



# Global Cord Blood Corporation (In Provisional Liquidation) (the Company) Cause No. FSD 108 of 2022 (IKJ)

## **Second Report**

Filing Date: 1 December 2022

Progress report cut-off Date: 24 November 2022

Strictly private and confidential



# Contents

Basis of Report	2
Disclaimer	3
Defined Terms	4
Executive Summary	8
Actions taken by the JPLs since the First Report	10
Investigations	16
Areas of Concern regarding Company and Financial Management	17
Funding and costs to 31 October 2022	22
Next steps	23
<b>Appendix A – Chronology of Key Events</b>	<b>25</b>

# Basis of Report

## 1.1 Basis of Report

- 1.1.1 This report is to be used solely for the purpose of informing the Court of the progress made in the provisional liquidation of the Company, in accordance with the requirements of paragraph 12 of the Order dated 22 September 2022.
- 1.1.2 This report has been prepared using the information available to the JPLs, being Margot MacInnis, John Royle and Chow Tsz Nga Georgia up to the date of the report. The JPLs have relied upon information that is available to them and recognise that this information may be incomplete and that they await third party verification. Accordingly, the JPLs consider there will be further developments in their investigations of the Company's affairs which will be incorporated in the JPLs subsequent reports to the Court.
- 1.1.3 This report should be read in conjunction with the First Report and this report sets out the progress of the liquidation for the period 17 October 2022 to 24 November 2022.

# Disclaimer

## 2.1 Disclaimer

- 2.1.1 This report should not be copied or disclosed to any third party or otherwise be quoted or referred to, in whole or in part, without the prior written consent of the JPLs. In the event that this report is obtained by a third party or used for any purpose other than in accordance with its statutory purpose of informing the Court, any such party relying on the report does so entirely at their own risk and shall have no right of recourse against the JPLs, any GT entities, their partners, employees, professional advisors or agents.
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- 2.1.3 In preparing this report, the JPLs have relied upon information available to them and have not performed an audit examination on this information. Except where specifically stated, the JPLs have been unable to establish the reliability of the sources of information presented to them by reference to independent evidence.
- 2.1.4 The JPLs' report does not cover valuation advice or related valuation services and no party should seek to rely on any comments by the JPLs in relation to the value of the assets of the Company.
- 2.1.5 Nothing in this report is intended to waive legal privilege in respect of any matter referred to herein, and privilege is not being waived.
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# Defined Terms

## 3.1 Defined Terms

<b>Albert Chen</b>	Albert Chuen Bing Chen, former Chief Financial Officer of the Company	<b>Cellenkos GP Limited</b>	BVI registered company number 102983 with registered office currently at Nerine Trust Company (BVI) Limited P. O. Box 905, Road Town, Tortola, VG1110, British Virgin Islands.
<b>Articles</b>	Articles of Association	<b>Cellenkos Transaction</b>	On 29 April 2022 the Board approved a multi-step transaction whereby the Company would acquire 100% of the equity in Cellenkos and the rights to develop and commercialise certain of Cellenkos' existing and future products worldwide on 29 April 2022. This was in exchange for consideration of <i>inter alia</i> 114 million shares in the Company and US\$664 million cash.
<b>Baoman</b>	Jinan Baoman Science & Technology Development Co., Ltd – registered in the PRC and indirectly wholly owned by GCBC	<b>Cellenkos Parties</b>	the Paul Brooke 2012 Family Trust; the Paul Brooke and Kathleen McCarragher 2012 Family Trust, Simrit Parmar; Leong Kim Chuan; Golden Meditech (BVI) Company Limited; Vyserion Limited; HL Succors; HL Succors ZN; Golden Meditech Precision Medicine Limited; Cellenkos GP Limited; Cellenkos Holding LP.
<b>Blue Ocean</b>	Blue Ocean Structure Investment Company Ltd – incorporated in the British Virgin Islands and also the petitioner who placed the Company into provisional liquidation. Holds an interest of circa 65.4% in GCBC.	<b>Chapter 15</b>	Refers to an application for US Bankruptcy Code Chapter 15 relief filed by the JPLs in the US Bankruptcy Court, Southern District of New York on 7 October 2022.
<b>Board</b>	The former board of directors consisting of Mark D. Chen, Albert Chuen Bing Chen, Jacky Cheng, Jack Chow, Ken Yungang Lu, Jennifer J. Weng, Xu Ping, Ting Zheng (information from general registry of the Cayman Islands)	<b>Chen Hong</b>	Beijing Jiachenhong Biological Technologies Co., Ltd – incorporated in the PRC and indirectly wholly owned by GCBC.
<b>BVI</b>	British Virgin Islands	<b>Chen Hong Payments</b>	Payments totalling RMB4,261 million (the equivalent of approximately US\$606 million) from
<b>Cayman Subsidiaries</b>	CCBS and CSC Holdings		
<b>Cellenkos</b>	Cellenkos Inc – registered in Delaware, specialises in stem cell therapy and was the target entity in the 29 April 2022 Cellenkos Transaction.		

	Chen Hong to entities controlled by Yuen Kam between 2015 and 2022.	<b>GCBC or the Company</b>	Global Cord Blood Corporation (In Provisional Liquidation)
<b>Companies Act</b>	Companies Act (2022 Revision), Cayman Islands.	<b>GCBC HQ</b>	48/F Bank of China Tower, 1 Garden Road, Central, Hong Kong.
<b>CSC Holdings</b>	China Stem Cells Holdings Limited— incorporated in Cayman Islands and indirectly wholly owned by GCBC.	<b>GMSC</b>	Golden Meditech Stem Cells (BVI) Company Limited, registered in the BVI. It sold its shareholding in GCBC to the shareholder of the Petitioner on 30 December 2016.
<b>CSC South</b>	China Stem Cells (South) Company Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC.	<b>GMHL</b>	Golden Meditech Holdings Limited – registered in Cayman Islands and trades in Hong Kong. GMHL was a Hong Kong-listed company and was delisted in 2020. According to HK stock exchange filings, Yuen Kam resigned as chairman, director in 2019 however a HK annual return dating 11 October 2022 indicates he is a current Director of this entity.
<b>Conyers Trust</b>	Conyers Trust Company (Cayman) Limited, previous corporate secretary of GCBC. Previous assistant secretary of CSC Holdings and CCBS.	<b>GT</b>	Grant Thornton (a collective term for both GTHK and GTSS).
<b>Cordlife Singapore</b>	Cordlife SG – incorporated in Singapore and partly owned (9.99%) by Stem East.	<b>GT (BVI) 1</b>	GT (BVI) Corporate Director No. 1 Ltd.
<b>Court</b>	The Grand Court of the Cayman Islands.	<b>GT (BVI) 2</b>	GT (BVI) Corporate Director No. 2 Ltd.
<b>Enjoined HK Directors</b>	Albert Chen, Tina Zheng, and Notake Minori	<b>GTSS 1</b>	GTSS Corporate Director No. 1 Ltd.
<b>Favorable Fort</b>	Favorable Fort Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC.	<b>GTSS 2</b>	GTSS Corporate Director No. 2 Ltd.
<b>First Report</b>	First Report prepared by the JPLs, submitted to the Court on 20 October 2022 and published on the GCBC website.	<b>GTSS 3</b>	GTSS Corporate Director No. 3 Ltd.

<b>Group</b>	the Company and its subsidiaries including the Cayman Subsidiaries, the HK Subsidiaries, the PRC Subsidiaries, the New BVI Subsidiaries and Cellenkos GP Limited	<b>INEDs</b>	Independent Non-Executive Directors (of GCBC)
<b>GTHK</b>	Grant Thornton Recovery & Reorganisation Limited. Located in Hong Kong.	<b>JPLs</b>	Margot MacInnis, John Royle and Chow Tsz Nga Georgia, the Joint Provisional Liquidators of GCBC
<b>GTSS</b>	Grant Thornton Specialist Services (Cayman) Limited.	<b>Leong Kim</b>	Leong Kim Chuan (Jackie), an investor party to the SPAs, director at Cellenkos and GMHL.
<b>HL Succors</b>	HL Succors, registered in the Cayman Islands, and party to the SPAs.	<b>Litigation Steering Committee</b>	The Litigation Steering Committee is made up of Ting Zheng, Albert Chen, Mark Chen, Ken Lu, Jennifer Weng, Jacky Cheng, Jack Chow and excludes Xu Ping.
<b>HL Succors ZN</b>	HL Succors, registered in the Cayman Islands, and party to the SPAs.	<b>Lukou</b>	Zhejiang Lukou Biotechnology Co., Ltd – registered in the PRC and 90% indirectly owned by GCBC.
<b>HK</b>	Hong Kong.	<b>Mauve</b>	Mauve Limited, company secretary of the HK Subsidiaries appointed by the JPLs.
<b>HK Court</b>	The High Court of the Hong Kong Special Administrative Region.	<b>Mourant</b>	Counsel to the JPLs and including: <ul style="list-style-type: none"> <li>1) Mourant Ozannes (Cayman) LLP (Cayman litigation, Fin Corp);</li> <li>2) Mourant Ozannes (Hong Kong) LLP (Hong Kong litigation); and</li> <li>3) Mourant Ozannes (BVI litigation, Fin Corp).</li> </ul>
<b>HK Subsidiaries</b>	Stem North, Stem West, Stem East, Favourable Fort and CSC South.	<b>Mourant Governance</b>	Mourant Governance Services (Cayman) Limited, the Company's registered office provider.
<b>HK Registrar</b>	the Companies Registry, 14th Floor, High Block, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong.	<b>Nerine</b>	Nerine Trust Company (BVI) Limited, current registered agent of Stem South (appointed by JPLs).
<b>Huen</b>	Huen & Partners Solicitors, legal representatives for GMHL.		

<b>New BVI Entities</b>	China Stem Cells (East) Company Limited (BVI reg no: 1050377), China Stem Cells (West) Company Limited BVI reg no: 1050379), China Stem Cells (North) Company Limited (BVI reg no: 1050380), China Stem Cells (South) Company Limited (BVI reg no: 1050378).	<b>Qilu</b>	Shandong Province Qilu Stem Cells Engineering Co., Ltd. – registered in the PRC, GCBC holds an indirect interest of 24%
<b>Notake Minori</b>	Notake Minori, believed to be a resident of Japan, purportedly appointed to the boards of Stem North, Stem East, CSC South, and Favorable Fort on 13 September 2022	<b>SEC</b>	Security Exchanges Commission.
<b>Nuoya</b>	Guangzhou Municipality Tianhe Nuoya Bio-engineering Co., Ltd – registered in the PRC and indirectly wholly owned by GCBC.	<b>SPAs</b>	Share Purchase Agreements with the Cellenkos Parties entered into on 29 April 2022 as part of the Cellenkos Transaction.
<b>NYSE</b>	New York Stock Exchange.	<b>Stem East</b>	China Stem Cells (East) Company Limited – incorporated in HK and indirectly wholly owned by GCBC.
<b>Order</b>	Order to appoint the JPLs on the 22 <sup>nd</sup> of September 2022 by the Court.	<b>Stem North</b>	China Stem Cells (North) Company Limited – incorporated in HK and indirect wholly owned by GCBC.
<b>Petitioner</b>	Blue Ocean Structure Investment Company Limited.	<b>Stem South (BVI)</b>	China Stem Cells (South) Company Limited – incorporated in the British Virgin Islands and indirectly wholly owned by GCBC.
<b>PRC</b>	People's Republic of China.	<b>Stem West</b>	China Stem Cells (West) Company Limited – incorporated in HK and indirectly wholly owned by GCBC.
<b>PRC Subsidiaries</b>	Chen Hong, Lukou, Nuoya, Baoman, and Qilu,	<b>Sun Chung</b>	Sun Chung Property Management Company Limited, property management at GCBC HQ.
<b>Prime Intelligent</b>	Prime Intelligent Management Limited, purported corporate secretary of the HK Subsidiaries.	<b>Ting or Tina Zheng</b>	Former Chairperson and Executive Director of GCBC. Also a director GMHL until 24 May 2019.

# Executive Summary

## 4.1 Summary

- 4.1.1 Since the First Report, the JPLs have continued to take steps necessary to take control of the Group via its subsidiaries in BVI, Hong Kong, and the PRC. Securing and protecting the Group's operating businesses in the PRC remains a pivotal priority for the JPLs.
- 4.1.2 The JPLs' efforts have been impeded by the actions of various parties whose intentions appear to be to frustrate access and control of the HK Subsidiaries and PRC Subsidiaries and the Group's operating businesses. The JPLs, with the assistance of their counsel, are actively engaged in taking appropriate steps, including in Hong Kong and the PRC to overcome such obstacles listed below:
- a) approximately 55 corporate filings have been submitted to the HK Registrar by an unknown party(ies) (whom the JPLs believe to be made by either Albert Chen and/or Ting Zheng, as the only Directors with standing to do so prior to the JPLs' appointment);
  - b) Non-cooperation, notwithstanding the JPLs' reasonable requests for assistance from the Board (with the exception of Xu Ping), despite evidence that they are aware of the order appointing the JPLs and its terms;
  - c) Huen, counsel for GMHL, are asserting that no books and records are being kept at GCBC HQ and have threatened to commence legal action against GCBC;
- 4.1.3 The JPLs have taken steps to assert control in the structure by:
- a) Obtaining HK Injunction Orders against the Enjoined HK Directors and Prime Intelligent on an interim basis, pending the outcome of a three-day hearing against the Defendants scheduled for May 2023;
  - b) as a consequence of the above, all filings submitted to the HK Registrar after the JPLs' appointment but without the JPLs' authority have been removed, whereas any other filings made without the JPLs' authority have been marked with suitable cautionary notices by the HK Registrar. The HK Injunction Orders prevent the Enjoined HK Directors and Prime Intelligent from continuing to act, or holding out that they act on behalf of the HK Subsidiaries, pending the outcome of the May 2023 hearing; and
  - c) The JPLs continue to progress their efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries and are convening board meetings on 30 November 2022 in respect to a number of PRC Subsidiaries to suspend powers and replace a number of original Directors and Officers.
- 4.1.4 The JPLs are also investigating the disconnection of the Company's email server and deletion of the domain name resolution by an anonymous individual. The practical effect being the inability of users to access the domain name and website.
- 4.1.5 The JPLs filed an application seeking Chapter 15 relief in the USA. On 3 November 2022, an objection to the JPL's Chapter 15 application was received from GMSC and the INEDS. The matter was heard on 10 November 2022 and as of the date of this report, a ruling has not been handed down.

## 4.2 Assets and Liabilities to Date

4.2.1 The JPLs' investigations to date have identified the following:

- a) bank accounts for subsidiaries of GCBC with a total balance of US\$49k and HK\$135k, in addition to the existing accounts of GCBC discovered as of the date of the First Report which had a balance of approximately US\$214k; and
- b) liabilities and amounts claimed to be owed by the Company in the amount of US\$980,766.

## 4.3 Next Steps

4.3.1 The key areas of the JPLs' focus are:

- (a) continuing their efforts to take control of and protect the PRC Subsidiaries;
- (b) continuing to locate, secure and protect all assets of the Group and information relating to the Group's affairs;
- (c) identifying and locating any additional institutions and/or individuals that may have information in respect of the matters leading up to the JPLs' appointment and/or information that will assist in the JPLs' investigations;
- (d) obtaining such disclosure as necessary to trace the whereabouts of any assets transferred or paid away from the Company; and
- (e) as required, taking appropriate steps, including to seek recognition and or cooperation in jurisdictions to assist the JPLs in the discharge of their duties.

4.3.2 The above steps are being conducted in parallel with the JPLs' efforts to obtain a clear insight into the operational and financial performance of the PRC Subsidiaries.

4.3.3 The JPLs intend to seek sanction from the Court to form an ad hoc liquidation committee of shareholders, with a view to ensuring that a collective consultation process is effectuated in which material decisions can be considered in the best interests of the Company's stakeholders.

4.3.4 The JPLs anticipate that, as the provisional liquidation progresses, there may become an appropriate time for the JPLs to consider a reorganisation of the corporate structure of the Group to permit both (a) the operational businesses to continue to trade without interruption, and (b) GCBC to pursue any claims it may have against third parties.

# Actions taken by the JPLs since the First Report

## 5.1 Books and Records

- 5.1.1 Since the First Report, the JPLs have written to an additional 70 parties notifying them of their appointment (and relevant directorship appointments of subsidiaries) and requesting books and records and other information relating to the Company and its subsidiaries that would assist their investigations.
- 5.1.2 Whilst the JPLs have received responses from most parties, they have been provided with limited information to date and continue to engage with parties directly (and with the assistance of the JPLs' legal counsel) to establish a multi-faceted understanding of the Company's affairs through independent means.
- 5.1.3 While some service providers and legal advisors have started cooperating with the JPLs since the First Report and are providing the JPLs with information and records on a "rolling basis", the JPLs continue to encounter a number of uncooperative parties.
- 5.1.4 The JPLs efforts to understand the operations and financial status of the underlying subsidiaries of the group are ongoing. As of the date of this report, none of the directors of the Company, other than Xu Ping, have responded to, or co-operated with the JPLs<sup>1</sup>. Due to the lack of co-operation the JPLs have only been able to access minimal Company records to enable them to assess the current financial position of the Company.
- 5.1.5 The JPLs discuss the lack of cooperation from the Directors and obstructive steps taken by GMHL later in this report.

<sup>1</sup> For the sake of completeness, the JPLs note, after the cut-off period for this Report, one letter, dated 30 November 2022, was received from White & Case acting for the self-styled 'Independent Directors'. This letter, which will be addressed in the JPLs' next report, denies that the 'Independent Directors' are in

## 5.2 Assets

- 5.2.1 To date the responses received from the above parties have identified the following assets:

### Bank Accounts

(a) bank accounts for GCBC with a total balance of US\$214k;

(b) bank accounts for subsidiaries of GCBC with a total balance of US\$49k and HK\$135k.

### Retainer Refunds

- 5.2.2 To date the JPLs have received a refund of a retainer from former Cayman Islands counsel to the Company netting approximately US\$271k. The law firm continues to hold further retainer balances of US\$120k and £118k and the JPLs are in correspondence with it in relation to the remaining balance. Refund of these fees are being contested by a Cayman Islands law firm retained by the Litigation Steering Committee to defend the petition to wind-up the Company. The law firm is requesting the release of the retainers to them.
- 5.2.3 The JPLs are also aware of a retainer of US\$22k held by a US service provider.

possession of any books and records of GCBC; asserts that they have no ability to help the JPLs gain access to GCBC's HQ, and contains no offers of assistance.

## 5.3 Liabilities

- 5.3.1 To date, the JPLs have been notified of amounts claimed to be owed by the Company (pre-appointment) in the amount of US\$980,766.
- 5.3.2 A number of proof of debts have been submitted and the JPLs are taking steps to notify any creditors to provide information about amounts that may be owed to them and are providing proofs of debts in respect to any such claims. The JPLs intend to take steps to establish a liquidation website and the forms will also be available on that platform. It should be noted that it is not a function of the JPLs to adjudicate on any claims.

### Insurance

- 5.3.3 The JPLs have exchanged correspondence with insurance providers of the Company with respect to director and officer insurance coverage.

## 5.4 Subsidiaries

- 5.4.1 Since their appointment, the JPLs have taken (and are continuing to take) the steps needed to take control of GCBC's corporate structure via its subsidiaries, including in the Cayman Islands, the BVI, HK, and the PRC.

## 5.5 Cayman Islands

- 5.5.1 The Cayman Subsidiaries have passed resolutions to facilitate control of the HK subsidiaries and BVI Subsidiaries, as further detailed below.

## 5.6 BVI

- 5.6.1 The JPLs identified information indicating that GCBC is the sole shareholder of Cellenkos GP Limited, which the JPLs understand was set-

up as part of the Cellenkos Transaction. The JPLs caused Cellenkos GP Limited, as General Partner, to write to Cellenkos Holdings L.P. (a Delaware Limited Partnership) to request the books and records of the partnership pursuant to its management powers under Cellenkos Holdings L.P.'s Limited Partnership Agreement. To date, no response has been received from Cellenkos Holdings L.P. despite the JPLs' attempts at contact via post and telephone. Bank account inquiry letters have also been circulated to all known major bank providers in the BVI, the Cayman Islands, and HK to identify any existing bank accounts belonging to this entity. No bank accounts have been identified to date.

- 5.6.2 On 28 October 2022, the incumbent registered agent of the New BVI Entities wrote that designated control of the New BVI Entities books and records other than the statutory registers were given to Ting Zheng at the GCBC HQ address.
- 5.6.3 The organisational documents of Cellenkos GP Limited suggest that the finance and tax records (along with a duplicate of the common seal) are maintained at the GCBC HQ.
- 5.6.4 The JPLs, in their capacity as directors via GTSS 1 and GTSS 2, have also changed the registered office of the New BVI entities and Cellenkos GP Limited to Nerine.

## 5.7 HK

- 5.7.1 The JPLs have taken a number of steps to obtain control of the HK Subsidiaries and obtain information from GCBC HQ. Despite actions by the Enjoined HK Directors to impede the JPLs' efforts, the JPLs have been successful in replacing the boards of the HK Subsidiaries and obtaining interim injunctions from the HK Court against various parties to prevent them taking further steps to frustrate the JPLs' efforts. A chronology of the

steps taken since the First Report is set out below for ease of reference at Appendix A.

### Injunctions

- 5.7.2 On 28 October 2022, the JPLs (through their control of GCBC's indirect subsidiaries) issued a Writ of Summons in the HK Court against, *inter alia*, the Enjoined HK Directors in four separate High Court Actions ("the HK Actions"). In support of the HK Actions, the HK Court granted Injunction Orders ("HK Injunction Orders") against the Enjoined HK Directors and purported Company Secretary (Prime Intelligent) (together, the "Defendants"), preventing them from continuing to act (or holding out that they act) on behalf of the HK Subsidiaries. These HK Injunction Orders were made on an interim basis, pending the outcome of a three-day hearing against the Defendants scheduled for May 2023.
- 5.7.3 The HK Court specified that the three-day hearing in May 2023 will determine the substantive issues of the JPLs' claims in the HK Actions, including the application made by the JPLs for:
- a) a declaration that the purported allotment of shares is unlawful and void;
  - b) an order setting aside the purported allotment of shares;
  - c) the share register be rectified; and
  - d) declarations that the purported director/company secretary appointments are invalid.
- 5.7.4 The result of these HK Injunction Orders is that (i) all pending filings submitted to the HK Registrar since the date of the JPLs' appointment without the authority of the JPLs have been removed by the HK Registrar; and (ii) any other filings made without the authority of the JPLs have been marked with a warning by the HK Registrar that the reader of the document

should "exercise caution" Since the date on which the HK Injunction Orders were granted, no further filings have been published by the HK Registrar.

- 5.7.5 The JPLs have taken steps to serve sealed copies of the Injunction Orders on:
- a) Prime Intelligent;
  - b) Mourant Governance, in their capacity as registered office of GCBC;
  - c) Cayman legal counsel of the Litigation Steering Committee, which includes Albert Chen and Ting Zheng;
  - d) The HK Registrar via letter and ND2A filings; and
  - e) Cordlife Singapore.
- 5.7.6 For reference, Cordlife Singapore was provided with the Injunction Orders as Stem East is the beneficial owner of shares in Cordlife. The JPLs therefore considered it prudent to put Cordlife Singapore on notice to ensure that no steps to transfer or change the shareholding/ownership without the JPLs' expressed written consent could be made.
- 5.7.7 The JPLs are currently experiencing challenges with serving the Enjoined HK Directors. Steps are being taken to address these challenges.
- Statement of Claim**
- 5.7.8 The JPLs and their legal advisors are finalising the statement of claim in each of the HK Actions. The deadline to file and serve the statement of claim in the HK Actions is on or before 16 December 2022.
- 5.7.9 Prime Intelligent and the Enjoined HK Directors then have (i) 21 days from the date of filing and serving of the statement of claim to serve their affirmation in opposition; and (ii) 28 days from the date of filing and serve the statement of claim to file its defence.

**Prime Intelligent**

- 5.7.10 The JPLs have written to Prime Intelligent to notify it that it must not continue to purport to act as company secretary for the HK Subsidiaries and that Mauve now acts as company secretary for the HK Subsidiaries. The JPLs have also requested that a broad list of books and records associated with the HK Subsidiaries be handed over by Prime Intelligent to Mauve and the JPLs.
- 5.7.11 Since this correspondence, Prime Intelligent's legal counsel has asserted that the JPLs' records request is beyond the scope of the Injunction Orders and/or that any records now held are not the property of the HK Subsidiaries. Efforts are ongoing to recover the books and records held by Prime Intelligent and the JPLs are taking legal advice on this.

**Removal of Contentious and Non-HK Directors**

- 5.7.12 The JPLs have, by board and shareholder resolutions formally removed Ting Zheng and Albert Chen in accordance with the relevant legal requirements and the HK Subsidiaries constitutional documents. The JPLs have passed resolutions and have appointed their representatives to board positions for control of the board and its activities.
- 5.7.13 Notake Minori is prohibited from acting or holding out to be a director pursuant to the terms of the HK Injunction Orders.

**Bank accounts**

- 5.7.14 The JPLs are in the process of updating the account signatories of the HK Subsidiaries to reflect the new directors appointed by the JPLs.

**Access to GCBC HQ**

- 5.7.15 The JPLs continue to take steps to obtain the Company's books and records, which according to corporate records are kept at GCBC HQ, and continue to press GMHL through their legal counsel (Huen) to deliver up the books and records of the Company.
- 5.7.16 The JPLs have been advised by Huen that GCBC has rental arrears of HK\$2,280,000 and were evicted for non-payment of rent and that GMHL intends to commence legal proceedings. Huen provided certain documents to the JPLs and in light of the close connections between GCBC and GMHL, the JPLs are carefully considering the information provided by GMHL in support of its contention that the Company is in rental arrears.
- 5.7.17 The JPLs understand from SEC disclosures, that GMHL was the sole provider to the Company of data storage and hosting services, accounting and bookkeeping services as well as administration support services.
- 5.7.18 The JPLs continue to press GMHL to respond to the JPLs' outstanding requests for information and documents in relation to GCBC.

**5.8 PRC**

- 5.8.1 The JPLs, in conjunction with their legal counsel will continue to progress their efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries and allow the business to continue to operate with as little interruption as possible.
- 5.8.2 Upon obtaining control over the HK Subsidiaries, the JPLs promptly commenced a process to secure control over the PRC Subsidiaries. Board resolutions have been passed by the HK Subsidiaries (in their capacity as shareholder of the tier 1 PRC Subsidiaries) to *inter alia* replace the original legal representatives, board of directors, and supervisors (together, the

Directors & Officers”). Notice of suspension of their powers and notice of their replacement have been sent to the original directors & officers.

- 5.8.3 The JPLs are aware there are significant operating assets in the Group and are taking advice as to the most appropriate manner to approach the PRC Subsidiaries. Given the size (both financial and operational) of the subsidiary business and the sensitive and highly regulated nature of the business, the JPLs are taking steps to ensure they support the business and ensure that the operating subsidiaries are not negatively impacted.

## 5.9 Singapore

- 5.9.1 Cordlife Singapore has been put on notice of the JPLs’ appointment. A Form 3 and Form C, as required by the Singapore Stock Exchange have also been filed.
- 5.9.2 Based on share price alone, the face value of the shares which Stem East hold in Cordlife Singapore is estimated at approximately US\$6.2million as of the date of this report.

## 5.10 US NYSE

- 5.10.1 The NYSE have reviewed the First Report and the JPLs remain in contact with the NYSE. Trading in the Company’s shares on the NYSE remains halted.
- 5.10.2 At present the NYSE has not indicated any intention to commence steps to delist the Company.

## 5.11 Chapter 15

- 5.11.1 The JPLs filed an application seeking Chapter 15 relief on 7 October 2022 which was heard on 10 November 2022 by Judge David S. Jones of the Southern District of the New York Bankruptcy Court.
- 5.11.2 On 3 November 2022, the JPLs received an objection to their Chapter 15 application from GMSC. This objection was supported by a separate statement filed by Mark Chen, Dr. Ken Lu, Jennifer Weng, Jack Chow and Jacky Cheng, in their capacity as purported 'independent non-executive directors of the Company'. A response was filed by the JPLs on 7 November 2022.
- 5.11.3 The matter was heard on 10 November 2022 and Judge David S. Jones reserved judgment. As of the date of this report, the JPLs have no further updates.

## 5.12 Petitioner Application under Section 1782

- 5.12.1 Prior to the JPLs’ appointment the Petitioner had filed an application under title 28 of the United States Code (“Section 1782”) for a subpoena against Cellenkos and a variety of parties connected to the Cellenkos Transaction. On 28 October 2022, the Petitioner filed their sur-reply in the proceedings, which included a short declaration from Margot MacInnis, correcting certain factual inaccuracies that were contained with Cellenkos’ response papers.
- 5.12.2 The initial hearing on the Cellenkos’ motion to vacate the subpoena was held on 29 November 2022. At the hearing, the court suggested that the parties reach a compromise on the scope of the subpoena and set a continued hearing for 5 December 2022.

## 5.13 Communications with stakeholders

- 5.13.1 The Company has ongoing obligations under separate NYSE and SEC rules to make prompt disclosure of certain material events.
- 5.13.2 On 31 October 2022, the JPLs issued a Form 6-K with confirmation that on 21 October 2022, the JPLs furnished their First Report to the Court and that a copy of same is available on the Company's website: [https://ir.globalcordbloodcorporation.com/static-files/221020\\_GCBC\\_28\\_Day\\_Report\\_Public.pdf](https://ir.globalcordbloodcorporation.com/static-files/221020_GCBC_28_Day_Report_Public.pdf)
- 5.13.3 The JPLs are also taking steps to set-up a bespoke website and/or portal, so that creditors and shareholders of the Company will be able to receive regular updates in respect to the progress of the liquidation and related proceedings. FAQs, the First Report, the Second Report, as well as downloadable proof of debt forms will be made available through that website to all creditors and shareholders of the Company. The JPLs then intend to publish a Form 6-K directing stakeholders to the website.
- 5.13.4 Creditors and shareholders can contact the JPLs at [GCBCJPLs@uk.gt.com](mailto:GCBCJPLs@uk.gt.com). This email account is monitored regularly by the JPLs.
- 5.13.5 The JPLs have also prepared responses to frequently asked questions and have published same in a Form 6-K filed with the SEC on 21 October 2022 which can also be found on the Company's website.
- 5.13.6 The JPLs are continuing their investigations in respect of the affairs of the Group and in that regard request shareholders to provide any information or records they may have in relation to the Company.

# Investigations

## 6.1 Investigations

- 6.1.1 Investigations into the affairs of the Company and its subsidiaries are ongoing and complex. The JPLs set out in this section a high-level overview of the investigations undertaken in the period since the issue of the First Report. For the sake of brevity, we have not sought to repeat the details of investigations as summarized in that report.
- 6.1.2 As the investigations progress and further steps are taken by the JPLs, the results of these investigations and actions taken with respect to them will be reported to stakeholders, but only where this would not prejudice the Company's interests (e.g., by potentially cutting-across any steps to bring proceedings or make recoveries).
- 6.1.3 The primary focus of the investigations to date have been in relation to (i) the structure and operating subsidiaries of the Company; (ii) the disposition of Company's assets; (iii) the apparent related-party payments; (iv) the Cellenkos Transaction; (v) the whereabouts and actions of the Company's former management; (vi) service providers and the role they played; and (vii) information gathering from key counterparties and stakeholders.
- 6.1.4 All comments, findings and observations herein resulting from the JPLs' investigative efforts to date are subject to further investigation and verification. Such further investigation is contingent on the JPLs obtaining access to and examining of books and records, financial, banking, and communications data, as well as interviews of former management.
- 6.1.5 The JPLs continue to gather intelligence from various sources in Hong Kong and PRC (and other jurisdictions as required) and the information gathered contributes to the wider understanding of the matter, the various individuals involved, and the carrying out of the JPLs' duties.

## 6.2 Bank Accounts and Transactions

- 6.2.1 The JPLs continue to take all steps to locate, identify and take control of all the Company's bank accounts.
- 6.2.2 The JPLs' efforts to identify the bank accounts are ongoing notwithstanding the challenge and obstruction caused by the lack of cooperation and lack of books and records. To date the JPLs have identified accounts belonging to the Group with an aggregate balance of c. US\$278k. Correspondence with the banks remains ongoing. Once further statements are received, this should enable a partial funds flow analysis to be undertaken.
- 6.2.3 Among the accounts discovered by the JPLs are two sets of HK\$, RMB, and US\$ accounts held by Stem South BVI and CSC Holdings discovered since the First Report. These accounts were disclosed and produced in correspondence in response to the JPL's inquiry with the bank regarding the possible existence of accounts in those companies' names. The JPLs, in their capacity as the sole directors of Stem South BVI, are liaising with the bank to become signatories of the accounts and our investigations team are examining the transaction histories for these accounts.

## 6.3 Blood Banks

- 6.3.1 The JPLs' investigations into the four operating subsidiaries (Qilu, Nuoya, Lukou and Chen Hong) are continuing. As matters stand, the JPLs are satisfied that these businesses remain operational.

# Areas of Concern regarding Company and Financial Management

7.1 In addition to those concerns set out in the First Report, the JPLs' investigations to date have raised further concerns in respect of the following.

## 7.2 GMHL

7.2.1 The JPLs are aware of the claimed historic links between GCBC and GMHL, including that Kam Yuen (alleged to be the Chairman and CEO of GMHL, whom the JPLs believe is a director of GMHL) was originally the Chairman and Executive Director of GCBC, prior to the 2016 sale by GM BVI of approximately 65% of the issued shares of GCBC to the Petitioner's parent entity.

7.2.2 The JPLs are also aware of the claimed ongoing, but concealed links between GCBC and GMHL and other entities in the group in which GMHL operates (the "Golden Meditech Group"), including that certain directors of GCBC concealed their ongoing ties with Kam Yuen and the Golden Meditech Group.

7.2.3 The JPLs are also aware of evidence of misappropriation of assets from a subsidiary of GCBC to entities controlled by Kam Yuen (the Chen Hong Payments).

7.2.4 The JPLs continue to investigate such matters. Whilst those investigations are ongoing, the JPLs are also aware of steps that currently appear to be being taken by entities within and/or persons affiliated with the Golden Meditech Group to delay or frustrate the JPLs' efforts to carry out their duties to safeguard the interests of all GCBC's stakeholders. Some of these are set out in section 7.7 below.

## 7.3 The Directors

7.3.1 Since their appointment, the JPLs have made numerous outreaches to GCBC's directors. With the sole exception of Xu Ping, none of the directors have cooperated with, or even responded to the JPLs to date (save as noted in paragraph 5.1.4 above). Those remaining directors according to the Register of Directors (the "Directors") upon the appointment of the JPLs, and excluding Xu Ping are as follows:-

### Register of Directors of Global Cord Blood Corporation

#### Current Directors

Bing Chuen Albert CHEN	(effective 30 June 2009)
Ting ZHENG	(effective 30 June 2009)
Jennifer J WENG ( <b>note 1</b> )	(effective 30 June 2009)
Mark D CHEN ( <b>note 1</b> )	(effective 30 June 2009)
Yungang Ken LU ( <b>note 1</b> )	(effective 30 June 2009)
Jacky CHENG ( <b>note 1</b> )	(effective 06 February 2020)
Jack CHOW ( <b>note 1</b> )	(effective 11 November 2019)

**note 1: These parties termed themselves the "Independent Directors" in their Chapter 15 filing.**

7.3.2 As set out below, the JPLs believe that:

- The Directors have received notice of the Order; and
- The Directors are deliberately refusing to co-operate with the JPLs.

7.3.3 Furthermore, it appears that steps have been and continue to be taken to frustrate the JPLs' efforts to carry-out their duties under the Order. Based on the information presently available, it appears that one or more of the Directors are likely to be directly or indirectly involved in those steps.

## 7.4 Notice of the Order and requests for co-operation made to the Directors

7.4.1 The Directors have been provided with the Order and asked to cooperate with the JPLs on numerous occasions, including as follows:

- a) On 23 September 2022, the Petitioner filed a copy of the Order on Form SC13D/A, with the SEC, bringing the powers, duties and responsibility of the JPLs, together with the suspension of Directors' powers to the attention of the wider public. The Order is available, together with other public filings for GCBC, on the SEC's website (<https://sec.report/CIK/0001467808>).
- b) Numerous letters have been sent to the Directors, by post, email and fax, enclosing the Order and requesting the Directors' co-operation. This includes to the Directors via: (a) GCBC's HQ as its principal trading address; (b) email, (c) various known and alternative correspondence addresses provided for the directors in corporate records of the Company or its subsidiaries. To date, none of those letters has been responded to (save as noted in paragraph 5.1.4 above).
- c) The JPLs' Cayman attorneys, Mourant, have written to the Cayman Islands law firm instructed by the Litigation Steering Committee on the basis that the Directors sit on the Litigation Steering Committee. Several of those letters have complained about the lack of

cooperation to date and exhorted the Directors to respond on these points. No such response has been received.

- d) After the self-titled 'Independent Directors' filed a statement in support of GMSC's objection to the JPLs' Chapter 15 Petition, the JPLs' US attorneys wrote to their US attorneys on 11 November 2022, re-sending historic correspondence previously sent directly to the 'Independent Directors' by other means, to ensure that the 'Independent Directors' are in receipt thereof. This was followed by a further letter asking again for the Directors' cooperation. Save as noted in paragraph 5.1.4 above, the 'Independent Directors' US counsel have recently responded to these letters, but as matters stand no co-operation has been offered or provided by the 'Independent Directors'.
- e) During the JPLs' various attempts to gain access to the GCBC HQ, the JPLs provided copies of the Order to parties including Sun Chung (who, in turn, appear to have communicated with representatives of GMHL and/or GCBC); and drew attention to their powers under that Order. Given the apparent overlap between some of the Directors and certain directors / officers of GMHL, it is likely that the Order again came to some or all of the Directors' attention during that process.
- f) The JPLs have corresponded with and visited the offices of Prime Intelligent, which purported to be the new registered office of the HK Subsidiaries. In the course of those communications, the JPLs provided copies of the Order and drew attention to their powers under that Order. It is believed that Prime Intelligent, in turn, took instructions from Albert Chen and/or Ting Zheng, such that it is likely that the Order again came to the attention of at least those two Directors during these exchanges.

## 7.5 The Directors are aware of the terms of the Order

- 7.5.1 It is clear from the following material in the JPLs' possession that the Directors are aware of the terms of the Order appointing the JPLs:
- a) correspondence and invoices from the former Cayman Islands counsel to the Company shows that they provided the Order to Albert Chen and Dorothy Tam and explained its consequences;
  - b) board resolutions and correspondence from the Cayman Islands law firm instructed by the Litigation Steering Committee. One written resolution, dated on or around 16 October 2022, records that the Directors are aware of the Order and its terms; and
  - c) the Independent Directors' statement filed on 3 November 2022 in the Chapter 15 proceedings, refers to the Order and the Grand Court's judgment of 28 September 2022, "explaining the reasons for its appointment of the JPLs", before going on to set out the Independent Directors' stated, "concern that the appointment of the JPLs has had a severe negative impact on the Company's operations."

## 7.6 Lack of co-operation from the Directors

- 7.6.1 Notwithstanding that Directors are aware of the Order, none of them (other than Xu Ping) has responded to any of the JPLs' attempts to contact them and seek their cooperation (save as noted in paragraph 5.1.4 above). Instead, all such efforts have been ignored and any correspondence emanating from the Directors' representatives has related solely to other matters, such as the Petition and the Chapter 15 application.
- 7.6.2 To date, none of the Directors (other than Xu Ping) have:
- a) directly acknowledged the JPLs' appointment (save as noted in paragraph 5.1.4 above);
  - b) confirmed their intention to co-operate with the JPLs;
  - c) confirmed their intention to stop seeking to exercise powers which they no longer possess;
  - d) provided any information to the JPLs;
  - e) provided any books or records to the JPLs;
  - f) provided any assets to the JPLs; or
  - g) cooperated, in any way, with the JPLs.
- 7.6.3 The JPLs are considering appropriate next steps.

## 7.7 Apparent attempts to frustrate the JPLs' Duties

- 7.7.1 As stated above, it appears that steps have been and continue to be taken to frustrate the JPLs' efforts to carry-out their duties under the Order.
- 7.7.2 The matters that give rise to such concerns include (but are not limited to) the following:
- a) The JPLs have been denied access to GCBC HQ. It appears that efforts to prevent the JPLs accessing GCBC HQ began before their appointment (at around the same time as the Company's evidence was filed in response to the JPL Application) on or around 13 September 2022, with the removal of the GCBC signage at GCBC HQ location. Since then, there have been various matters that, when viewed in isolation or together, indicate that deliberate steps are being taken to frustrate the JPLs' efforts to obtain GCBC's books and records (and any other information and/or documents currently or formerly held at GCBC HQ). This includes recent correspondence with Huen, HK attorneys for GMHL, in which the JPLs access to GCBC HQ was refused, it was denied that any books and records exist at GCBC HQ and asserted that there are outstanding rental arrears and that GCBC was evicted from GCBC HQ for non-payment of rent (referred to in section 5.7.16 of this report).
  - b) In an apparent attempt to stymie the JPLs' ongoing investigations, GMSC objected to the JPLs' application to the Bankruptcy Court for the Southern District of New York for Chapter 15 recognition. The 'Independent Directors', despite having had their powers suspended by the Order, supported GMSC's objection and filed their own statement in support of that objection. The fact and contents of this Objection are both troubling. In it, the 'Independent Directors' state

their 'concerns' regarding the JPLs' limited control of GCBC's PRC assets, and state:

"21. Moreover, the Independent Directors want to assure the Court that they, as responsible stewards of GCBC in accordance with their fiduciary duties, are standing by to ensure that the Company is managed properly and responsibly in the best interests of all stakeholders. In this regard, the Independent Directors have been fulfilling their duties in good faith in evaluating each proposal submitted by potential investors. The Independent Directors have properly exercised their due care, diligence, and skills in exercising their authority to ensure the Company's operations are in compliance with statutory requirements in the Cayman Islands and other applicable law."

- c) In Hong Kong, around 55 corporate filings have been submitted to the HK Registrar by unknown party(ies) (whom the JPLs believe to be either Albert Chen and/or Ting Zheng, as the only Directors with standing to do so prior to the JPLs' appointment). These filings appear to have been directed at frustrating or delaying the JPLs' efforts to obtain control over GCBC's subsidiaries and assets. The HK Injunction Orders (referred to in section 5.7.2 of this report) appear to have resulted in no further filings being made.
  - d) Prime Intelligent, who appear to have been engaged by Albert Chen and/or Ting Zheng, has contested GCBC's ownership of the HK Subsidiaries and taken various other steps that also appear to have been directed at frustrating or delaying the JPLs' efforts to obtain control over GCBC's subsidiaries and assets.
- 7.7.3 The JPLs' investigations are continuing into all of these matters. However, based on the information presently available to the JPLs, it

appears that the parties referenced above are likely to be directly or indirectly involved in frustrating the JPLs efforts to date.

was disconnected prior to the domain name resolution deletion also suggests this was deliberate and not an error.

## 7.8 Website Hosting

- 7.8.1 As early as 24 September 2022, the JPLs were receiving undelivered notices to emails delivered to addresses ending in @chinacordbloodcorp.com. On 28 September 2022, the JPLs were advised by a service provider to GCBC that the latest invoice it sent to Albert Chen's GCBC email was undeliverable. It would appear that the email server was disconnected and posts to email addresses ending in @chinacordbloodcorp.com were being returned.
- 7.8.2 The JPLs noticed that the website www.globalcordbloodcorp.com stopped functioning 11-12 October 2022, Cayman and Hong Kong time respectively. The website had previously been functional and the JPLs had performed backups of the website on or about 28 September 2022 and 6 October 2022.
- 7.8.3 On 14 November 2022, the JPLs had a call with the domain name provider of the website, who informed the JPLs that the owner of the domain name is an individual (which means it is registered by using individual's information rather than GCBC's). Furthermore, the domain name provider stated the reason why the website is not functional is because the account holder deleted the domain name resolution, which is required to link the domain name and the website. The domain name provider further informed the JPLs that it could not make changes to the account and only the account holder could control if and where the domain directed web traffic. The domain name provider would not reveal its client's information.
- 7.8.4 The timing of a) the disconnection of the email server and b) the deletion of the domain name resolution, which occurred separately, are suspicious given the proximity to the JPL's appointment. The fact that the email server

# Funding and costs to 31 October 2022

## 8.1 JPLs' Remuneration and Legal Costs

- 8.1.1 The expenses required to engage and co-ordinate both urgent and important workstreams to secure and control the assets across multiple jurisdictions are and will continue to be considerable in the initial phases of the JPLs' appointment. However, the costs being incurred are modest in proportion to the assets of the Company and the sums alleged to have been misappropriated. The JPLs' highest priority is securing and protecting the assets of the Company.
- 8.1.2 From the evidence identified to date, funds are likely to be available in PRC operating subsidiary bank accounts. Whilst the JPLs continue to gain control of the Group's operations, it may be some time before control can be effectuated over operating subsidiaries and operational cash.
- 8.1.3 The JPLs are seeking third party funding to bridge the short-term liquidity issue to enable them to continue to perform their duties to the best extent possible and until liquid assets become available within the Group structure. To that end, the JPLs are engaging with major shareholders and third-party professional funders. The JPLs would welcome expressions of interest from any other parties. Expressions of interest should be sent to GCBCJPLs@uk.gt.com.
- 8.1.4 The costs of the liquidation (to include the JPLs' professional fees and those of their instructed counsel) up to 31 October 2022, amount to cUS\$5.825m as set out across:

WIP to date	30-Sep	31-Oct	Total
	US\$'000	US\$'000	US\$'000
Liquidator's Fees and expenses	885	2,203	3,078
Legal Fees and expenses	685	2,053	2,738
<b>Total</b>	<b>1,570</b>	<b>4,255</b>	<b>5,825</b>

## 8.2 Fee approval

- 8.2.1 The JPLs will apply to the Court in due course for the approval of their remuneration.

# Next steps

## 9.1 Continue investigation and management of the liquidation

9.1.1 As the liquidation is at an early stage, the key areas of the JPLs' focus until 31 December 2022 remain similar to those stated in the First Report, namely:

- (a) take all steps to obtain control of the PRC Subsidiaries;
- (b) take all steps to preserve the value of the Group;
- (c) identify, locate and secure, all assets of the Group;
- (d) identify and locate any institutions and/or individuals that may have precipitated any concealment, misappropriation and/or dilution of assets;
- (e) obtain such disclosure as necessary to trace the whereabouts of any assets transferred or paid away from the Company;
- (f) continue all investigative steps set out at section 7; and
- (g) take appropriate steps for recognition and or cooperation in multiple jurisdictions with a view to secure and compel production of documents and protection of assets.

## 9.2 Investigation strategy

- 9.2.1 The following strategy will be followed, subject to the JPLs gaining access to the relevant financial records, communications, and other data (the "Data").
- 9.2.2 Examine the Data for indications of discrepancies and possible falsification of financial information of GCBC.

9.2.3 Analyse bank statements of the Group to understand and map funds flows, remittances to GCBC (HK), and leakages:

- (a) examine the Data for indicators of payments to personal accounts of key targets;
- (b) examine the Data for indicators of undisclosed bank accounts; and
- (c) examine the Data for indication of payments of Group cash in respect of other schemes associated with the parties of interest.

9.2.4 Further analysis of the onward flow of the Chen Hong Payments through the GMHL structure.

9.2.5 Analyse GCBC's general ledger and accounting records:

- (a) analyse GCBC's subsidiary income, cash flow, compared to income reported to PRC authorities; and
- (b) examine for evidence of unknown assets.

9.2.6 Interrogate GCBC communications for:

- (a) any indicators of misappropriation corresponding to transfers of cash to GMHL or other related entities;
- (b) any Indicators of misappropriation corresponding to the Cellenkos Transaction;
- (c) any indicators of misappropriation corresponding to any similar transactions in which Company assets have been improperly used; and
- (d) indicators of other misappropriation of GCBC group assets (cash, personal enrichment, corporate holdings, etc.).

9.2.7 Part of this exercise includes continuing to take the steps necessary to acquire control of the Group via:

(a) expeditiously passing the necessary board and shareholder resolutions required to secure control of all subsidiaries, including in HK and the PRC;

(b) using the JPLs' control of all the Group entities to facilitate control of the entities in turned owned by them; and

(c) assert control over the Group at its PRC level to recovery any identifiable bank accounts (or other assets) and appoint legal representation.

9.2.8 In the absence of substantial books and records, the JPLs will take steps to reconstruct the financial position of the Group based upon the information that it is able to obtain from third parties, such as bank statements, supplier statements and contractual documentation.

9.2.9 In parallel, the JPLs will continue to investigate any transactions and/or operations throughout the Group to assess the veracity of allegations of historical mismanagement and wrongdoing, and potential avenues for recovery of assets misappropriated via such actions, pursuant to their duties as JPLs.

### 9.3 Recommendations

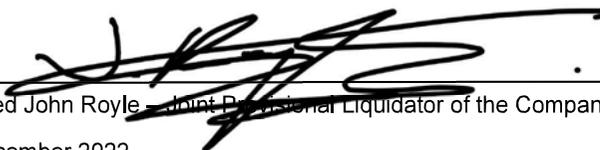
9.3.1 The JPLs will shortly be applying to the Court to seek sanction to form an ad-hoc liquidation committee. The purpose of the committee is to act as a sounding board to the JPLs for any material decisions on an as needed basis. Whilst the JPLs will be under no obligation to follow the advice of the committee, they are of the view that this collective consultation process for material decisions is in the best interests of the Company's stakeholders. If sanction is obtained, the JPLs will convene a shareholder's meeting which will set out in detail (i) the process for election onto the

committee; (ii) the role of the committee and (iii) the responsibilities of committee members.

9.3.2 While the JPLs are at an early stage of the provisional liquidation, they recognise that part of their mandate includes oversight of the ordinary, day-to-day business operations of the Company. The JPLs anticipate that, as the provisional liquidation progresses, there may become an appropriate time for the JPLs to consider a reorganisation of the corporate structure of the Group to permit both (a) the operational businesses to continue to trade without interruption, and (b) GCBC to pursue any claims it may have against third parties. The JPLs will keep the Court and the Company's stakeholders updated as the provisional liquidation progresses.

## 9.4 Reporting

9.4.1 The JPLs intend to continue reporting to the Cayman Court and stakeholders on a quarterly basis, or as necessary in the case of material developments, subject to any direction from the Court.



Signed John Royle – Joint Provisional Liquidator of the Company

1 December 2022

# Appendix A – Chronology of Key Events

## Chronology of Key Events (since the First Report)

**19 October 2022:** Further ND2As are filed by one or more unknown parties in respect of Stem North, CSC South, and Favorable Fort. One of the ND2As for each of Stem East and Favorable Fort (filed by Prime Intelligent and signed by Notake Minori) are accepted by the HK Registrar for the removal of Mauve as the entities' company secretary.

**21 October 2022:** Special resolutions, altered articles of association, and FNAA1 notices of alteration of company articles are filed by one or more unknown parties in respect of Stem North, Stem East, CSC South, and Favorable Fort.

**21 October 2022:** An ND2A is filed by one or more unknown parties in respect of CSC South.

**21 October 2022:** Two resolutions are filed by one or more unknown parties in respect of each of Stem North and Favorable Fort.

**27 October 2022:** GCBC passed resolutions to remove the directors of Cellenkos GP Limited and replace them.

**28 October 2022:** The Actions issued in the HK Court and Injunction Orders granted by the HK Court against the Enjoined HK Directors, and Prime Intelligent to prevent them from continuing to act in respect of Stem North, Stem East, CSC South, and Favorable Fort. Since the date on which the Injunction Orders were made, no further filings have been published by the HK Registrar.

**2 November 2022:** GCBC passed resolutions to change the registered office of Cellenkos GP Limited.

**3 November 2022:** The JPLs received an objection to the JPL's Chapter 15 application for recognition from GMSC.

**6 November 2022:** A general meeting of Stem West is held to formally remove Ting Zheng as director from the entity. An ND2A notifying of this change was subsequently filed with the HK Registrar which remains pending.

**7 November 2022:** A response was filed by the JPLs in respect to the Objection received from GMSC in respect to the JPL's Chapter 15 application.

**10 November 2022:** Chapter 15 application is heard.

**13 November 2022:** Shareholder meetings are held for Stem North, Stem East, CSC South, and Favorable Fort to remove Notake Minori, Ting Zheng and Albert Chen as directors, re-appoint Mauve as company secretary, and/or change the registered office for each entity back to Mauve's address. ND2As confirming these removals and/or appointments were subsequently filed with the HK Registrar which remain pending.

**21 November 2022:** Resolutions were passed by the relevant HK Subsidiaries to change the composition of the boards of certain of the PRC Subsidiaries.

**30 November 2022:** Board meetings in respect to a number of PRC Subsidiaries to be held in Shanghai to suspend powers and replace a number of original Directors and Officer.



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