

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

First Report to Court

Filing Date: 20 October 2022

Progress report cut-off Date: 17 October 2022

Strictly private and confidential



Contents

1	Basis of Report	2
2	Disclaimer	3
3	Defined Terms	4
4	Executive Summary	8
5	Background to the appointment of the JPLs	11
6	Actions taken by the JPLs since appointment	16
7	Investigations	25
8	Funding and costs to 30 September 2022	30
9	Next steps	31
	Appendix A – Chronology of Key Events	33
	Appendix B – Amended Petition	36

Public

1 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 summarises the status of the JPLs' investigations since their appointment on 22 September 2022 up to the cut-off date of 17 October 2022.

2 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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3 Defined Terms

3.1 Defined Terms

Albert Chen	Albert Chuen Bing Chen, former Chief Financial Officer of the Company	Chen Hong	Beijing Jiachenhong Biological Technologies Co., Ltd – incorporated in the PRC and indirectly wholly owned by GCBC
Articles	Articles of Association	Chen Hong Payments	Payments totalling RMB4,261 million (the equivalent of approximately US\$606 million) from Chen Hong to entities controlled by Yuen Kam between 2015 and 2022.
BoC (HK)	Bank of China (Hong Kong), of which GCBC is an account holder	CK0802	Cryopreserved, off-the-shelf, umbilical cord blood T-reg cells trialled for the treatment of Covid-19 ARDS.
Blue Ocean	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.	Companies Act	Companies Act (2022 Revision), Cayman Islands
Board	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 (info from general registry of the Cayman Islands)	CSC Holdings	China Stem Cells Holdings Limited– incorporated in Cayman Islands and indirectly wholly owned by GCBC
BVI	British Virgin Islands	CSC South	China Stem Cells (South) Company Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC
Cayman Subsidiaries	CCBS and CSC Holdings	Conyers Trust	Conyers Trust Company (Cayman) Limited, previous corporate secretary of GCBC. Previous assistant secretary of CSC Holdings and CCBS
Cellenkos	Cellenkos Inc – registered in Delaware, specialises in stem cell therapy and acquired wholly by GCBC on 29 April 2022 as part of the Cellenkos Transaction	Cordlife Singapore	Cordlife SG – incorporated in Singapore and partly owned (9.99%) by GCBC
Cellenkos Parties	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.	Court	The Grand Court of the Cayman Islands

EDGAR	Electronic Data Gathering, Analysis, and Retrieval database of SEC filings		as Director. Yuen Kam publicly resigned as Director in 2019 and was re-appointed in 2020
Favorable Fort	Favorable Fort Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC	GT	Grant Thornton (a collective term for both GTHK and GTSS)
GCBC or the Company	Global Cord Blood Corporation (In Provisional Liquidation)	GT (BVI) 1	GT (BVI) Corporate Director No. 1 Ltd
GCBC HQ	48/F Bank of China Tower, 1 Garden Road, Central, Hong Kong	GT (BVI) 2	GT (BVI) Corporate Director No. 2 Ltd
GMSC	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.	GTSS 1	GTSS Corporate Director No. 1 Ltd
GMHL	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. Yuen Kam resigned as chairman, director in 2019 however submissions in the PL application indicated he is a current Director of this entity.	GTSS 2	GTSS Corporate Director No. 2 Ltd
GMPM BVI	GM Precision Medicine (BVI) Limited, registered in the BVI. Yuen Kam was a director of this entity as of 29 April 2022 according to a public SEC Filing. A wholly owned subsidiary of GMPM HK according to a Deloitte tax analysis.	Group	the Company and its subsidiaries including the Cayman Subsidiaries, the PRC Subsidiaries, and Stem South (BVI)
GMPM HK	Golden Meditech Precision Medicine Limited, a HK entity currently controlled by Yuen Kam in his capacity	GTHK	Grant Thornton Recovery & Reorganisation Limited. Located in Hong Kong.
		GTSS	Grant Thornton Specialist Services (Cayman) Limited
		HL Succors	HL Succors, registered in the Cayman Islands, and party to the SPAs
		HL Succors ZN	HL Succors, registered in the Cayman Islands, and party to the SPAs
		HK	Hong Kong

HK Subsidiaries	Stem North, Stem West, Stem East, Favourable Fort and CSC South	Morgan Lewis	Morgan, Lewis & Bockius LLP, US and PRC counsel to the JPLs
HK Registrar	the Companies Registry, 14th Floor, High Block, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong	Mourant	Counsel to the JPLs and including: <ul style="list-style-type: none"> 1) Mourant Ozannes (Cayman) LLP (Cayman litigation, Fin Corp); 2) Mourant Ozannes (Hong Kong) LLP (Hong Kong litigation); and 3) Mourant Ozannes (BVI litigation, Fin Corp).
Jayhawk	Jayhawk Capital Management LLC, registered in the state of Delaware and investor in GCBC	Mourant Secretaries	Mourant Secretaries (Cayman) Limited, JPLs' registered office providers and company secretary for the Company and Cayman Subsidiaries
Jinan	Jinan Baoman Science & Technology Development Co., Ltd – registered in the PRC and indirectly wholly owned by GCBC	Nanjing	Nanjing Ying Peng Hui Kang Medical Industry Investment – registered in PRC, shareholder of Blue Ocean and operated by the Sanpower Group Co., Ltd.
JT&N	Jingcheng Tongda & Neal Law Firm, the JPLs' PRC counsel	NDA	Non-disclosure agreement
JPLs	Margot MacInnis, John Royle and Chow Tsz Nga Georgia, the Joint Provisional Liquidators of GCBC	Nerine	Nerine Trust Company (BVI) Limited, current registered agent of Stem South (appointed by JPLs)
July Proceedings	3-day trial held from 20 - 22 July 2022 in which the Petitioner sought Directions from the Court in respect to the Cellenkos Transaction	New BVI Entities	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)
Leong Kim	Leong Kim Chuan (Jackie), an investor party to the SPAs, director at Cellenkos and GMHL	Nuoya	Guangzhou Municipality Tianhe Nuoya Bio-engineering Co., Ltd – registered in the PRC and indirectly wholly owned by GCBC
Lukou	Zhejiang Lukou Biotechnology Co., Ltd – registered in the PRC and 90% indirectly owned by GCBC		
Mauve	Mauve Limited, company secretary of the HK Subsidiaries appointed by the JPLs		

NYSE	New York Stock Exchange	Stem South (BVI)	China Stem Cells (South) Company Limited – incorporated in the British Virgin Islands and indirectly wholly owned by GCBC
Order	Order to appoint the JPLs on the 22 nd of September 2022 by the Court	Stem West	China Stem Cells (West) Company Limited – incorporated in HK and indirectly wholly owned by GCBC
Petitioner	Blue Ocean Structure Investment Company Limited	Sun Chung	Sun Chung Property Management Company Limited, property management at GCBC HQ
PRC	People’s Republic of China	TDW	Tanner de Witt, HK legal counsel to the JPLs
PRC Subsidiaries	Chen Hong, Lukou, Nouya, Jinan, and Qilu	Ting or Tina Zheng	Former Chairperson and Executive Director of GCBC. Also a director GMHL until 24 May 2019
Prime Intelligent	Prime Intelligent Management Limited, purported corporate secretary of the HK Subsidiaries	Vistra	Vistra (BVI) Limited, the previous registered agent of Stem South (BVI), now resigned
Qilu	Shandong Province Qilu Stem Cells Engineering Co., Ltd. – registered in the PRC, GCBC holds an indirect interest of 24%	Vyserion	Vyserion Limited, an investment holding company registered in the BVI and party to the SPAs
SEC	Security Exchanges Commission	YTD Financials	the year-to-date financials of the Company as at 31 March 2022
SPAs	Share Purchase Agreements with the Cellenkos Parties entered into on 29 April 2022 as part of the Cellenkos Transaction	Yuen Kam	the former Chairman and Executive Director of the Company
Stem East	China Stem Cells (East) Company Limited – incorporated in HK and indirectly wholly owned by GCBC		
Stem North	China Stem Cells (North) Company Limited – incorporated in HK and indirect wholly owned by GCBC		

4 Executive Summary

4.1 Background to the appointment of the JPLs

- 4.1.1 On 3 May 2022 a Petition was presented by Blue Ocean, the Petitioner setting out the grounds for seeking a just and equitable winding up of the Company. The Amended Petition was presented on 22 September 2022. The Petitioner alleged that the Cellenkos Transaction was a sham transaction designed to disguise, after the fact, payments totalling RMB4,261 million equivalent to approximately US\$606 million¹ from a subsidiary of GCBC were made to entities controlled by Yuen Kam over the past seven years (the Chen Hong Payments).
- 4.1.2 The Court issued the Order for appointment of provisional liquidators on 22 September 2022 and indicating in the reported judgment that there is clearly a risk of mismanagement flowing from the fact that the best available evidence strongly suggests that the CFO misled the Court and put before the Court a false bank statement pivotal to the matters that the Court was adjudicating during the July Proceedings.
- 4.1.3 The Company is in business as an umbilical cord stem cell storage company, providing umbilical cord blood storage services for parents to save cord blood stem cells on behalf of their children, in the PRC and the Asia Pacific regions. The Company's shares have been listed on the NYSE since 19 November 2009.

4.2 Actions taken by the JPLs since appointment

- 4.2.1 The JPLs have attended to their statutory notification requirements as set out in the terms of the Order, in addition to which, the JPLs have satisfied listed company regulatory requirements with respect to their appointment over the Group.
- 4.2.2 Due to the complex, cross-border nature of this appointment, the JPLs have engaged experienced legal professionals in the Cayman Islands, BVI, Hong Kong, PRC, Singapore, and the USA to assist the JPLs in performing their duties and exercising the powers conferred by the Order.
- 4.2.3 Immediately upon appointment, the JPLs have sought access to the GCBC HQ to recover the Company's books and records but have encountered resistance at each stage of the recovery process. In conjunction with such requests, the JPLs have sought and are continuing to seek various orders from courts including in the Cayman Islands and HK. Those efforts are ongoing.
- 4.2.4 Since their appointment, the JPLs have taken (and are continuing to take) steps necessary to take control of the Group via its subsidiaries in the Cayman Islands, BVI, HK, and PRC. Control of the HK Subsidiaries remains pivotal for the JPLs to secure and protect the Group's operating businesses in the PRC.
- 4.2.5 The JPLs wrote to all known service providers and third parties of whom they are aware to request any and all information they may have in respect of the Company. This includes:

¹ At an average exchange rate of 1RMB:0.15US\$

- (a) service providers;
- (b) former directors and officers;
- (c) banks;
- (d) legal advisors;
- (e) GMHL; and
- (f) the Cellenkos Parties

4.2.6 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.

4.2.7 The JPLs have taken steps to assert control in the structure by:

- (a) replacing the boards and changing the registered offices of the Cayman Subsidiaries;
- (b) replacing the board and changing the registered office of Stem South (BVI);
- (c) appointing a number of directors to the boards which is sufficient enough to ensure majority control;
- (d) changing the registered offices, and
- (e) amending the Articles of the HK Subsidiaries to restrict former directors' powers and amending the Articles of the HK Subsidiaries.

4.2.8 The JPLs filed an application in the US Bankruptcy Court, Southern District of New York, seeking Chapter 15 relief on 7 October 2022 which will be heard on 10 November 2022. Should recognition be granted, this should

assist the JPLs in their efforts to obtain information from third parties who were involved with the Company and who have information pertinent to the JPLs' investigations. It should also assist the JPL's investigations into certain important matters, including the Cellenkos Transaction.

4.3 Key Findings to Date

4.3.1 The key findings of the JPLs' investigations to date are as follows:

4.3.2 (a) it is believed that Albert Chen and/or Ting Zheng appear to be taking steps or are causing steps to be taken to disrupt the JPLs' efforts to take control of the HK Subsidiaries which have included (i) adding directors to the boards of the HK Subsidiaries to frustrate the JPLs' majority control; and (ii) changing the names of the HK Subsidiaries. Additionally, the Company's website has been deactivated and the JPLs have been denied access to the GCBC HQ where the books and records should be maintained;

(b) attempts may have been made to change the Company's corporate structure by possibly diluting the Company's indirect shareholding in the HK Subsidiaries by allotting shares to a new third-party; and/or the purported disposal of the Company's 100% indirect shareholding in those entities;

(c) The valuation of Cellenkos appears to have material defects in its methodology.

(d) the quantum of the Chen Hong Payments challenged in the Amended Petition is over 14 times the figure reported in the Company's Annual Reports in respect to related parties;

(e) to date, the JPLs have identified relatively small amounts of the Company's cash at bank, including balances of approximately US\$200k; and

(f) the JPLs' investigations indicate that the Company's operations in the PRC exist and continue to trade.

4.4 Next Steps

4.4.1 The key areas of the JPLs' focus until 31 December 2022 are:

(a) continuing their efforts to obtain full control of the HK Subsidiaries and to secure and protect the PRC Subsidiaries;

(b) continue to locate and secure, all assets of the Group and information relating to the Group's affairs;

(c) identify and locate any 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) obtain such disclosure as necessary to trace the whereabouts of any assets transferred or paid away from the Company;

(e) continue to take steps to ensure all assets are identified, secured and protected; and

(f) as required, take appropriate steps, including to seek recognition and or cooperation in jurisdictions to assist the JPLs in the discharge of their duties.

5 Background to the appointment of the JPLs

5.1 The Company

- 5.1.1 The Company was registered by way of continuation in the Cayman Islands on 30 June 2009, with company registration number 227732.
- 5.1.2 The Company has been a registered non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) since 28 December 2009. Pursuant to the latest Annual Return filed with the Companies Registry in Hong Kong on 11 January 2022, the Company's principal place of business is at 48/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong.
- 5.1.3 The Company is in business as an umbilical cord stem cell storage company, providing umbilical cord blood storage services for parents to save cord blood stem cells on behalf of their children, in the PRC and the Asia Pacific regions.
- 5.1.4 It was the first cord blood banking operator approved in the PRC by the Ministry of Health. The Company now provides exclusive cord blood storage services in the Beijing Municipality, Guangdong Province and Zhejiang Province.
- 5.1.5 The Company's shares have been listed on the NYSE since 19 November 2009.
- 5.1.6 The Company is the indirect ultimate owner of the various subsidiaries in HK and the PRC as set out in the structure chart below.
- 5.1.7 According to the YTD Financials the Company's reported revenue was US\$196.1 million, and its net income was US\$80.4 million.

5.2 The Petitioner

- 5.2.1 The Petitioner is Blue Ocean, a wholly owned subsidiary of Nanjing and was formed as a special purpose vehicle to hold the interest in the Company. Nanjing is a merger and acquisitions fund specialising in the medical and healthcare industries and was incorporated in the PRC. The 2022 Annual Return of the Company states that the Petitioner holds 65% of the Company's shares.

5.3 GMHL

- 5.3.1 GMHL is a medical devices company that was founded by Yuen Kam in 1992 and was listed on the Hong Kong Stock Exchange in 2001. The JPLs understand that GMSC, a wholly owned subsidiary of GMHL at the time, on 30 December 2016 sold its shares in the Company to Nanjing. Yuen Kam stepped down in 2019, GMHL was taken private in 2020. As of the date of this report, Yuen Kam is again a director of GMHL.

5.4 The Cellenkos Transaction

- 5.4.1 On 3 May 2022, a Petition was presented by the Petitioner setting out the grounds for seeking a just and equitable winding up of the Company. An Amended Petition was presented on 22 September 2022. One principal basis for the Petition, the Amended Petition and the subsequent appointment of the JPLs is a transaction known as the Cellenkos Transaction.
- 5.4.2 The background to the Cellenkos Transaction can be found in the Amended Petition for the appointment of the JPLs at Appendix B.
- 5.4.3 Cellenkos was established in 2016 in Delaware, United States for the purpose of carrying on the business of developing and commercialising

therapies using regulatory T cells derived from umbilical cord blood. Of alleged interest, was its product CK0802, a drug consisting of cryopreserved umbilical cord blood T- reg cells to treat Covid-19 ARDS.

5.4.4 Cellenkos had licensed the exclusive Asia rights and other preferential rights for its product CK0802 to GMPM HK, which subsequently assigned them to GMPM BVI (both subsidiaries of GMHL) (the License Agreement). As the JPLs understand the position, the product only completed phase 1 trials in October 2021.

5.4.5 By a series of SPAs and a framework agreement the Company was to acquire Cellenkos for a total consideration of 114,129,267 GCBC shares, almost equivalent to the entire outstanding share capital of the Company (the Equity Consideration) and US\$664 million in cash, which represented 2/3rds of the Company's purported cash reserves (the Cash Consideration)

5.4.6 The Cellenkos Transaction was designed to become effective in 3 stages. The stages are complex, but the key points are summarised below:

(i) Stage 1: The Company would acquire the License Agreement and 100% of equity interest in two companies, Shanghai GM Life Bank Co. Ltd and Shanghai Diagnosis Co. Ltd (the GMPM Assets) from a GMPM BVI affiliate in exchange for the Cash Consideration and 12,363,636 shares in the Company;

(ii) Stage 2: The Company would acquire 52.8% of Cellenkos from Golden Meditech (BVI) Company Limited (GM (BVI) Co), Vyserion, Leong Kim, HL Succors and HL Succors ZN and (ii) be assigned the warrants to subscribe for Class A shares of Cellenkos by GM (BVI) Co and Vyserion. In addition MD Anderson (A US based shareholder in Cellenkos) could elect to exchange its shares in Cellenkos for shares in the Company; and

(iii) Stage 3: The Company would establish Cellenkos GP Limited and form a limited partnership in Delaware (the US LP). The Company would then contribute 52.8% of the Cellenkos shares acquired in Stage 2 to the US LP. Similarly, the holders of the remaining 47.2% equity interest in Cellenkos would contribute their shares to the US LP in exchange for an equivalent limited partnership interest. Employee share options in Cellenkos would vest and be assumed by the Company as options to acquire ordinary shares in the Company and Cellenkos shareholders would be given the right to exchange their interest in the US LP for cash or shares in the Company.

5.4.7 The JPLs understand that on 29 April 2022, without any warning to the Company's majority shareholders, the Board of the Company (with the exception of Xu Ping, who was not actively involved in the approval process), approved the entry into the transaction.

5.4.8 The Petitioner raised the following concerns in respect of the transaction namely:

- a) it involved a substantial equity dilution of the Company's existing shareholders;
- b) it would use up over 2/3rds of the Company's free cash-flow;
- c) the transaction was announced with no notice and in the face of objections from the shareholders;
- d) it appeared to be a related-party transaction, with (a) a substantial amount of the Company's shares being paid for the purchase going back to a company owned by Yuen Kam; (b) that a majority of the Company's board of directors had served as directors during Yuen Kam's tenure as Chairman of the Company, and (c) that several still had close (and undisclosed links) with him, including Tina Zheng and

Albert Chen, Tina Zheng being the mother of two of Yuen Kam's children; and

e) the purchase price was highly questionable.

5.4.9 The progress of the winding up proceedings is involved. However, importantly, an injunction was granted on 12 May 2022 restraining the Company from proceeding with the transaction leading to an injunction order (the Injunction Order).

5.4.10 The Company subsequently applied to discharge the Injunction Order on the basis (i) that Stage 1 of the transaction had been completed and that *inter alia*, the Cash Consideration had been paid on 29 April 2022. The Company relied on evidence from Albert Chen exhibiting the purported latest bank statements showing that the Cash Consideration had been paid and (ii) that the Company and GMHL have not been related parties since 1 July 2009.

5.4.11 In light of the purported explanation provided by Albert Chen on behalf of the Company, the Court indicated, in its ruling dated 29 July 2022, a willingness to discharge the Injunction Order. However, no order was ever drawn-up or filed after this ruling and, the Injunction Order still remains in place.

5.4.12 Subsequently the Petitioner discovered that the bank statements provided to the Court by Albert Chen were forged. Real bank account statements obtained by a representative of the Petitioner show that the Cash Consideration was never transferred. In fact, the balance in the account was significantly less than the amount purportedly transferred to the transferee companies.

5.4.13 When this evidence was brought before the Court, the Court found that neither the Company, nor Albert Chen provided any "*cogent or convincing*

response to as serious an allegation as could ever be made against the Chief Financial Officer of a listed company".

5.4.14 Further, Albert Chen's evidence that the Company and GMHL have not been related parties since 1 July 2009 also came into question. Quite apart from the revelation that Yuen Kam and Tina Zheng had two children together, it also transpired that Albert Chen had been using various aliases to continue to be involved in GMHL matters, a fact conceded to by Albert Chen in an affidavit dated 9 September 2022 submitted to the Court.

5.4.15 In the face of what the Court described as shocking allegations of forgery, the Court determined that "*it is difficult to imagine a stronger case for appointing provisional liquidators than the present situation*".

5.4.16 Accordingly, the Court issued the Order for appointment of provisional liquidators to take steps as, in their discretion, may be necessary or expedient:

(a) for the protection and preservation of the value of the Company's assets, rights and/or property of every description whether held by the Company, its subsidiaries or any other person; and

(b) for preventing the dissipation or misuse of the Company's assets and those of its subsidiaries.

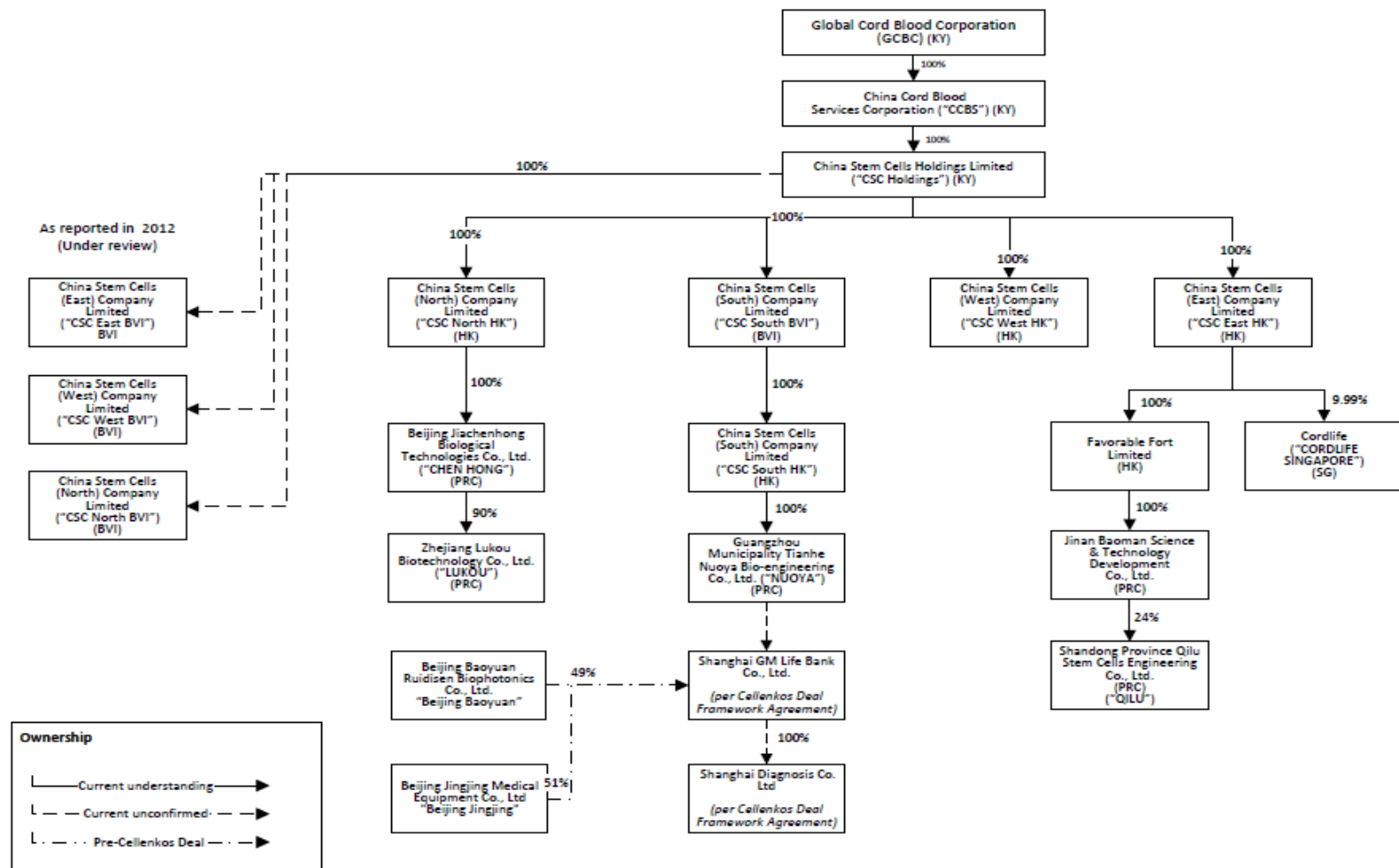
5.4.17 The JPLs are reviewing all the materials related to the Cellenkos Transaction to ascertain the legitimacy of the Cellenkos Transaction and the substance of the allegations made in the Petition with respect to the transaction.

5.4.18 This assessment is being conducted in parallel to (i) taking control of the Company and its subsidiaries, (ii) securing the assets of the Company and its subsidiaries and (iii) obtaining the books and records of the Company and its subsidiaries, with a view to having clear insight into the operational and financial performance of the PRC Subsidiaries downstream.

5.5 Group structure

5.5.1 A simplified copy of the Group can be found below. This has been prepared on the basis of the JPLs' investigations to date:

Public



6 Actions taken by the JPLs since appointment

6.1 Initial Actions

- 6.1.1 The JPLs have written to over 70 parties notifying them of their appointment and requesting books and records and other information relating to the Company and its subsidiaries that would assist their investigations.
- 6.1.2 This includes:
- (a) every licensed bank in HK, Cayman Islands and BVI to understand if a bank account was held by GCBC, the Cayman Subsidiaries, Stem South (BVI) and/or the HK Subsidiaries;
 - (b) all known directors, former directors, and officers of the Company;
 - © all known service providers of the Company to put them on notice of the JPLs' appointment including but not limited to, legal counsel, registered office service providers, insurance providers and valuation agents;
 - (d) the Cayman, BVI and HK Subsidiaries of the Company advising them of the JPLs' appointment, the replacement of directors in certain companies of the Group and to request assistance with the provision of information; and
 - (e) parties involved in and related to the Cellenkos Transaction. The Cellenkos Parties were advised the transaction remains injunctioned and that GCBC is prohibited from taking any steps to consummate the Cellenkos Transaction. On 9 October 2022, the Cellenkos Parties wrote to the JPLs to advise that they were exercising their right to terminate the SPAs.
- 6.1.3 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.

- 6.1.4 None of the directors of the Company, other than Xu Ping, have responded or co-operated with the JPLs. A number of service providers are demanding payment of fees before they are willing to cooperate.

6.2 Other statutory tasks

- 6.2.1 The JPLs took the following steps upon their appointment:
- (a) advertised their appointment in English in the International Edition of the Wall Street Journal, in English in The China Daily and in Chinese in a Chinese language newspaper with national circulation in the PRC;
 - (b) filed notice of their appointment with the Cayman Islands Registrar of Companies on 22 September 2022;
 - (c) filed notice of their appointment with the HK Companies Registry on 26 September 2022; and
 - (d) filed a change of address of a registered non-Hong Kong company with the HK Registrar on 6 October 2022. This updated the Company's registered office of business in HK from GCBC HQ to GTHK's address.

6.3 Assets

- 6.3.1 To date the responses received from the above parties have identified:
- (a) bank accounts for GCBC with a total balance of c.US\$200k; and
 - (b) refund of a a retainer held by Carey Olsen netting approximately US\$271k and GBP£118k following deduction of outstanding invoices. There remain ongoing discussions in respect to a further US\$150k held

by Carey Olsen on account for future potential fees in defending the extant winding-up proceedings.

6.3.2 We understand from a corporate presentation given by GCBC in November 2021 that the Company was due to recoup US\$200k from Chubb, the previous insurers of GCBC, in relation to a lawsuit by Jayhawk. The JPLs are reviewing this further. The JPLs have put Chubb on notice of their appointment however Chubb advised the JPLs that they do not respond to queries directly relating to policy queries and that the JPLs should contact their broker instead.

6.3.3 The JPLs efforts to understand the operations and financial status of the underlying subsidiaries of the group are ongoing. Due to the lack of co-operation from all but one of the directors of the Company, the JPLs have only been able to access minimal Company records to enable them to assess the current financial position of the Company.

6.4 Liabilities

6.4.1 To date, the JPLs have been notified of the following parties being owed monies by the Company:

(a) Irasia.com Limited: HK\$21,000 for contracted service of website hosting (11 October 2022);

(b) Loeb & Loeb: US\$82,000;

(c) GCBC received notice via GMHL's HK attorneys that GCBC purportedly vacated GCBC HQ on or around 13 September 2022 due to rent arrears. No contemporaneous material has been provided in support of these claims. Nor have any details been provided to date as to the amount of the purported rent arrears; and

(d) Conyers Dill & Pearman (HK): US\$2,434 for time incurred from 29 July – 28 September 2022 reviewing and commenting on form 20-F and draft resolutions.

6.5 Subsidiaries

6.5.1 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.

6.6 Cayman Islands

6.6.1 On 24 September 2022, the directors of the Cayman Subsidiaries were removed by the JPLs, and GTSS 1 and GTSS 2 (both corporate directorship companies controlled by the JPLs) were appointed as replacement directors for each subsidiary.

6.6.2 In their capacity as directors of the Cayman Subsidiaries, the JPLs then took immediate steps to gain control of the BVI and HK Subsidiaries (excluding CSC South which is BVI owned).

6.6.3 To assist with their recovery of any books and records relating to the Cayman Subsidiaries, the JPLs have also replaced the Company's former registered office, Conyers Trust, with Mourant Secretaries.

6.6.4 In their capacity as directors of the Cayman Subsidiaries, the JPLs have notified the following parties of their appointment and requested books and records:

(a) the registered office of the Cayman Subsidiaries, Conyers Trust; and

(b) the major bank providers located in the Cayman Islands and HK.

6.6.5 To date, no books, records, or bank accounts have been recovered as a result of any circulated notice letters, save for various constitutional documents, registers, and historical resolutions for each of the Cayman Subsidiaries received from Conyers Trust

6.7 BVI

- 6.7.1 On 24 September 2022, the JPLs removed the board of Stem South (BVI) and appointed GTSS 1 and GTSS 2 as replacement directors.
- 6.7.2 In their capacity as directors of Stem South (BVI), the JPLs then took immediate steps to gain control of CSC South.
- 6.7.3 To assist with their recovery of any books and records relating to Stem South (BVI), and secure control of the entity, the JPLs have also replaced the company's former registered office, Vistra, with Nerine.
- 6.7.4 In their capacity as directors of Stem South (BVI), the JPLs wrote to following parties to put them on notice and request books and records:
- (a) the former registered office of Stem South (BVI), Vistra; and
 - (b) all major bank providers located in the BVI.
- 6.7.5 To date, no books, records, or bank accounts have been recovered as a result of any circulated notice letters, save for three constitutional documents and registers submitted by Vistra.
- 6.7.6 Vistra confirmed that the books and records of Stem South (BVI) are held at GCBC HQ by an individual called Dorothy Tam, who our research suggests is a finance manager at GCBC. The JPLs' inability to access such records is explained further in section 7.2 below.

6.7.7 The JPLs have identified the New BVI Entities, all of which have identical names to that of the respective HK Subsidiaries. The JPLs are investigating these entities and taking appropriate steps.

6.8 HK

- 6.8.1 The JPLs have undertaken a number of steps to get control of the HK Subsidiaries and obtain information from GCBC HQ, however their efforts have been impeded by the actions of various parties. A chronology of the steps taken to date is set out below for ease of reference at Appendix A.
- 6.8.2 The JPLs, in their capacity as direct and/or indirect shareholders of the HK Subsidiaries (given their control of the Cayman Subsidiaries and Stem South (BVI)), have appointed a majority of directors to serve on the board of the HK Subsidiaries. This exercise was conducted on an urgent basis since in accordance with HK law, existing directors of the HK Subsidiaries have the right to receive a minimum 28 days' "special" notice of statutory meetings to effect such removals pursuant to the Companies Ordinance (Cap 622) of HK.
- 6.8.3 In an attempt to obtain immediate control of the HK Subsidiaries, the JPLs initially appointed a significant number of directors to the Board of the HK Subsidiaries to seek to ensure a majority vote against actions taken by incumbent directors which work against the JPLs' overall strategy of business preservation. Of those new directors, a majority are corporate entities associated with the JPLs, and a minority are individuals, namely reputable and independent director(s) known to the JPLs.
- 6.8.4 Upon initial inspection of the HK Registrar, the HK Subsidiaries had either one or two incumbent directors (Albert Chen and/or Tina Zheng). However, the JPLs have continued to monitor the HK Registrar, and it appears that the incumbent directors of Stem North, Stem East, CSC South, and Favorable Fort (and/or Prime Intelligent and/or unknown parties directed

- by the two incumbent directors) have made additional filings since the JPLs' appointment to: (i) add/remove directors, (ii) change the registered office and company secretary, (iii) change the names of certain subsidiaries; and (iv) to allot new shares in the HK Subsidiaries that own the PRC Subsidiaries, and by extension the effect of which would be (if valid, which is not accepted) a dilution of the HK Subsidiaries' and extension GCBC's interest in the PRC Subsidiaries.
- 6.8.5 As at the date of this report, only a limited number of the additional filings are visible to the JPLs. However, of those currently visible, they confirm that an additional director (Ms. Minori Notake) has been added to the boards of CSC South, Stem North, Stem East, Stem South and Favorable Fort, with the filings being made by Prime Intelligent. The effective date of the appointment is purported to be 13 September 2022. The JPLs question the purported date of appointment, due to the fact that these filings were made one month after the alleged date of appointment and accordingly breached the Companies Ordinance of HK, which necessitates filings been made after 15 days.
- 6.8.6 The JPLs are not presently able to confirm the precise nature of the other filings until they have been made visible and available for download by the HK Registrar. However, based purely upon the name change, director addition, and allotment filings, the JPLs are concerned as to potential damage being caused by these unauthorised filings which appear to be attempts to frustrate the JPLs' efforts to take control of the HK Subsidiaries and the entities in turn owned by them.
- 6.8.7 The JPLs believe that these actions are being taken and/or directed by Albert Chen and/or Tina Zheng, possibly with the assistance of others. Both Albert Chen and Tina Zheng have been notified pursuant to HK Companies ordinance regulations of their proposed removal by the JPLs.
- 6.8.8 The JPLs also understand that a Certificate of Incumbency was prepared by Conyers Trust on 15 September 2022 with respect to CSC Holdings. Given the recent attempts of the allotment of shares, the timing and intended purpose of such certificate is curious as CSC Holdings is the immediate parent of Stem North, Stem West and Stem East (and the indirect parent of CSC South and Favorable Fort). Therefore, the Certificate of Incumbency may have been required to support and facilitate the passing of (purported) resolutions to allot shares to new entities (the validity of which is not accepted).
- 6.8.9 The JPLs are taking appropriate steps to respond to these developments, including:
- (a) corresponding with the HK Registrar, reiterating the JPLs' appointment and GCBC's financial interest in the HK Subsidiaries to ensure only filings from the JPLs are approved;
 - (b) seeking to invalidate the purported filings made by other parties;
 - (c) passing resolutions on 13 October 2022 and 14 October 2022 to suspend the powers of the incumbent directors of Stem North, Stem East, CSC South, and Favorable Fort, as well as to replace each of the HK Subsidiaries' company secretaries to Mauve, a reputable and independent entity known to the JPLs; and
 - (d) seeking urgent legal advice as to the steps that can be taken to prevent further filings and interference with the JPLs' attempts to take control of the HK Subsidiaries.
- 6.8.10 To ensure the above-referenced filings do not impact their control, the JPLs (via CSC Holdings and Stem South (BVI)) as direct and/or indirect shareholder(s) have:

- a) passed resolutions to change the HK Subsidiaries' Articles to prevent any further board additions by the incumbent directors and/or the new directors appointed by the incumbent directors;
- b) taken steps to (temporarily) appoint four further directors to each of Stem North, Stem East, CSC South, and Favorable Fort to further increase the JPL's board presence on each of those companies; and
- c) passed resolutions to restrict the powers of the incumbent directors of the HK Subsidiaries.

- 6.8.11 The JPLs have convened shareholder meetings to be held on 7 November 2022 and/or 14 November 2022 to remove the incumbent directors of the HK Subsidiaries.
- 6.8.12 As a result of the filing of a change of registered office, the JPLs became aware that the purported company secretary of the HK Subsidiaries was Prime Intelligent.
- 6.8.13 The JPLs and TDW visited the offices of Prime Intelligent on 12 October 2022 with a view to obtaining the books and records of the HK Subsidiaries. Prime Intelligent did not cooperate with the requests, without giving any adequate explanation as to why they were not prepared to do so.
- 6.8.14 Subsequent to the visit, lawyers for Prime Intelligent wrote to TDW, claiming that they did not agree that GCBC was the sole ultimate beneficial owner of the HK Subsidiaries, and latterly that CSC Holdings and Stem South (BVI) were not registered shareholders of the HK Subsidiaries. The JPLs are, skeptical of these bare assertions. The JPLs have seen no evidence to suggest a wholesale transfer of GCBC's shareholding in the HK Subsidiaries has taken place. The JPLs believe it may be little more than an unsophisticated ploy to seek to prevent or delay the JPLs exercising their statutory right of inspection. However, urgent steps are

being taken to clarify the position and steps will immediately be taken to reverse any such transfer should it prove to have purportedly taken place.

6.9 Access to GCBC HQ

- 6.9.1 Upon their appointment, the JPLs sought to formally notify the Company of their appointment and sought to deliver correspondence at GCBC HQ. The address of GCBC HQ was confirmed according to SEC filings (and in evidence filed by the Company in the July Proceedings) and it is expected that is where the Company's principal activities would have taken place. These JPLs attempts were unsuccessful as building management would not accept delivery of the same.
- 6.9.2 On 23 September 2022, the JPLs attempted to access the GCBC HQ but were refused access.
- 6.9.3 On 26 September 2022 and 27 September 2002, the JPLs wrote to the property management company, Sun Chung, notifying it of their appointment and requesting a convenient time to access the GCBC HQ.
- 6.9.4 On 28 September 2022 the JPLs and TDW attended GCBC HQ to obtain access to the Company's books and records, including electronic records.
- 6.9.5 The JPLs were refused access to the offices by building management (Sun Chung). Deliveries of notices to the Board which the JPLs attempted to deliver to GCBC also failed on multiple occasions.
- 6.9.6 Sun Chung advised the JPLs that GCBC was not the tenant under the lease and were not permitted to access the GCBC HQ.
- 6.9.7 TDW wrote to Sun Chung again on 28 September 2022 regarding (i) the provision of access to the building (ii) ensuring all information and records relating to the Company are preserved (iii) ensuring the retention of closed-circuit television footage and correspondence with any party relating to the

Company's tenancy at GCBC HQ. TDW has not received the information requested and Sun Chung continue to insist they will not provide access to GCBC HQ.

6.9.8 The JPLs understand from Sun Chung that the sign bearing the Company's name was removed from the building directory in the ground floor lobby (where it stated that GCBC was based on the 48th floor) on or around 13 September 2022. This was:

- a) just one business day after Albert Chen made an affidavit in response to the application for the appointment of the JPLs to the Company which contained the allegations of forgery; and
- b) the same day on which purported resolutions were passed seeking to appoint Ms. Minoru Notake as a director of CSC South, Stem North, Stem East, Stem South and Favorable Fort).

6.9.9 The JPLs identified that GMHL is the registered tenant of the GCBC HQ. Based on the financial statements of GCBC, the JPLs understand that GCBC paid GMHL for the office premises and provision of IT and other administrative services. The JPLs have since written to GMHL to put them on notice and to request their cooperation to access GMHL.

6.9.10 GMHL's legal counsel responded on 13 October 2022 stating that GCBC "vacated the premises one month ago due to rent arrears" (i.e., on or around 13 September 2022, the same date the Company's signage was removed from the GCBC HQ). This was the first time in which such a claim had been articulated to the JPLs – itself a cause for skepticism.

6.9.11 On 17 October 2022, TDW responded requesting further information on the sub-tenancy and the location of the Company's books and records. On 19 October 2022, GMHL's legal counsel replied to TDW, with a refusal to provide any information and documents on the alleged basis that TDW's

requests were groundless. Further correspondence regarding the same is ongoing.

6.9.12 The JPLs are considering with their counsel other options to gain access to the premises.

6.10 PRC

6.10.1 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.

6.10.2 The JPLs are working with PRC counsel and appropriate steps are being taken to take control of the PRC Subsidiaries and appropriate steps are being taken to effect the necessary changes. This will involve removing and replacing the legal representative and other key management roles of the PRC Subsidiaries. Under PRC law, the legal representative is the key individual who controls a company. The process for their removal and replacement is challenging and does vary by region depending on where the specific subsidiary is incorporated.

6.10.3 The steps to be taken in the PRC are currently being delayed by the actions taken by the incumbent directors at the HK Subsidiaries level as set out earlier. For this reason, the JPLs are also considering the options available to them to safeguard the operating businesses held by these entities.

6.10.4 In light of this, the JPLs have been regularly conducting searches in the PRC to understand if the registered shareholders of the PRC Subsidiaries have changed.

- 6.10.5 At present, the JPLs are aware based on reporting in the Company's 2022 Annual Report that the PRC Subsidiaries maintain laboratories, storage facilities for cord blood units, and office space in Beijing, Guangdong, and Zhejiang.
- 6.10.6 The 2022 Annual Report further states that the PRC Subsidiaries are equipped with an enterprise resource planning (ERP) system that, among other things, tracks sales performance and handles billing matters.
- 6.10.7 To date, the JPLs have not had access to the ERP to be able to conduct any analysis of the PRC Subsidiaries' operations, which is critical to their ability to assess the going concern value of the Company.

6.11 Singapore

- 6.11.1 According to the YTD Financials and the Singapore Stock Exchange GCBC appears to be the indirect shareholder of circa 10% of a Singapore listed entity called Cordlife Singapore which provides blood cord storage services. According to market information GCBC indirectly holds just over 25 million shares that have a market value of c. US\$7.1 million. The volume of average sales of Cordlife Singapore's stock are on average 15,000 shares per day, which results in the investment being relatively illiquid in nature.
- 6.11.2 The JPLs have contacted Cordlife Singapore to obtain more information on the shareholding and confirmation of which subsidiary of the Company holds the shares.
- 6.11.3 The JPLs have taken steps to make the appropriate filings with the Singapore stock exchange in respect of their appointment.

6.12 US NYSE

- 6.12.1 On 23 September 2022, the Petitioner and their US legal representatives released a notice of the appointment of the JPLs on the SEC website.
- 6.12.2 As a result of the Petitioner's filing with the SEC, on 23 September 2022, the JPLs were approached by the NYSE. The NYSE halted trading in the Company's Ordinary Shares (the Trading Halt) effective 23 September 2022 for an initial period of 30 days (23 October 2022), and in recognition that the JPLs are due to file a report to the Cayman Court within 28 days of their appointment, following which time the NYSE will review the status of the Company and make a determination whether to discontinue or extend the Trading Halt.
- 6.12.3 The JPLs obtained EDGAR key and codes for GCBC on 25 September 2022 enabling future SEC filings to be completed expeditiously.
- 6.12.4 The JPLs and their US counsel, Morgan Lewis, consulted with the NYSE on 26 September 2022. NYSE agreed to keep the trading of the GCBC shares halted. The JPLs indicated they would continue to ensure appropriate disclosure and compliance with the SEC listing rules and regulatory requirements with the assistance of Morgan Lewis.
- 6.12.5 At present the JPLs are not aware of an intention on NYSE's part to delist the Company.

6.13 Chapter 15

- 6.13.1 The JPLs filed an application in the US Bankruptcy Court, Southern District of New York, seeking Chapter 15 relief on 7 October 2022 which will be heard on 10 November 2022 by Judge David S. Jones.
- 6.13.2 One purpose of the application is to assist the JPLs with obtaining information from third parties based in the US and to subpoena those

parties who can provide relevant and valuable information to support the JPLs investigations.

- (a) chinacord.com – Chen Hong;
- (b) zjcordblood.org – Lukou;
- (c) sinocord.com – Qilu; and
- (d) gdcordblood.org – Nuoya.

6.14 Communications with stakeholders

- 6.14.1 The Company has ongoing obligations under separate NYSE and SEC rules to make prompt disclosure of material news such as the JPLs' appointment.
- 6.14.2 On 26 September 2022, the JPLs issued a press release regarding the Order and the Trading Halt and filed a 6-K with the SEC. A copy of the press release is available on the SEC EDGAR platform.
- 6.14.3 Listing requirements are such that the JPLs need to be careful not to share confidential material non-public information (MNPI) with investors. In this regard the JPLs have taken steps to put in place confidentiality agreements with appropriate protections for MNPI prior to any discussions taking place.
- 6.14.4 The Order directs the JPLs to provide a written progress reports to the Court within 28 days of the Order, and a further report setting out the status of their investigations and conclusions within 70 days.
- 6.14.5 GCBC's official website (www.globalcordbloodcorp.com) is currently not operational due to the domain name having been disconnected from the host server. The JPLs contacted the domain registrar to resolve the issue but were informed that the owner of the domain name is not the Company but an individual whose relationship with GCBC, if any, is unknown to the JPLs. The JPLs "mirrored" the GCBC website before its collapse and are in the process of restoring its contents to a new domain: www.globalcordbloodcorporation.com
- 6.14.6 The JPLs are aware of four additional internet domains which host websites for four of the Company's subsidiaries. The websites hosted under those domains, listed below, have also been mirrored by the JPLs:

6.15 Communications with shareholders

- 6.15.1 The JPLs are seeking assistance to obtain additional information and records from sources other than the Petitioner and are considering the need to form an advisory/liquidation committee. Whilst not expressly required under the terms of the Order, the JPLs consider that such a committee may be beneficial as a sounding board or means of assisting the JPLs' investigations.
- 6.15.2 The JPLs are at different stages of discussions with 3 confirmed stakeholders and 1 broker (acting for 10 stakeholders) in respect to joining an ad hoc investor committee, subject to agreement to an NDA.
- 6.15.3 Efforts to communicate with shareholders/brokers are taking longer than expected as the JPLs seek agreement from the transfer agent of the Company that maintains the shareholder register of GCBC to provide the relevant information.
- 6.15.4 Shareholders can contact the JPLs at GCBCJPLs@uk.gt.com. This is monitored regularly by the JPLs and where contact is made, it sets out some helpful clarification regarding the JPLs' appointment, duties, powers, and obligations.
- 6.15.5 The JPLs have prepared responses to frequently asked questions that have been posed to the Company's investor relations service provider, ICRINC, in New York. The responses will be made available to individuals who inquire with ICRINC about the status of the Provisional Liquidation

and made available on the Company's website once it has been restored.
The JPLs intend to publish same in a form 6-K to be filed with the SEC.

- 6.15.6 The JPLs are in the process of gathering information in respect of the affairs of the Group and in that regard request shareholders to provide any information or records they may have.

Public

7 Investigations

7.1 Investigations

- 7.1.1 Investigations into the affairs of the Company and its subsidiaries are ongoing and complex. The JPLs will set out in this section a high-level review of the investigations undertaken but given their appointment is still at an early stage no conclusions have yet been reached.
- 7.1.2 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 where to do so would not prejudice any steps to bring proceedings or make recoveries.
- 7.1.3 The primary focus of the investigations to date have been in relation to (i) the structure and operating subsidiaries (ii) the Company's assets (iii) the apparent related party payments (iv) the Cellenkos Transaction (v) whereabouts and actions of the Company's former management and (vi) service providers and the role they played.
- 7.1.4 All comments, findings, and observations herein resulting from the JPLs' investigative efforts to date are subject to further investigation and confirmation of information presented as fact. Such further investigation is contingent on the JPLs obtaining access to and the examination of books and records, financial, banking, and communications data.

7.2 Steps taken to Frustrate the Investigation

- 7.2.1 The background to our investigations suggest steps are being taken to frustrate the investigation:

(a) as set out above, steps are likely being taken by of Albert Chen and/or Tina Zheng to allot shares, change the name, registered address and directors of the HK Subsidiaries;

(b) the directors are failing to comply with or acknowledge the requests of the JPLs, (with the exception of Xu Ping);

(c) certain individuals have taken steps to seemingly deactivate the Company's internet domain and email server and remove references to the Company at its registered address in Hong Kong (i.e. the GCBC HQ); and

(d) there are indications that funds were deposited into and immediately paid out from GCBC's bank accounts in the week prior to the appointment of the JPLs. The JPLs are investigating whether such payments took place outside the course of the Company's normal day-to-day activities.

7.3 Structure and Operating Subsidiaries

- 7.3.1 Taking control of the PRC Subsidiaries and operations is complex and sensitive. 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.
- 7.3.2 The JPLs have conducted research to assess the existence and level of active operations of the PRC Subsidiaries, including through their official websites and official social media accounts. The JPLs have obtained details of the cord blood banking licenses required to operate its facilities and are in the process of verifying that the PRC Subsidiaries of the Company are the current operators of the licenses.
- 7.3.3 The PRC Subsidiaries publish new posts on social media on almost a daily basis. The content they post includes latest developments in cord blood

technology, cases of successful treatments and interactive trivia knowledge about pregnancy and childcare. Potential customers can also subscribe to cord blood services through these social media accounts. These accounts can also be used as a platform for subscription payment. Thus, it appears that the PRC Subsidiaries are operating normally.

- 7.3.4 In addition, the JPLs investigated the business process of the PRC Subsidiaries and observed that the major revenue streams are cord blood processing, testing, and long-term cryogenic storage for their customers.
- 7.3.5 The JPLs have also been provided with extracts of information relating to the reported financial performance and position of the three wholly or majority owned production subsidiaries in the PRC (Chen Hong, Nuoya and Lukou) which indicate a significant operational (and financial) footprint for those entities exists.
- 7.3.6 In addition to its operating subsidiaries, the Company has a 9.99% interest in Cordlife Singapore, a Singapore-listed company, and a 24% interest in Qilu, a PRC-registered business.
- 7.3.7 The JPLs understand that Qilu is a very profitable operation, of which the Petitioner's beneficial owner holds the remaining 76% interest.

7.4 Company Assets

- 7.4.1 The JPLs efforts to identify the bank accounts are ongoing and to date the JPLs have identified accounts belonging to the Group with an aggregate balance of US\$218k.
- 7.4.2 The JPLs continue to take all steps to locate, identify and take control of all the Company's bank accounts.
- 7.4.3 The JPLs are also taking all steps to locate, identify and secure all assets of the Company in the PRC. This requires not only steps to be taken to

obtain corporate control but also to locate and monitor the various locations out of which the Company operates.

7.5 Undisclosed Related Party Transactions

- 7.5.1 Given the limited availability of information about the financial position of the operating businesses in PRC, the JPLs have prepared an analysis of transactions shown in extracts of bank account information produced in the proceedings leading to the JPL's appointment.
- 7.5.2 That analysis shows that Chen Hong (an indirect subsidiary of the Company) appears to have generated sufficient cash inflows to fund total payments of approximately US\$606 million in 74 transactions during the period from September 2015 to May 2022 to entities related to GMHL.
- 7.5.3 During the 2015 to 2022 fiscal years (ending 31 March), the Company reported in its annual reports filed with the SEC, payments in the following amounts to related parties:

Related Party	US\$	RMB
Beijing Jingjing Jiahong Medical Equipment Co., Ltd.	12,121,212	80,000,000
Beijing Jingjing Medical Equipment Co., Ltd	436,364	2,880,000
China Bright Group Co. Limited	23,772,727	156,900,000

Cordlife Singapore	90,909	600,000
Golden Meditech (S) Pte Ltd	2,257,576	14,900,000
GMHL	3,784,848	24,980,000
Magnum Opus 2 International Holdings Limited	511,364	3,375,000
Total	42,975,000	283,635,000
<i>Source: RMB values shown are from the Company's Annual Reports. The JPLs converted RMB to USD using an average rate of 6.6:1 for the period between 2015 and 2022.</i>		

- 7.5.4 In comparison to the US\$42.9 million GCBC reported it paid to all related parties during the period, the US\$606 million of Chen Hong payments to parties related to GMHL is more than 14 times the related party payments (the Related Party Transactions) reported in its Annual Reports and the JPLs have seen no indication or explanation for this substantial inconsistency.
- 7.5.5 Investigations with respect to related party payments are ongoing.

7.6 The Cellenkos Transaction

- 7.6.1 Since their appointment, the JPLs have commenced an examination of all available materials related to the Cellenkos Transaction to ascertain whether there is evidence of the misappropriation of assets of the

Company and its stakeholders and further investigations as to the alleged forgery.

- 7.6.2 Investigations are ongoing in this regard and the JPLs will report in more detail as and when appropriate.
- 7.6.3 However, the JPLs have been provided with copies of documents purportedly relied upon by the Company to inform its valuation of the consideration payable to acquire Cellenkos. The documentation is complex and in the time since their appointment, the JPLs have made good progress in analysing the reports and documentation and are considering the irregularities and inconsistencies of the assumptions and projections used.
- 7.6.4 Given the JPLs have yet to complete their review of the reports and documentation or take discovery or depose, if necessary, any of those involved in the preparation of any valuation reports it would be inappropriate to comment further.
- 7.6.5 The JPLs are also focusing on the operations of the Cellenkos business and have obtained publicly available evidence filed by Cellenkos in response to a request for judicial assistance filed in the US by the Petitioner under 28 USC s1782 in the Southern District of Texas. On 8 September 2022, counsel for Cellenkos, King & Spalding LLP, filed evidence in motion to vacate the s1782 proceedings (docket number 4:22-mc-01161). The JPLs observed the statements made by Cellenkos to the effect that:
- (a) *“Cellenkos is a small, privately held, young, clinical biotechnology company that focuses on development and commercialization of umbilical cord blood derived T-reg cellular therapies for treating autoimmune and inflammatory disorders. See Ex. 2 at ¶ 4. Cellenkos has a full-time staff of only eleven employees whose sole focus is manufacturing cutting-edge, life-saving clinical products at the company’s cGMP laboratory” [emphasis added]*; and

(b) “Cellenkos Subpoena over a multi-year period would require a substantial number of hours by Cellenkos’s employees. *Id.* at ¶ 29. Simply put, there are no purely administrative staff at Cellenkos whose time, if directed solely to compliance with the Subpoenas, would not be diverted from the mission-critical work that goes on at the company every hour of their working days. *Id.* at ¶ 23. Neither Dr. Parmar nor ROCELO have employees or operations that would support or augment Cellenkos’s limited capabilities in responding to the Subpoenas. Ex. 3 at ¶ 9. [emphasis added]”

7.6.6 On 16 October 2022, counsel for Cellenkos, King & Spalding LLP, filed further evidence in motion to vacate the s1782 proceedings (docket number 4:22-mc-01161), most noteworthy of which is as follows:

(a) “*The Subpoenas, however, seek a raft of other information from Cellenkos and are entirely lacking in proportionality. This includes sensitive information related to Cellenkos’s finances and intellectual property, as well as the protected health information of approximately 65 individual patients [emphasis added]*”

7.6.7 These statements and other material being gathered with respect to Cellenkos will further inform the JPLs’ approach to this transaction.

7.7 Areas of Concern re Financial Management

7.7.1 In addition to the Related Party Transactions and the Cellenkos Transaction issues set out below, the JPLs’ investigations have also raised concerns in respect of:

(a) indications that the Company sought short-term financing from third parties, despite purporting to have cash and cash equivalents of more

than US\$1 billion as at 31 March 2022, according to GCBC’s YTD Financials;

(b) repeated reluctance to utilise a supposedly growing and unused cash reserve in the face of investor pressure to either pay dividends or otherwise return capital to investors;

(c) indications that the Group had cash reserves may be significantly below the US\$1 billion it reported as at 31 March 2022 (the date of the Company’s last filed annual return);

(d) unusual transactions recorded within the Company’s financial statements, spanning multiple reporting years, including a purported “refundable earnest deposit” of US\$53 million relating to a purported letter of intent with a third party to acquire equity interests in a healthcare company without any disclosure (the JPLs have subsequently identified that this purported deposit was in relation to a proposed investment in a Sichuan cord blood bank); and

(e) indications that the income reported in the Company’s financial statements is lower than that reported to the PRC authorities in respect of the Company’s operating subsidiaries.

7.8 Claims against Directors and Officers

Whereabouts and actions of the Company’s former management

7.8.1 Given the refusal of the Company’s HK registered office (i.e. GCBC HQ) to accept delivery of letters addressed to the directors, the JPLs have identified alternative contact details for each of the directors.

7.8.2 The JPLs have commenced investigations into key directors and officers of the Company. As the provisional liquidation is at an early stage, it is not possible to report any conclusions with a high degree of certainty.

However, given the allegations of wrongdoing, the JPLs consider that multiple causes of action may be available to the Company should the allegations be made out.

Service Providers

- 7.8.3 The JPLs have located and contacted numerous service providers, including, but not limited to auditors, valuation agents, banks and legal counsel. The JPLs have commenced reviewing the services provided, the basis upon which those services were provided, information such service providers may have and the manner in which service providers have discharged their duties. Such investigations remain ongoing.

Public

8 Funding and costs to 30 September 2022

8.1 JPLs' Remuneration and Legal Costs

- 8.1.1 The expenses required to engage and co-ordinate such urgent activities in multiple jurisdictions are and will continue to be considerable in the initial phases of the JPLs' appointment. However, the costs being incurred are minimal in proportion to the sums alleged to have been misappropriated and the assets to be safeguarded on an immediate and urgent basis which are in turn significant.
- 8.1.2 From the evidence identified to date, funds are or may be available in PRC operating subsidiary bank accounts. Whilst the JPLs continue to fortify the Group's operations, it may be some time before control can be effectuated over operating subsidiaries and operational cash.
- 8.1.3 Accordingly, 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.
- 8.1.4 Given the current illiquid position of the Company, the JPLs are exploring funding options to assist them in the performance of their duties and investigations. The JPLs sought and obtained sanction from the Court on 27 September 2022 to seek and borrow funds.
- 8.1.5 The costs of the liquidation (to include the JPLs' professional fees and those of their instructed counsel) up to 30 September 2022, amount to cUS\$1.6m as set out across:

Costs to 30 September 2022	US\$'000
GT Cayman and BVI*	500
GT Hong Kong and PRC*	225
GT Forensics	150
Mourant (Cayman, BVI, HK)	300
TDW (HK)	110
JT&N (PRC)	32
Morgan Lewis (USA, PRC)	133
Counsel/ Barristers	110
Other Expenses	10
Total	1,570

* Inclusive of pre-appointment work. Numbers are rounded to the closest thousand.

8.2 Fee approval

- 8.2.1 The JPLs will apply to the Court forthwith for the approval of their remuneration.

9 Next steps

9.1 Continue investigation and management of the liquidation

9.1.1 The key areas of the JPLs' focus until 31 December 2022 are:

- (a) take all steps to obtain control of the HK Subsidiaries and 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 the 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 Investigations 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 Chen Hong Payments.

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; and

- (c) indicators of misappropriation of GCBC group assets (cash, corporate holdings).

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 the all 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 parallel, the JPLs will continue to investigate any transactions and/or operations throughout the Group to analyse the allegations of historic mismanagement and wrongdoing pursuant to their duties as JPLs.

9.3 Reporting

9.3.1 The JPLs will produce and file a further report on 1 December 2022 in 42 days' time or earlier as directed by the Court.


Signed John Foy, Joint Provisional Liquidator of the Company
20 October 2022

Appendix A – Chronology of Key Events

Chronology of Key Events (prior to appointment)

29 April 2022: GCBC makes a 6-K filing with the SEC announcing the Cellenkos Transaction. GCBC enters into a framework agreement with GMPM BVI.

5 May 2022: Petition seeking the winding-up of the Company on a just and equitable ground was filed (subsequently amended).

12 May 2022: Injunction Order is granted to the Petitioner restraining, *inter alia*, the completion of the Cellenkos Transaction (the Injunction).

20 – 22 July 2022: The July Proceedings take place.

29 July 2022: Judgment handed down by Kawaley J in regard to the July Proceedings which includes the Injunction being discharged.

9 September 2022: the Petitioner files evidence with the Court of the Chen Hong bank statements with Guangfa bank being a forgery

13 September 2022: GCBC remove their company sign from the GCBC HQ and vacate. According to GMHL's HK attorneys they vacate on account of purported "rent arrears".

15 September 2022: Certificate of Incumbency is prepared by Conyers Trust on 15 September 2022 with respect to CSC Holdings

22 September 2022: The application for the appointment of the JPLs was heard by the Cayman Court and the JPLs were appointed on the same day.

Chronology of Key Events (following appointment)

23 September 2022: The JPLs attempted to access the GCBC HQ but were refused access.

24 September 2022: The boards of CCBS, CSC Holdings, and Stem South (BVI) are removed and GTSS 1 and GTSS 2 are appointed as replacement directors for each company. The registered office is changed from Conyers Trust to Mourant Governance Services (Cayman) Limited

26 September 2022: The JPLs filed with the Companies Registrar the notice of the appointment of the JPLs.

27 September 2022: ND2As are filed in respect of Stem North, Stem East, CSC South, and Favorable Fort by an unknown party. Save for Stem North, these have now been removed by the HK Registrar for further review. The JPLs currently have no access to these filings.

28 September 2022: Notice of the JPLs appointment is advertised in the China Daily HK, China Daily PRC and the Cayman Gazette.

28 September 2022: Justice Kawaley delivered his written ruling in respect to the PL application.

28 September 2022: Resolutions are passed by CSC Holdings and Stem South (BVI) to appoint six new (GT-related) directors and change the registered offices for Stem North, Stem East, Stem West, and CSC South. For Stem West, resolutions are also passed to change the company secretary to Mauve.

28 September 2022: The JPLs are refused entry to the GCBC HQs.

28 September 2022: Albert Chen was removed as CFO and Zheng Ting removed as Chairman from GCBC.

29 September 2022: ND2As (statutory forms filed with the HK Registrar to identify changes in directors and officers) are filed to record the appointment of Anthony Tsang to the boards of Stem North, Stem East, and CSC South, and are subsequently accepted by the HK Registrar.

30 September 2022: The JPLs appointment is advertised in the US Wall Street Journal.

30 September 2022: An ND2A is filed to notify the HK Registrar of Anthony Tsang's appointment to Stem West, as well as the replacement of Stem West's previous company secretary with Mauve. This is subsequently accepted by the HK Registrar.

3 October 2022: Resolutions were passed by CSC Holdings and Stem South (BVI) to amend the Articles and change the registered offices of Stem North,

Stem East, Stem West, and CSC South. NR1s are also filed on the JPLs' behalf to notify the HK Registrar of the change of registered offices for each of these entities which is subsequently accepted by the HK Registrar.

3 October 2022: Further ND2As are filed by an unknown party in respect of Stem North, Stem East, CSC South, and Favorable Fort. The JPLs currently have no access to these filings and they remain pending with the HK Registrar.

3 October 2022: NR1s are filed by Prime Intelligent to change Stem North, Stem East, CSC South, and Favorable Fort's registered offices. These were subsequently accepted by the HK Registrar (superseding the JPLs' previous NR1 filings made on the same day).

5 October 2022: Resolutions are passed by Stem East to appoint six new (GT-related) directors, as well as change the Articles and registered office of Favorable Fort.

5 October 2022: NAA1s are filed to notify the HK Registrar of the change to Stem North, Stem East, Stem West, and CSC South's Articles per the resolutions made on 3 October 2022, these are subsequently accepted by the HK Registrar. NR1s are also refiled to change Stem North, Stem East and CSC South's registered office back to the JPLs' chosen location, these are also subsequently accepted by the HK Registrar.

6 October 2022: The JPLs filed a notice with the HK Registrar to change the principal office of GCBC in HK from GCBC HQ to GCBC HQ New.

7 October 2022: The JPLs and their US counsel, Morgan Lewis file for Chapter 15 recognition in the United States.

9 October 2022: A shareholders meeting for Stem West is scheduled for 7 November 2022 by CSC Holding to formally remove Ting Zheng from its board.

9 October 2022: The Cellenos Parties notify GCBC of termination of the SPA of 29 April 2022 pursuant to section 7.4 thereof.

10 October 2022: Resolutions are passed by CSC Holdings, Stem South (BVI) and Stem East to appoint four further directors to Stem North, Stem East, Stem West, CSC South, and Favorable Fort. ND2As are also subsequently filed with

the HK Registrar to notify of these and the 28 September 2022 appointments and are currently still pending approval from the HK Registrar.

10 October 2022: More ND2As, new FNSC1s (return of allotment of shares), and NNC2s (notice of change of company name) are filed by an unknown party in respect of Stem North, Stem East, CSC South, and Favorable Fort. These are not currently accessible to the JPLs and remain pending with the HK Registrar.

12 October 2022: Chow Tsz Nga Georgia and TDW visited the offices of Prime Intelligent on 12 October 2022 with a view to obtaining the records of the HK subsidiaries.

13 October 2022: The JPLs receive a letter from Tang Wong & Cheung who act for Prime Intelligent stating that CSC is not a registered shareholder of the Stem East, CSC South, Stem North and Favorable Fort.

13 October 2022: CSC Holdings, Stem South (BVI) and Stem East passed shareholder resolutions to suspend the incumbent directors of Stem North, Stem East, CSC South, and Favorable Fort as well as replace each of the HK Subsidiaries' company secretaries to Mauve, a reputable and independent entity known to the JPLs.

13 October 2022: ND2A forms are accepted by the HK Registrar to appoint Notake Minori as a director over Stem East, CSC South and Favorable Fort. The date of the purported change is 13 September 2022.

14 October 2022: Resolutions are passed by CSC Holdings, Stem South (BVI) and Stem East to appoint Mauve as company secretary of Stem North, Stem East, Stem West, CSC South, and Favorable Fort. ND2As are filed to confirm this change with the HK Registrar and are currently pending.

14 October 2022: More ND2As are filed by an unknown party in respect of Stem North, Stem East, CSC South, and Favorable Fort. The JPLs currently have no access to these filings and they remain pending with the HK Registrar.

17 October 2022: CSC Holdings passed resolutions to remove the directors the New BVI Entities and replace them with GTSS 1 and GTSS 2.



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Appendix B – Amended Petition

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IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

FSD CAUSE NO. 108 OF 2022 (IKJ)

IN THE MATTER OF SECTION 92 OF THE COMPANIES ACT (2024~~2~~ REVISION)

AND

IN THE MATTER OF GLOBAL CORD BLOOD CORPORATION

BETWEEN BLUE OCEAN STRUCTURE INVESTMENT COMPANY LIMITED PETITIONER

AND GLOBAL CORD BLOOD CORPORATION RESPONDENT

AMENDED WINDING UP PETITION

TO THE GRAND COURT

THE HUMBLE PETITION of Blue Ocean Structure Investment Company Limited (the "**Petitioner**") with its registered address at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, shows that:-

The Company

1. Global Cord Blood Corporation (the "**Company**") is a company registered by way of continuation in the Cayman Islands on 30 June 2009 with registration number 227732 and with its registered office situated at Conyers Trust Company (Cayman) Limited, 2nd Floor, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

2. The Company is headquartered in Hong Kong at 48F, Bank of China Tower, 1 Garden Road, Central, but carries on the business of the storage of umbilical cord blood stem cells principally in the People's Republic of China (the "**PRC**"). The Company was the first cord blood banking operator approved by the Ministry of Health (MOH, now recognized as National Health Commission, or NHC), in the PRC, to engage in the cord blood banking business. The Company provides cord blood storage services in Beijing Municipality, Guangdong Province and Zhejiang Province. The Company is also the largest cord blood banking operator in China.
3. In 1993, Mr Kam Yuen ("**Kam**") and his wife, Jin Liu ("**Jin Liu**") founded Golden Meditech Holdings Limited ("**GMHL**"). GMHL is a medical devices company and in 2001 it was listed on the Hong Kong Stock Exchange:
 - 3.1. Kam was (and remains) the Chairman and Chief Executive Officer of GMHL.
 - 3.2. In September 2001, Ting Zheng ("**Tina**") became an executive director of GMHL and was in charge of it and its subsidiaries' financial and internal control systems. Tina is also Kam's spouse and they have two children (the "**Personal Relationship**").
 - 3.3. In March 2005, Chen Bing Chuen, Albert ("**Albert**") was appointed as GMHL's corporate finance vice president.
4. In or about 2003, GMHL established a subsidiary called China Cord Blood Services ("**CCBS**"). On 30 June 2009, CCBS was acquired by the Company as part of a merger with Pantheon Arizona, the SPV of a special purposes acquisition company (a so-called "SPAC" or "blank cheque company"), Pantheon China Acquisition Corp ("**Pantheon**"). Pantheon Arizona and Pantheon first merged, becoming a surviving company that continued into the Cayman Islands. The shareholders of CCBS then swapped their CCBS shares for shares in the surviving company, which then became the parent company of CCBS - China Cord Blood Corporation (i.e. the Company), which name was changed to Global Cord Blood Corporation in 2018.
5. Pantheon had been established in 2006 and was controlled by Mr Mark Da-Jian Chen ("**Mark**"). Following the merger with the Pantheon SPV, Mark and his wife, Jennifer Weng ("**Jennifer**") were appointed to the Board of the Company. The Board of the Company at

that time (30 June 2009) thus consisted of Kam, Tina, Albert, Mark, Jennifer and Dr Ken Lu ("Ken"). Kam was the Chairman of the Company.

~~3. 6.~~ 6. The Company was originally known as "China Cord Blood Corporation". The Company name was changed to "Global Cord Blood Corporation" on 16 March 2018 by special resolution at an Extraordinary General Meeting ("**EGM**") of shareholders.

~~4. 7.~~ The Company was listed on the New York Stock Exchange ("**NYSE**") on 19 November 2009 and is currently listed with ticker symbol "CO". On 29 April 2022 the stock was trading at US\$3.51 per share. As at the opening of the NYSE on 3 May 2022 the stock was trading at US\$2.16 per share, which represents a 38% reduction in the share price between 29 April 2022 and 3 May 2022. The substantial drop in the share price started on the first trading day after the announcement of a proposed transaction by the Company, the details of which are set out below.

8. On 30 December 2016 GMHL, Golden Meditech Stem Cells (BVI) Company Limited ("**GM BVI**") a subsidiary of GMHL and Ying Peng entered into a share purchase agreement, pursuant to which GM BVI agreed to sell to Ying Peng 79,528,662 shares (the "**Shares**"), constituting a 65.4% interest in the Company, for RMB5,764 million cash (the "**Sale**"). The Sale completed on 31 January 2018.

~~5.~~ ~~Until 31 January 2018, the largest shareholder in the Company was Golden Meditech Holdings Limited ("**GMHL**"), which directly and indirectly held 78,874,106 shares constituting approximately 65.4% of the total outstanding shares (the "**Shares**"). On 31 January 2018, the Shares were sold to the Petitioner for RMB5,764,000,000 (the "**Sale**").~~

~~6. 9.~~ Prior to the Sale, Mr Yuen Kam ("**Mr Kam**") was the Chairman and Executive Director of the Company. He is also the founder, Chairman and Chief executive Officer of GMHL. The other members of the Company's Board prior to the Sale, and who all remained on the Company's Board as of 3 May 2022 are (the "**Kam Directors**"):

~~6.1. 9.1.~~ Ting Zheng ("**Tina**") Tina was appointed the Chairperson at the time of the Sale. She is also and Executive Director. She was also a director of GMHL until 24 May 2019 and is in the Personal Relationship with Kam;

~~6.2. 9.2.~~ Albert Chen ("**Albert**") is an executive director and Chief Financial Officer. He was also corporate finance Vice President at GMHL from March 2005 until ~~an unknown date after 2017~~ 1 July 2009 but continued to work for GMHL under the alias "SK" and continues to work for GMHL and its subsidiaries under this alias presently;

~~6.3.~~ **9.3.** Mark Chen ("**Mark**") is an independent non-executive director. He was also the founder of Pantheon and co-founded Easton Capital Corp together with John Friedman;

~~6.4.~~ **9.4.** ~~Dr~~ Ken Lu is an independent non-executive director; and

~~6.5.~~ **9.5.** Jennifer Weng ("**Jennifer**") is an independent non-executive director and is married to Mark; and

~~2.1.~~ Jacky Cheng ("**Jacky**") is an independent non-executive director.

~~7.~~ **10.** In addition to the Board members listed above, the current Board of the Company is comprised of:

~~7.1.~~ **10.1.** Ping Xu ("**Mr Xu**") who was appointed as a director on 31 January 2018 to replace Mr Kam following the Sale. Mr Xu is also a director of the Petitioner.

~~7.2.~~ **10.2.** Jack Chow is an independent non-executive director who was appointed on 11 November 2019.

10.3. Jacky Cheng ("**Jacky**") is an independent non-executive director who was appointed in February 2020.

~~8.~~ **11.** The directors named above at 9.1-9.5 and 10.1-10.3 ~~6.1-6.5 and 7.1-7.2~~ are together the "Current Board".

Minority Shareholders

12. The major minority shareholders of the Company (holding +1%) are:

12.1. Jayhawk Capital Management, LLC ("**Jayhawk**") (who previously brought proceedings against the Company in the Grand Court alleging various related party transactions and breaches of fiduciary duty);

12.2. Oasis Investments II Master Fund Limited ("**Oasis**");

12.3. Renaissance Technologies Corp (a passive quant fund);

12.4. GLG Partners, Inc. ("GLG"); and

12.5. BlueCrest Capital Management Limited ("BlueCrest").

13. Renaissance Technologies Corp is a passive quant fund that does not engage in shareholder action. However, Jayhawk, Oasis, GLG, Bluecrest and many more minority shareholders in the Company actively support the Petition and called for an extraordinary general meeting to remove the current Board and cancel the Transaction (as set out further below).

14. Only one shareholder identifiably supports the current Board of the Company and the Transaction (as defined below). That shareholder is Hunter S. Reisner, who was an investor in Pantheon and is closely aligned with the Kam Directors. He holds 10,500 shares out of 121.55 million outstanding. The 2021 Annual Report of the Company stated that the major shareholders (holding 5% or more of ordinary shares) and the directors and executive officers who own shares in the Company were as follows:

~~2.2. The Petitioner – 65.4% (the Shares)~~

~~2.3. Kent C. McCarthy (Jayhawk Capital Management) – 9.9% (12,000,000)~~

~~2.4. Magnum Opus International (PTC) Limited, as trustee 5.4% (6,608,137)~~

~~2.5. Albert – 453,605 shares~~

~~2.6. Mark and Jennifer – 221,825~~

~~2.7. 29.1% held by four record holders in the United States.~~

The Petitioner

15. The Petitioner is a wholly-owned subsidiary of Nanjing Ying Peng Hui Kang Medical Industry Investment Partnership (limited partnership) ("Ying Peng") and was formed as an SPV to hold the Shares. Ying Peng is a merger and acquisitions fund specialising in the medical and healthcare industries.

16. Ying Peng's general partners are Shanghai Guotai Junjan Haojing Investments Management, which is a PRC state-owned entity, and Nanjing Ying Peng Asset Management, which is owned by the Sanpower Group Co. Ltd ("Sanpower").

The Cellenkos, Inc Deal

17. On 15 September 2016, GMHL announced to the HKEX that it had purchased at the cash consideration of US\$3.92 per share, a 17.4% interest (1.3 million shares) in Cellenkos, Inc ("Cellenkos"). The deal also included warrants entitling GMHL to subscribe for an additional 1.3 million shares at US\$3.92 per share.

18. Vyserion, a BVI company for which no additional information was provided, also acquired together with GMHL in 2016, 1,250,000 shares in Cellenkos and a warrant entitling Vyserion to subscribe for an additional 1,250,000 million shares in Cellenkos. Vyserion was owned by "O Na", also known as "Na Wang". No information was provided regarding O Na and the Company claim in evidence that she is in no way connected to, or related to Kam. However, the Petitioner has discovered that she is, in fact, Kam's sister and until October 2020, she used a property owned by Kam and Jin Liu as her registered address in Hong Kong.

19. By April 2022:

19.1. GMHL (through GM BVI) had acquired a 30.5% interest in Cellenkos (if all warrants were exercised).

19.2. Leong Kim Chuan ("Jackie"), who is a director of Cellenkos and a director of GM BVI, holds a 7.2% interest in Cellenkos (if all warrants were exercised).

19.3. Vyserion has acquired an 18% interest in Cellenkos (if all warrants were exercised).

20. On this basis, as of April 2022, Kam owned or controlled 55.7% of Cellenkos.

~~10.~~ **21.** On 29 April 2022 the Company made a Form 6-K filing (the "**6-K**") with the United States Securities and Exchange Commission (the "**SEC**") announcing the entry into a Material Definitive Agreement to acquire Cellenkos, Inc (the "**Transaction**").

~~11.~~ **22.** The Transaction is described in the 6-K as follows:

On April 29, 2022, Global Cord Blood Corporation (the "Company") entered into a series of Stock Purchase Agreements, each dated April 29, 2022 (the "SPAs" and, collectively, the "SPA"), between the Company and the holders of approximately 95% of the outstanding shares of common stock (the "CLK Shares") of Cellenkos, Inc., a Delaware corporation ("Cellenkos") providing for the acquisition by the Company of such CLK Shares, subject to the satisfaction or waiver of customary closing conditions set forth in the SPA (including the entry of employment agreements with Dr. Simrit Parmar and Jackie Leong of Cellenkos and two to five year lockup agreements in customary form) in exchange for an aggregate of approximately 65.7 million of the Company's ordinary shares of US\$0.0001 par value per share (the "Ordinary Shares") and units of the holding company partnership described below equivalent to an aggregate of 36,112,267 Ordinary Shares on a fully-diluted basis. Copies of the SPAs are attached hereto as exhibits 4.1 to 4.6.

In connection with the execution and delivery of the SPAs, the Company entered into Framework Agreement dated as of April 29, 2022 (the "Framework Agreement") with GM Precision Medicine (BVI) Limited ("BVI Company"). The consideration for entering into the Framework Agreement consists of approximately 12.4 million Ordinary Shares to be issued to the BVI Company and US\$664 million cash consideration, with the purpose to provide the Company with the intellectual property that will be necessary to develop Cellenkos' product candidates in the field of umbilical cord blood treatment for acute and chronic autoimmune diseases and inflammatory disorders in Asia. The consummation of the SPAs and the Framework Agreement and the formation of a holding company partnership (Cellenkos Holdings L.P., a Delaware limited partnership) regarding securities to be issued to certain holders of the CLK Shares, together are referred to as the "CLK Acquisition."

~~12.~~ 23. The 6-K exhibited the following documents:

- ~~12.1.~~ 23.1. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc. and GM BVI ~~Golden Meditech (BVI) Company Limited;~~
- ~~12.2.~~ 23.2. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc., HL succors and HL succors ZN;
- ~~12.3.~~ 23.3. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc., and Jackie ~~Leong Kim Chuan;~~
- ~~12.4.~~ 23.4. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc., The Paul Brooke 2012 Family Trust and The Paul Brooke and Kathleen McCarragher 2012 Family Trust;
- ~~12.5.~~ 23.5. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc. and Rocelo LLC;
- ~~12.6.~~ 23.6. Stock Purchase Agreement dated as of April 29, 2022 by and among the Company, Cellenkos, Inc. and Vyserion ~~Limited;~~
- ~~12.7.~~ 23.7. Framework Agreement dated as of April 29, 2022 by and between the Company and GM Precision Medicine (BVI) Limited;
- ~~12.8.~~ 23.8. Employment Agreement dated as of April 29, 2022 by and between the Company and Dr. Simrit Parmar;
- ~~12.9.~~ 23.9. Employment Agreement dated as of April 29, 2022 by and between the Company and Leong Kim Chuan Jackie;
- ~~12.10.~~ 23.10. Partnership Agreement to be entered into by and among Cellenkos GP Limited, a company incorporated under the laws of the British Virgin Islands, as General Partner and subsidiary of the Company and the limited partners party thereto from time to time; and
- ~~12.11.~~ 23.11. Press Release dated April 29, 2022;

together, the "**Transaction Documents**".

~~13.~~ 24. The total consideration to be paid for the Transaction is:

~~13.1.~~ 24.1. 114,212,267 shares in the Company (the "Equity Consideration"); and

~~13.2.~~ 24.2. US\$664 million in cash (the "Cash Consideration").

~~14.~~ 25. As at 31 March 2021, the Company had 121,551,075 shares outstanding. Therefore the Equity Consideration for the deal is almost equivalent to the entire outstanding share capital of the Company. This will result in a substantial dilution of the existing shareholders, particularly the Petitioner, whose interest will decrease from 65.4% to 32%. The drastic dilution that would be caused by the Transaction is set out in the table below, which is taken from the PowerPoint presentation to the Board:

CO Post transaction shareholding structure

Global Cord Blood Corporation Post transaction shareholding structure	CO Shares	(%)
Nanjing Yingpeng	79,528,662	32.3%
Management PTC	6,608,137	2.7%
JayHawk	12,750,000	5.2%
Free float	22,664,276	9.2%
GMPM	12,363,636	5.0%
ROCELO LLC (M.D. Simrit Parmar)	27,966,643	11.3%
CLASS B ROCELO LLC (M.D. Simrit Parmar)	7,331,062	3.0%
Options ROCELO LLC (M.D. Simrit Parmar)	2,565,871	1.0%
Golden Meditech (BVI) Company Limited	23,771,394	9.6%
Golden Meditech (BVI) (Warrants)	10,371,855	4.2%
Vyserion Limited	10,182,031	4.1%
Vyserion Limited (Warrants)	9,736,398	3.9%
Leong Kim Chuan	7,331,062	3.0%
Options Leong Kim Chuan	814,562	0.3%
The Board of Regents of the University of Texas System	4,615,857	1.9%
HL succors	3,707,392	1.5%
HL succors ZN	553,976	0.2%
Options Paul Brooke	814,562	0.3%
CLASS B The Paul Brooke 2012 Family Trust	407,281	0.2%
CLASS B The Paul Brooke and Kathleen McCarragher 2012 Family Trust	407,281	0.2%
Options Tara Sadeghi	814,562	0.3%
Options Monica Avila	244,369	0.1%
Options Rachelle Espinosa	244,369	0.1%
Options Aurash Javidinejad	244,369	0.1%
Options Charisse Ayuste	244,369	0.1%
Options Clifford Viterbo	81,456	0.0%
Options Stacy Minor	122,184	0.0%
Options Kian Chavoshi Nejad	40,728	0.0%
TOTAL	246,528,344	100.0%

THIS PETITION was **FILED** by **BEDELL CRISTIN** of 18 Forum Lane, Suite 5305, 3rd Floor, Camana Bay, Grand Cayman, Cayman Islands, Attorneys-at-law for and on behalf of the Petitioner whose address for service is that of its said Attorneys-at-law.

- ~~15.~~ **26.** As stated above, the price of the Company's shares on the NYSE on the day of the 6-K was US\$3.51. The market value of the Equity Consideration as at that date was US\$400,885,057.
- ~~16.~~ **27.** According to the Company's ~~most recent~~ **2021** 20-F filing, the Company has free cash flow of approximately US\$927 million. The Cash Consideration will therefore (ostensibly) use up over 2/3 of the Company's free cash flow.
- 28.** The Transaction included the acquisition of a Licence Agreement to market a product known as CK0802, which had only passed stage 1 clinical trials in October 2021, in Asia (the "Licence Agreement") from GM Precision Medicine (BVI) Limited ("GMPM BVI"), a subsidiary of GMHL, for US\$664 million in cash and 12,363,636 shares in the Company. The Licence Agreement had been granted to a GMHL subsidiary in October 2021 for no consideration as set out further below.

No Shareholder Approval or Notice of Transaction

- ~~17.~~ **29.** The Petitioner heard of the Transaction and of Cellenkos, Inc for the very first time from the 6-K. The Petitioner had never been informed of any proposed acquisition and no shareholder approval had been sought or obtained.
- ~~18.~~ **30.** The Petitioner made inquiries of Mr Xu, who is the director of the Company appointed by the Petitioner. Mr Xu was unaware of the Transaction and had not attended any meeting of the Board. However, following searches of his emails he was able to find emails related to the Transaction as follows:
- ~~18.1.~~ **30.1.** On 26 April 2022 at 7:06pm China time, the Board was first informed of the Transaction and provided with a draft PowerPoint presentation and execution versions of the Transaction Documents;
- ~~18.2.~~ **30.2.** On 27 April 2022 at 7:42pm China time, the Board was provided with:
- ~~18.2.1.~~ **30.2.1.** Global Cord Blood Corporation Valuation Report - This is a valuation analysis prepared by Duff & Phelps Opinions Practice (as part of

Kroll Corporate Finance) and dated 27 April 2022 on GCBC. It spans 25 pages.

~~18.2.2.~~ **30.2.2.** Cellenkos Valuation Report - This is a valuation report prepared by Redwood Valuation Partners and dated 7 January 2022 with the valuation date being 30 November 2021. It spans 52 pages.

~~18.2.3.~~ **30.2.3.** Cellenkos analysis – This is an analysis prepared by John Friedman of Easton Capital Corp of "the attractiveness of the technology developed licenced or owned by CLK—" (the "Easton Cap Analysis"). It is dated 16 December 2021 and spans 4 pages.

~~18.2.4.~~ **30.2.4.** Global Cord Blood Corporation Tax Analysis – this is a draft analysis dated April 2022 prepared by Deloitte and spans 20 pages.

~~18.3.~~ **30.3.** On 28 April 2022 at 12:57pm China time the Board was sent the Zoom dial in details for the Board meeting which was to be held on 29 April 2022 at 9:00am China time;

~~18.4.~~ **30.4.** On 28 April 2022 at 8:15pm China time, the Board were sent a fully drafted and complete set of Board minutes for the meeting that was to be held the following day, and, *inter alia*, resolving that the Transaction was in the best interests of the Company, plus the Press Release and a final version of the PowerPoint presentation, which was substantially different from the draft presentation and had expanded from 19 to 36 pages; and

~~18.5.~~ **30.5.** On 29 April 2022 at 12:47pm, the Board was sent published results regarding Cellenkos trials.

~~19.~~ **31.** The Transaction, which involves an almost 100% increase in outstanding shares and over 2/3 of the Company's free cash flow was therefore approved by the Board, without any

shareholder knowledge, consultation or approval, within 62 hours of the Board being notified of the Transaction proposal.

Related Party Transaction

~~20. As set out at paragraph 6 above, the Petitioner acquired its Shares in the Company from GMHL. GMHL is a medical device and hospital management company incorporated in the Cayman Islands but based in the PRCP. GMHL was founded in 2001 by Mr Kam and was listed on the NYSE and the Hong Kong Stock Exchange until October 2020 when it was taken private by Mr Kam.~~

32. The Transaction is a related party transaction:

32.1 Kam indirectly owns or controls 55.7% of Cellenkos and owned the Licence Agreement, for which he stands to receive US\$664 million plus 12.3 million shares in the Company. Kam is in the Personal Relationship with Tina who is the Chairperson and executive director of the Company. The Personal Relationship was concealed from the public and, allegedly, concealed from the Board of the Company;

32.2 Albert, who is the CFO and only other executive director of the Company, has at all material times, including to the present day, acted as the CFO and authorised representative of GMHL using the alias "SK" and the email address samkykong@goldenmeditech.com. In this capacity, Albert concealed his identity and passed himself off as Kong Kam Yu, Sammy – a former director of GMHL. Albert's role in GMHL was not disclosed to the public (or it seems the Board) and Albert denied having any role or interest in GMHL;

32.3. Mark is the co-founder, together with John Friedman, of Easton Capital Corp. John Friedman prepared the Easton Cap Analysis used by the Board to justify the Transaction. This relationship was not disclosed to the public or at the Board meeting to approve the Transaction;

32.4. GMHL's registered address in Hong Kong is 48F, Bank of China Tower, 1 Garden Road, which is the same address as the Company. The Company and GMHL share office space, telephone numbers and personnel;

32.5. Jackie is a director of Cellenkos and a director of GM BVI, as well as a director of China Bright Group Co Limited, which owns Beijing Jingjing Medical Equipment Co., Ltd ("Jingjing"). Jingjing purportedly received the Cash Consideration for the Licence Agreement, which was granted to GMPM (a Kam entity) by Cellenkos (a company controlled by Kam) immediately prior to the Transaction by which the Company acquired the Licence Agreement for equity and cash in the sum of US\$664 million.

~~21. GMHL's registered address (at least immediately prior to the delisting) in Hong Kong is 48F, Bank of China Tower, 1 Garden Road, which is the same address as the Company.~~

~~22. Prior to the take private of GMHL, Tina and Albert held shares in GMHL. As GMHL is now a private company, it is not known whether Tina and/or Albert retain a direct or indirect interest in GMHL.~~

~~23. Prior to the Petitioner's acquisition of the Shares in the Company from GMHL, in September 2016, GMHL acquired 17.4% of the total issued common stock of Cellenkos with the option to subscribe for additional shares of common stock (which it subsequently did, bringing its interest in Cellenkos to 51%) (the "**Cellenkos Acquisition**"). The cash consideration for the shares was US\$3.92 per share.~~

~~24. At the time of the Cellenkos Acquisition, Mr Kam was the Chairman and Tina was a non-executive director of GMHL. As noted above, Tina is the current Chairperson and executive director of the Company (and the person who has signed the Stock Purchase Agreements on behalf of the Company in relation to the Transaction).~~

~~25. As part of the Cellenkos Acquisition, a BVI investment holding company called Vyserion Limited ("**Vyserion**") also acquired a warrant which, upon exercise resulted in Vyserion being issued with 1,250,000 shares in Cellenkos. It is not clear who owns Vyserion. The Stock Purchase Agreement entered into by the Company with Vyserion on 29 April 2022 for the acquisition~~

of its shares (at an extremely inflated value as set out below) contains no contact details for the seller (Vyserion) in the notices clause (clause 10.1) and the agreement is signed "O NA" as director of Vyserion. It appears that the ultimate beneficial owner of Vyserion has gone to great lengths to hide their identity.

26. Leong Kim Chuan ("**Jackie**") is an executive director of GMHL, having held that role since 24 May 2019. Jackie is also a director of Cellenkos. He acquired 900,000 shares in Cellenkos, which he is selling to the Company as part of the Transaction.

Transaction not in Best Interests of Company

27. ~~33.~~ On 4 November 2021, BVCF Management Ltd ("**BVCF**") acquired 523,148 shares in Cellenkos, Inc for US\$15 million (the "**BVCF Acquisition**"). The total number of shares acquired by BVCF as part of the BVCF Acquisition is based on the Stock Purchase Agreement entered into between the Company and HL Succors and HL Succors ZN that were exhibited to the 6-K. At schedule 1 of the Stock Purchase Agreement the shareholding in Cellenkos, Inc of the two entities is set out. It states that HL Succors holds 455,139 shares of Class A Common Stock in Cellenkos, Inc and HL Succors ZN holds 68,009 shares of Class A Common Stock in Cellenkos, Inc. The Stock Purchase Agreement is signed on behalf of those entities by Mr Yang Zhi as Director. Mr Yang Zhi is the founder of BVCF.

28. ~~34.~~ Assuming the BVCF Acquisition was an arms-length commercial transaction, the BVCF Acquisition would indicate that in November 2021, the shares of Cellenkos, Inc were valued at \$28.67 per share. The table below indicates the value of each party's shares in Cellenkos together with the value of the shares in the Company that each party would receive from the Transaction:

Entity	Cellenkos Shares Held	Value of Cellenkos Shares	Company Share Consideration	Current Value of Consideration
HL Succors (BVCF)	455,139	13,048,835.13	3,707,392	12,716,354.56

HL Succors ZN (BVCF/Yang Zhi)	68,009	1,949,818.03	553,976	1,900,137.68
Golden Meditech (BVI) Company Limited ("GM(BVI)C")	2,918,302	83,667,718.34	34,143,249	117,111,344.10
Jackie	900,000	25,803,000.00	7,331,062	25,145,542.66
Vyserion	1,250,000	35,837,500.00	19,918,429	68,320,211.47

~~29.~~ What the table illustrates is that whilst BVCF stand to receive shares in the Company that have approximately the same value as their initial investment in the BVCF Acquisition, GM (BVI)C will receive shares in the Company worth US\$33,443,626 more than their interest in Cellenkos (for which it originally paid US\$3.92 per share in 2016). Vyserion Limited, who invested in Cellenkos together with GM(BVI)C, stands to receive shares in the Company that are worth almost twice as much as its shares in Cellenkos (that is, an additional US\$32,482,711.47 over the value of the their shares in Cellenkos).

~~30.~~ **35.** Further, the shares in the Company are liquid because the Company is publicly listed, whereas the shares in Cellenkos are not.

~~31.~~ It is a particularly unusual feature of the Transaction that the Sellers are receiving consideration at differing valuations for the same shares. For example, BVCF are receiving Company shares at a rate of 8 Company shares for every 1 Cellenkos share, whereas Vyserion is receiving close to 16 Company shares for every 1 Cellenkos share. It is not clear why the same shares would be valued differently depending on the identity of the Seller.

~~32.~~ **36.** The Press Release exhibited to the 6-K states in relation to Cellenkos that "One of its core products, CK0802, has completed a Phase 1, Double-Blinded, Randomized, Placebo Controlled Safety and Early Efficacy Trial for the treatment of COVID-19 induced ARDS in 45 patients (www.clinicaltrials.gov NCT04468971)." Putting aside the fact that this **This** is a phase 1 trial involving 45 patients **and**, the trial was **only** completed on 22 October 2021, immediately prior to the BVCF Acquisition. As such, the results of the trial should have been priced into the valuation of the shares by BVCF.

- ~~33.~~ **37.** In any event, the value of CK0802 should not form part of the valuation of the Cellenkos shares because the licence for CK0802 (in the event that it is ever approved and marketed) was assigned on 25 October 2021 to Golden Meditech Precision Medicine Limited ("GMPM") pursuant to the License Agreement ~~a licence agreement (the "Licence Agreement")~~. GMPM is a subsidiary of GMHL and is the parent company of GMPM BVI ~~a Hong Kong company having its place of business at 48/F Bank of China Tower, 1 Garden Road, Central~~ which, as noted above, is the same address of both the Company and GMHL.
- ~~34.~~ **38.** According to the Framework Agreement exhibited to the 6-K, the Licence Agreement grants GMPM exclusive license of CK0802 (and preferential rights to other Cellenkos products), to develop, manufacture, distribute, market, promote, and sell licensed product in the PRC, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, India, South Korea, Japan, Iran, Iraq, Israel, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen for a period of no less than 10 years (from the first commercial sale).
- ~~35.~~ **39.** GMPM ~~in turn~~ assigned its interest in the Licence Agreement to GMPM BVI ~~GM Precision Medicine (BVI) Limited ("GMPM BVI")~~, which is a 100% wholly owned subsidiary of GMPM, on 27 April 2022. ~~The Framework Agreement is signed on behalf of GMPM BVI by Mr Kam as director. It would therefore appear that GMPM and GMPM BVI are subsidiaries of GMHL and, as such, are wholly owned by Mr Kam.~~
- ~~36.~~ **40.** ~~There is no information regarding the consideration paid (if any)~~ No consideration was paid by either GMPM or GMPM BVI for the Licence Agreement. No copy of the Licence Agreement has been provided to Petitioner.
41. As part of its case that the Transaction was bona fide and to explain the Board's support for the Transaction, the Board obtained a valuation from Redwood Valuation Partners dated 7 January 2022, which valued Cellenkos as at 30 November 2021 at US\$4.6 billion or US\$329 per share at or near the Transaction price (the "Redwood Valuation").
42. The Redwood Valuation is fundamentally flawed and is an unreliable basis for assessment of the fair market value of Cellenkos:

- 42.1. The Redwood Valuation values Cellenkos at US\$329 per share based on a Discounted Cash Flow ("DCF") basis, notwithstanding that the BVCF Financing had taken place in the same month that the Redwood Valuation had taken place and that the BVCF Financing valued Cellenkos at US\$28.67 per share.
- 42.2. The cash flow projections used in the Redwood Valuation relied on an assumption that all of the technical (and related regulatory) and market risks were successfully navigated because they project all products producing revenue. That is inappropriate as an input to a DCF analysis and these projections do not in any way reflect the risks that Cellenkos faced as of the valuation date i.e., they do not represent probability weighted averages across all possible cash flow outcomes or scenarios.
- 42.3. In particular, the Redwood Valuation is based on the wholly unrealistic assumption that all 8 of its current products in development would be approved by the FDA even though only two (or possibly only one) of them had as at the date of the Transaction progressed through Phase I trials and none have moved to Phase II.
- 42.4. Redwood selected a discount rate which is plainly too low – it selected a bridge/IPO discount rate when Cellenkos is, by Redwood's own assessment and by Cellenkos' own description on its website, an early stage/start-up company.
- 42.5. Redwood did not challenge any of the projections provided by Cellenkos/Company management and simply accepted the assumptions underlying the projections wholesale.
- 42.6. The Redwood Valuation, which valued the Licence Agreement one month after the licence was granted to GMPM at a value of US\$800 million, makes no reference at all to the consideration paid for the Licence Agreement by GMPM (or lack thereof).
43. Other aspects of the Transaction that indicate the substantial adverse impact the Transaction will have on the Company if it is allowed to proceed include:

43.1. The Company is required to commit initial funding of US\$4 million to Cellenkos for clinical trials and product development and an additional US\$2.1 million per month for the first 12 months;

43.2. Dr. Parmar and Jackie will join the Board of the Company as Executive Directors;

43.3. The Company will form a Joint Steering Committee that will supervise Cellenkos' operations. The members of the Joint Steering Committee are Albert, Jackie, Tina and Dr Parmar;

43.4. The SPAs entered into by the Company contain covenants against de-listing of the Company's shares;

43.5. The Company has deliberately structured the deal to remain just under the current authorised share capital of the Company in order to avoid triggering a requirement for shareholder approval;

43.6. The Company intends to host an extraordinary shareholder meeting after the Transaction has completed to adopt a new RSU scheme for no more than 24,652,834 RSUs ("New RSU Pool"). 35% of the New RSU Pool will be awarded to Dr Simrit Parmar, 10% to Jackie, and 50% of the New RSU Pool will be awarded to CO management team and directors" [that is to the Kam Directors – primarily Tina and Albert];

43.7. Thus there will be an EGM, but it will take place solely for the purpose of obtaining further benefit for the current management and related parties. Yet, the Company is intending to issue over 100% of the current outstanding shares without obtaining shareholder approval. It is only after the existing shareholders have been so substantially diluted that they can no longer control the outcome of an EGM that the Board will then call an EGM.

~~37. Pursuant to the Framework Agreement, GMPM BVI intends to assign all of its rights under the Licence Agreement to the Company for the Cash Consideration of US\$664 million and 12,363,636 shares of the Company.~~

Communication with Company

44. On Monday 2 May 2022 at 3.02am China time, DLA Piper (on behalf of the Petitioner) wrote to the Board, the Company's attorneys (Cleary, Gottlieb, Steen & Hamilton – "Cleary") and to the Company's Registered Office (Conyers Trust) and complained that the Transaction was nothing more than an attempt to disenfranchise existing shareholders and take over the Company. The Company was asked to desist immediately and to call an EGM.
45. Albert replied to the Petitioner on 2 May 2022 at 5:08am China time and stated that there was to be a meeting between the Petitioner's representative and the Company's representative on 3 May to "discuss and exchange ideas regarding the topics raised" in DLA's letter in Beijing.
46. The Company's proposed representative was not a member of the Company's Board or, in fact, anyone lawfully associated with the Company, but was Kam. It is to be inferred that Kam, through Tina and Albert, controls or retains substantial influence over the Company. It is to be further inferred that Kam has dictated or substantially dictated the terms of the Cellenkos Transaction.
47. On Monday 2 May 2022 at 1.17pm China time, DLA replied stating that the Petitioner was unaware of any meeting between the Petitioner and the Board and repeated the Petitioner's demands as set out in the letter by 6pm China time on 2 May 2022. Cleary's responded stating that they would review the letter with their client and "revert in due course".
48. The Petitioner, via DLA, wrote again to the Board, Conyers Trust and the Company's attorneys on 3 May 2022 at 2.28am China time reiterating its concerns and requisitioning an EGM.
49. Cleary responded on 3 May 2022 at 3.39pm China time stating as follows:

"We refer to your letters to the CO Board of May 2, 2022 and May 3, 2022 (the "Letters"). As previously noted we are reviewing the Letters with our client.

However, we note that the Letters raise issues which necessarily involve matters of Cayman law, which our client needs to discuss with Cayman counsel, and your unilaterally imposed deadlines of less than 24 hours to respond to each Letter are unreasonable under the circumstances.

Our client is in the process of instructing Cayman counsel to advise on these issues and expects to respond substantively to the Letters within the next 48 hours. Should your client make any public disclosures without receiving our client's response, our client reserves all rights, including its rights to take all appropriate legal action."

50. Correspondence subsequently obtained by the Petitioner establishes that the Company intended to have the whole of Stage 1 and Stage 2 of the Transaction (involving the issuance of 78,017,744 shares in the Company and the payment of US\$664 million) completed by 4 May 2022. The Transaction had not been announced until 4.30pm EST on Saturday 30 April 2022. Sunday 1 May – Wednesday 4 May 2022 were public holidays in China (Labour Day Holidays). The Company had pre-planned the execution of the entire Transaction to take place during one of the major Chinese holiday periods of the year.

51. Further, during the period 29 April 2022 to 4 May 2022 as the Company was frantically trying to allot over 78 million shares in the Company, it claimed that it was taking Cayman legal advice and threatened the Petitioner if it took any action.

52. Cleary provided a substantive response to the Petitioner's letter on 5 May 2022. In that response Cleary stated, inter alia, "we are not aware of any "closely related" relationship between any Board member and the sellers of Cellenkos. Please provide the basis of your accusations". The Company had misled Cleary as regards the existence of the Personal Relationship between Tina and Kam.

~~38. On Sunday, 2 May 2022, the Petitioner's PRC international legal advisors, DLA Piper, sent a letter to the Board of the Company and to the Company's Registered Office objecting to the Transaction and raising a number of concerns regarding the conduct of the Board.~~

~~39. Albert responded at 5.08am on Monday 2 May 2022 via email as follows:~~

~~*Dear Mr. Chang,*~~

~~We have received your letter and we also received your client meeting invitation.~~

~~On May 3, 11am, your client and our presentative (sic) will be meet in Beijing; and they will discuss and exchange ideas regarding the topics raised in your letter.~~

~~Warm Regards~~

~~Albert Chen~~

40. ~~The meeting referred to in the email was a meeting between the Chairman of the Petitioner's parent company and Mr Kam, notwithstanding that Mr Kam is not in any way connected with the Company.~~

41. ~~On 3 May 2022, DLA Piper sent a further letter to the Company requisitioning an EGM to vote on the Transaction together with a Notice of EGM for publication to shareholders. The Company did not respond to the request for an EGM and has not circulated the Notice to shareholders.~~

Post-Petition Conduct

53. The Petitioner presented the Petition on 5 May 2022. The Petitioner subsequently obtained an injunction on 12 May 2022 restraining, inter alia, the completion of the Transaction pending determination of the Petition (the "Injunction").

54. On 7 June 2022, for the first time, the Company asserted that Stage 1 of the Transaction had already been completed. In particular, the Company claimed that the Cash Consideration of US\$664 million had been made to GMPM BVI on 29 April 2022 – the same date that the Transaction was approved and announced – and that 12.3 million shares had been issued by the Company on 4 May 2022. The attempt by the Company to allot 12.3 million shares on 4 May (and any allotment, if actually made) was made not for any proper purpose of the Company but for the purpose of diluting the shareholdings of the Petitioner and other shareholders to prevent them from removing the current management of the Company (and from stopping the Cellenkos Transaction)

Forgery

55. In support of the assertion that the Cash Consideration was paid on 29 April 2022 the Company produced a bank statement from Guangfa Bank on 9 July 2022 showing a series of payments from a subsidiary of the Company to certain Kam controlled PRC entities, including JingJing (the "**Bank Statement**"). The Company produced the Bank Statement in evidence before this Court in order to prove that the Transaction had been part performed for the purposes of seeking a discharge of the Injunction.

56. The Petitioner subsequently obtained from Guangfa Bank a true record of transactions from the bank account in question for the period 28-30 April 2022 (the "**Genuine Record**"). The Genuine Record proves that substantially all of the transactions on the Bank Statement never occurred and that the Bank Statement was therefore forged.

Unlawful Payments

57. The Petitioner has also obtained evidence indicating that the Company without lawful excuse or justification has paid RMB3,557,616,000 to JingJing (which is owned by Kam) between 1 April 2017 and 31 May 2022 (the "**Unlawful Payments**"). The Unlawful Payments are not recorded in any of the published financial statements of the Company for the relevant period.

58. The Transaction, and in particular the Cash Consideration to be paid to Kam and/or Kam controlled entities for the Licence Agreement was designed to conceal the Unlawful Payments and was not a genuine commercial transaction in the best interests of the Company.

Attempts to Obstruct EGM

59. Article 58 of the Company's M&A requires that an extraordinary general meeting ("**EGM**") of the shareholders of the Company may only be called by (a) the majority of the Board of the Company, (b) the Chairperson of the Board; or (c) by shareholders together holding not less than 75% in nominal value of issued shares in the Company which give the right to attend and vote at any general meeting (the "**Threshold**").

60. The Board of the Company unreasonably refused the Petitioner's request to call an EGM to consider the Transaction. The Petitioner therefore obtained the support of over 75% of the shareholders of the Company to call an EGM, which was convened for 16 June 2022.
61. After business hours EST on 14 June 2022, the Company, without the support of any shareholders of the Company, sought an injunction to restrain the EGM. The basis for the injunction application was that the Petitioner had not met the Threshold because the supporting shareholders other than the Petitioner (the "**Supporting Shareholders**") held their shares in street name and were not therefore registered members.
62. The Company's injunction was brought improperly, in bad faith and in direct challenge to the owners of the Company in whose interest the Board has a duty to act.
63. The Petitioner had in fact obtained approval from the nominee of the Supporting Shareholders (Cede & Co) prior to the calling of the EGM. Notwithstanding that evidence of this approval was provided to the Company on 15 June 2022, the Company proceeded with the injunction application, which was not granted.
64. On 16 June 2022 at 8.30am, 30 minutes before the EGM was convened, the Company issued a press release stating that "the Company's position is that this EGM has not been validly convened. The Purported EGM was convened without the requisite threshold of 75% having been met." Notwithstanding this announcement, two persons purporting to be directors of the Company and two attorneys from Carey Olsen attempted to attend the allegedly invalid EGM together with a shareholder associated with the Kam Directors (Hunter S. Reisner). The clear intention of the purported directors, supporting shareholder and Carey Olsen attorneys was to prevent the Petitioner from voting and thereby prevent the resolutions from being passed.
65. The EGM was successfully convened. The resolutions (i) removing the current Board was passed by a vote of 97.92%; (ii) appointing a new board was passed by a vote of 97.88%; (iii) cancelling the Transaction was passed by a vote of 99.98%; and (iv) amending the Articles of Association to provide shareholder protective provisions was passed by a vote of 99.97% (the "**Resolutions**").

66. Notwithstanding the overwhelming approval of the shareholders of the Company for the Resolutions, the Board has continued to unreasonably and improperly oppose the implementation of the Resolutions by every means possible, including by seeking declarations that the Resolutions are invalid notwithstanding that no single shareholder supports the Board's position.

No Register of Members

67. The Company refused to provide the Petitioner with a copy of the Register of Members despite multiple requests. In July 2022, the Company claimed that neither it nor Conyers Trust (its Registered Office) has maintained a Register of Members in accordance with the requirements of section 40 of the Act or Article 43 of the Company's Articles of Association.

68. The failure to maintain a compliant Register of Members is an offence under the Act and a breach of the Articles.

GROUNDS FOR WINDING UP ON JUST AND EQUITABLE BASIS

42. In relation to the Transaction:

42.1. The Board failed to obtain approval from the shareholders of the Company for the Transaction notwithstanding that the Transaction constitutes a major transaction for the Company on any definition;

42.2. The Board failed to call an EGM notwithstanding the Petitioner's request in its capacity as majority shareholder of the Company;

42.3. The Board approved the Transaction within 62 hours of the Transaction first being disclosed to the Board and after only one Board meeting, for which the minutes were pre-drafted;

42.4. The Board approved the Transaction without shareholder approval notwithstanding the Transaction would result in a 50% dilution of the Petitioner's interest in the Company, causing it to become a minority shareholder;

~~42.5.~~ The Board approved the Transaction without shareholder approval notwithstanding that it clearly involves a related party transaction given the close connection between GMHL and the Company;

~~42.6~~ The Board approved the Transaction notwithstanding the Transaction involves the acquisition of an unproven, loss-making early stage start-up with no marketable product line for total consideration manifestly in excess of the value of the target.

~~43.~~ **69.** For the reasons set out above at ~~42.1.~~ ~~42.6:~~

~~43.1.~~ **69.1.** the Petitioner has justifiably lost all trust and confidence that the assets and affairs of the Company are being properly managed and mutual trust and confidence between the Petitioner and the Company has irretrievably broken down;

~~43.2.~~ **69.2.** The Petitioner believes that there is an urgent need to investigate the Company's affairs and the conduct outlined above, in particular the circumstances of the Transaction, and the Board's conduct in relation to the Transaction, the forgery of the Bank Statement, and the Unlawful Payments;

~~43.3.~~ **69.3** The Company and the Board are acting in a manner designed to cause oppression and prejudice to the Petitioner and to all of the existing shareholders of the Company including, *inter alia*, by excessively diluting the shareholders' interest in the Company; and

~~43.4.~~ **69.4.** The Board has acted in breach of its fiduciary duties and the NYSE rules in approving the Transaction and failing to put the Transaction to an EGM.

YOUR PETITIONER THEREFORE HUMBLY PRAY(S) THAT:-

~~44.~~ **70.** The Honourable Court grant the following alternative relief pursuant to section 95(3) of the Companies Act (2022 Revision):

~~44.1.~~ **70.1.** An order that the Company refrain from proceeding with the Transaction;

~~44.2.~~ **70.2.** An order requiring the Company to amend and restate the Memorandum and Articles of Association in the following manner:

a. Article 86 shall be amended as follows:

(A) Article 86(2) shall be deleted in its entirety.

(B) All references in Article 86 to special resolutions of the Company shall be substituted with ordinary resolutions of the Company.

b. The following Article shall be inserted:

“SHAREHOLDER PROTECTIVE PROVISIONS

170. Notwithstanding anything to the contrary in these Articles, the Company and the Board shall not take any action on the following matters except with the prior approval of the Company by ordinary resolution:

i. amend, alter or repeal any provision of the Memorandum and Articles of the Company;

ii. create, authorize, or issue any shares of any class (or equity securities convertible into or granting any interest in any shares of any class) representing more than 20% of the issued and outstanding shares of the Company;

iii. any action or transaction (including effecting any changes to the the authorized or issued share capital of the Company) that would result in a Change of Control. For the purposes hereof, “Change of Control” shall mean the consummation of any one of the following events: (i) a sale, lease or other disposition of all or substantially all of the assets of the Company; (ii) a consolidation or merger of the Company with or into any other corporation or other entity or person, or reorganization, in which the shareholders of the Company immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Company’s outstanding voting power of the surviving entity following the consolidation, merger or reorganization, in

each case on a fully diluted basis; or (iii) any transaction (or series of related transactions involving a person or entity, or a group of affiliated persons or entities) in which in excess of fifty percent (50%) of the Company's then-outstanding voting power is transferred, counted on a fully diluted basis, excluding any consolidation or merger effected exclusively to change the domicile of the Company and excluding any such change of voting power resulting from bona fide equity financing event or public offering of the stock of the Company.

- iv. approve any transaction or a series of transactions involving a the Company, or its subsidiaries on the one hand, and their respective employees, officers, directors or shareholders or any affiliate or immediate family member of any of the foregoing on the other hand (except for the employment or service contracts between them),*
- v. any director or the secretary of the Company be and each of them is hereby authorized to do all such acts and things and execute all documents and make all arrangements as he/she/they consider necessary or expedient to give effect to the foregoing resolutions and to attend to any necessary registration and/or filing for and on behalf of the Company."*

~~44.3.~~ **70.3.** An Order requiring the Company to convene an EGM to propose the removal of the current Board and the appointment of alternatives to be proposed by the Petitioner.

~~45.~~ **71.** In the alternative, that:

~~45.1.~~ **71.1.** The Company be wound up pursuant to section 92(e) of the Companies Act (2021 Revision);

~~45.2.~~ **71.2.** ~~Karen Scott and Russell Homer of Chris Johnson Associates Ltd., Elizabethan Square, PO Box 2499, 80 Shedden Road, George Town, Grand Cayman KY1-~~

~~1104, Cayman Islands~~ Margot MacInnis and John Royle of Grant Thornton Specialist Services (Cayman) Limited, 2nd Floor, Century Yard, Cricket Square, Grand Cayman KY1-1102, Cayman Islands and Chow Tsz Nga Georgia of Grant Thornton Recovery & Reorganisation Limited be appointed ~~ment~~ as joint official liquidators (the "JOLs") of the Company;

- ~~45.3.~~ 71.3. The JOLs shall not be required to give security for their appointment;
- ~~45.4.~~ 71.4. The JOLs shall have the power to act jointly and severally in their capacity as JOLs of the Company;
- ~~45.5.~~ 71.5. The JOLs shall have power to engage staff (whether or not as employees of the Company) to assist that person in the performance of that person's functions;
- ~~45.6.~~ 71.6. The JOLs be a liberty to appoint Counsel, attorneys and professional advisers, whether in the Cayman Islands or elsewhere, as they may consider necessary to advise and assist them in the performance of their duties in accordance with Companies Winding Up Rules, O. 25;
- ~~45.7.~~ 71.7. No disposition of the property of the Company by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their power under any Order granted pursuant to this Petition shall be voided by virtue of section 99 of the Companies Act (2022 Revision).
- ~~45.8.~~ 71.8. The JOLs shall be entitled to receive remuneration for their services by reference to the time properly given by them and their staff in attending to matters arising in the winding up and the hourly rates and the amount of remuneration shall be determined in accordance with the Insolvency Practitioners' Regulations, 2018.
- ~~45.9.~~ 71.9. The JOLs be at liberty to pay themselves (up to 80% of the JOLs' remuneration pending approval by the Court), their agents, employees, attorneys, solicitors and whomsoever else they may employ or instruct, remuneration and costs, and for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as expenses of the liquidation.
- ~~45.10.~~ 71.10. The JOLs be at liberty to meet all disbursements reasonably incurred in connection with the performance of their duties and, for the avoidance of doubt, all such payments shall be made as and when they fall due out of the assets of the Company as an expense of the liquidation.

- ~~45.11.~~ **71.11.** The costs of and incidental to the Petition be paid forthwith out of the assets of the Company as an expense of the liquidation, such costs to be taxed on an indemnity basis if not agreed.
- ~~45.12.~~ **71.12.** The JOLs be at liberty to apply generally.
- ~~45.13.~~ **71.13.** Such further or other relief be granted as the Court deems appropriate (including the relief sought above).

AND your Petitioner will ever pray etc.

DATED the 3rd day of May 2022

AMENDED the 22nd day of September 2022



BEDELL CRISTIN

Attorneys for the Petitioner

NOTE: This petition is intended to be served on the Company at its registered office.

This Petition was presented by Bedell Cristin whose address for service is 18 Forum Lane, Suite 5305, 3rd Floor, Camana Bay, Grand Cayman, Cayman Islands.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, on ~~{state the hearing date}~~ at 10.00am.

Any correspondence or communication with the Court relating to the hearing of this petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 949 4296.