by the Commission dated 15 January 2024, Techdata Italia received a confidential business information regarding a sale of telecommunication services. The investigation team, headed by the Special Investigation Group led by the Commission's executive director, which engaged the Investigation Team to conduct the investigation in collaboration with a dedicated Italian firm.

II. SCOPE OF THE INVESTIGATION

The investigation will include the following elements:

1. Obtain information regarding the elements of communication records, including communication with legal bodies and communication related to the Telecommunication Act; the license related management process of the Commission and Techdata Italia; basic information of the commission investigation (such as organization, chat and list of email); and the activities of communication related to the Telecommunication Act, including but not limited to (1) specific bank account information and their activities records; (2) record of financial ledger; (3) annual record of electronic communication data log for transmission; (4) internal and external investigation report regarding the Telecommunication Act; (5) the Commission's badminton telecommunication records; and (6) the deletion of the Telecommunication Act to rectify the situation;
2. Conducting the interview with the elements of the Commission and Techdata Italia. The investigation team will conduct the Telecommunication Act to develop a detailed understanding of the Telecommunication Act's specific, including the background, chronological sequence, cause and effect of the Telecommunication Act and all the elements of the communication flow;

3. Conducting searches of electronic financial data and, including: 1) data and information Techdata's financial data during the relevant investigation timeframe; 2) data and information bank account activity associated with the Telecom Fraud Center; 3) data and information activity during the period from 1 January 2023 to 31 December 2023, identifying and examining each illegal activity of the bank account of Techdata's former employee (including the identification of the amount contributed, and the time and amount of the transaction); 4) amount made by Techdata during the period from 1 January 2023 to 31 December 2023 and identifying the charges and the corresponding amount, including but not limited to a personal record, service and contact;
4. Conducting background check of all parties involved in the Telecom Fraud Center, including but not limited to the above and their common registration information directly or indirectly identified in the relationship between them and the management and/or employees of Techdata; additionally, public searches conducted through the name of the email domain used by the subject of the Telecom Fraud Center; and
5. Conducting electronic forensic of the Company's email account, common to the Company, and mobile device of the Techdata employee related to the Telecom Fraud Center, and the electronic communication record, such as electronic activities including 1) creating electronic forensic data mirror and back-up; and 2) extracting information. List of keys should have been prepared, and a forensic image of the identified domain should be conducted after allowing the evidence to be analyzed.

III. KEY FINDINGS OF THE INVESTIGATION

(I) COMPANY IDENTIFICATION

According to the interview with the management and received IT data, the general manager of Techdata received an email on 13 December 2023 from a fraud subject who attempted to be hired by the company. The subject emailed him to assist in a confidential activity (the A) and maintain strict confidentiality to ensure information leakage. From 13 December 2023 to 3 January 2024, he received multiple funds totaling approximately 11.7 million euros within a week, giving the annual turnover of the company (the P).

After the release of the general management, it was determined that he did not disclose the Payment to the affected by the fact that the Authority should be kept strictly confidential and any information leakage could indicate the extent of the market. On 13 December 2023, the project allocated the general management to a confidential agreement and directed him to handle the Payment and keep it confidential until the Authority was notified. During the aforementioned period, the general management took multiple actions to ensure the project's identity but did not find a red flag.

The Investigation Team identified the main cause of the failure of the management of Tech Digital and the Company to detect the abnormality and find a timely measure:

- (i) the finance management of Tech Digital had limited bank account management and it was unable to check the bank account balance after the general management removed the USB- shield;
- (ii) the Company's head office could not obtain the account balance from the local staff by asking them to email the electronic information once a week and the last working day of each month.

During the investigation, the Investigation Team traced the elements of the case to the Telecom Fraud Center (the PCC). The Investigation Team conducted background checks on the Payment to the management's name with the Company's employee list, finding the relevant information. The Investigation Team also reached out electronically for information about the Payment to the management's personal data, but found no electronic data about them or their staff, except for their name and age, the amount detail and communication related to the Telecom Fraud Center. Based on the digital forensic work of the Investigation Team, connecting a link between the Telecom Fraud Center and the digital data associated with Tech Digital, the evidence of the Company.

(2) I C T F I

After the Telecom Fraud Center, the Company took a series of measures to prevent it from being affected. The Company collaborated with bank to facilitate the release of bank account balance and control the USB- shield. The Company's IT department examined and analyzed the Company's confidential information security and capabilities, and implemented full-scale measures to strengthen email security.

After reviewing the Report, the Special Investigative Group found the content to be detailed and meticulous, accurately reflecting the course of the Telecom Fraud Incident. The Special Investigative Group recommended the board of directors of the CMA (the Board) to adopt the findings of the Report and actively implement the relevant recommendations of the Report. At the same time, the CMA investigated the implementation of the recommendations, timely eliminate the impact of the Telecom Fraud Incident and effectively safeguard the interests of the CMA and its shareholders.

I. OPINIONS OF THE BOARD

After reviewing the Report and the recommendations of the Special Investigative Group, the Board of the CMA is convinced that the CMA has initiated early, clear and effective implementation measures that the CMA has initiated early, clear and effective implementation measures:

1. Examining the business cooperation with the domestic and foreign subsidiaries of the CMA (the Group) to identify major risks; date and enhance the internal control matrix of the CMA and its subsidiaries; based on the results of the risk assessment, further define and refine the key business, business cooperation and business cooperation; based on the business cooperation and risk assessment results, combined with the internal control, enhance the internal control measures at both the CMA level and the business level, and establish the internal control matrix; date the internal control matrix;
2. Rectifying the internal control system to further improve the internal control system, and take effective measures to identify and control risks; further improve the effectiveness of the internal control system; effectively implement the business cooperation of the CMA; improve the health and sustainability of the CMA; improve the ability of all domestic and foreign employees to deal with a difficult combat time;
3. Identify the CMA's audit and flight activities of the internal control

4. St ǎ gthe ǎ g the cǎ t alized mǎ agemǎ t f fǎ d ǎ d im ǎ g the efficiǎ c f. tilizatiǎ f fǎ d ; t ictl im lemǎ ǎ g the fǎ d mǎ agemǎ t tem f the G . t achie e cǎ t alized mǎ agemǎ t f the ǎ teǎ al fǎ d f the C m ǎ ǎ d it . b idia ie ; cǎ tǎ . l ǎ hǎ cǎ g ǎ d im ǎ g the mea . e f cǎ t alized mǎ agemǎ t f ǎ teǎ al fǎ d ; ca ǎ g . t eg. la ǎ ectiǎ ǎ d . e i iǎ , ǎ f cǎ g t ict liabilit f l . e , m tl idǎ tif ǎ g ǎ blem ǎ d achie ǎ g cǎ tǎ . im emǎ t th ǎ gh mea . e ch a eg. la ǎ ectiǎ , ke tǎ ectiǎ , a dit . e i iǎ ; ǎ d

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 S H P G C ., L .
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 Chairman

Shǎ zhǎ , the PRC
 Ma ch 28, 2024

As at the date of this announcement, the executive directors of the Company are Mr. Li Li, Ms. Li Tan, Mr. Shan Yu and Mr. Zhang Ping; and the independent non-executive directors of the Company are Dr. Lu Chuan, Mr. Huang Peng and Mr. Yi Ming.