

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

**NINTH Report**

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# 1 Basis of Report

## 1.1 Basis of Report

- 1.1.1 This report is to be used for the purpose of informing the Court and stakeholders 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. Pursuant to the Court's previous direction, notice of this report will be published as a 6-K with the SEC.
- 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 23 August 2024. The JPLs have relied upon information that is available to them and recognise that this information may be incomplete and that they await third party verification. Accordingly, the JPLs consider there will be further developments in their investigations of the Company's affairs which will be incorporated in the JPLs' subsequent reports to the Court.
- 1.1.3 This report should be read in conjunction with all eight previous reports published. This report sets out the progress of the liquidation for the period 25 May 2024 to 23 August 2024.

# 2 Disclaimer

## 2.1 Disclaimer

- 2.1.1 The JPLs' investigations are continuing. Some matters being investigated are confidential and commercially sensitive. There are also ongoing proceedings which are subject to disclosure rules and codes of conduct in the relevant jurisdictions. Accordingly, consistent with the JPLs' approach to date, this report does not contain commercially sensitive or confidential information that could prejudice the outcome of the Provisional Liquidation or any proceedings. In a similar vein, the JPLs are not able to disclose the full results of their investigations to date.
- 2.1.2 In the event that this report is used for any purpose other than in accordance with its statutory purpose of informing the Court or in accordance with the JPLs' obligations under the Order, any party relying on this 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.
- 2.1.3 None of the JPLs, GT, their partners, employees, professional advisors or agents accept any liability or assume any duty of care to any third party (whether it is an assignee or successor of another third party or otherwise) in respect of this report and any such party who receives a copy of this report whether from GT or any other source shall have no right of recourse against GT, their partners, employees, professional advisors or agents.
- 2.1.4 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.
- 2.1.5 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.
- 2.1.6 Nothing in this report is intended to waive legal privilege in respect of any matter referred to herein, and privilege is not being waived.
- 2.1.7 "Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.
- 2.1.8 Grant Thornton Specialist Services (Cayman) Limited and Grant Thornton Recovery & Reorganisation Limited are member firms of Grant Thornton International Ltd ("GTIL"). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

# 3 Defined Terms

## 3.1 Defined Terms

<b>8 February 2024 Judgment</b>	Judgment handed down by the HK Court on 8 February in favour of the JPLs deeming the transfer away of the HK Subsidiaries of the Company for US\$1 each (1 week before the appointment of the JPLs) as invalid		
<b>Additional Directors</b>	Zhai Lingyun, Liu Guojun, Wang Yang, Liu Shian, Michael Steven Weiss (the “June EGM Directors”); and Xu Ping (together with the EGM Directors - the “Additional Directors”)		
<b>Albert Chen or AC</b>	Albert Chen Bing Chen, former Chief Financial Officer of the Company		
<b>Amended Summons</b>	On 17 July 2024, the JPLs filed an amendment to the Fee Approval Summons to include an order for Court approval of the JPLs’ proposed remuneration agreement.		
<b>BVI</b>	British Virgin Islands		
<b>BVI Proceedings</b>	Proceedings in the BVI in which the Petitioner (and its associates) filed proceedings against GMSC and in which GMSC claims, inter alia that the Petitioner’s shares in GCBC are subject to a share charge dated 30 March 2018 and that accordingly beneficial ownership of the Petitioner’s shares in GCBC have passed to GMSC		
<b>Cayman Share Charge</b>	Shares in the Company which are subject to an alleged share charge dated 30 March 2018		
<b>Cellenkos</b>	Cellenkos Inc – registered in Delaware, specialises in stem cell therapy and was the	<b>Cellenkos Transaction</b>	target entity in the 29 April 2022 Cellenkos Transaction On 29 April 2022 the Board approved a multi-step transaction whereby the Company would acquire 100% of the equity in Cellenkos and the rights to develop and commercialise certain of Cellenkos’ existing and future products worldwide on 29 April 2022. This was purportedly in exchange for consideration of, inter alia, 114 million shares in the Company and US\$664 million cash
		<b>CISIL</b>	China In Shine Investment Limited, one of the defendants to the HK Proceedings
		<b>Class Action Complaint</b>	A class action complaint filed in the United States District Court for the Southern District of New York that names the Company as a defendant. The JPLs were delivered the complaint via their registered agent on 16 May 2024
		<b>CoA</b>	HK Court of Appeal
		<b>Controlling Shareholders</b>	The Petitioner, Oasis Investments II Master Fund Limited and IsZo Capital LP
		<b>Cordlife</b>	Cordlife Group Limited, a listed company registered in Singapore and indirectly owned by GCBC
		<b>Court</b>	The Grand Court of the Cayman Islands
		<b>CSC Holdings</b>	China Stem Cells Holdings Limited – incorporated in the Cayman Islands

<b>Derivative Shareholder Complaint</b>	A derivative action filed in the Supreme Court of the State of New York (Index No. 653598/2023) by certain purported shareholders of the Company against various parties historically associated with the Company – including members of the Former Board	<b>Former Board</b>	and their remuneration for the Fee Approval Period pursuant to section 109(2) of the Companies Act and the IPR
<b>Disclosure Order</b>	Court order requiring the Former Board to deliver up documents for examination, the books, records and documents of GCBC and its subsidiaries within their possession, custody or control to the JPLs or provide details of their location	<b>Former Litigation Committee or LSC</b>	The Company's former board of directors consisting of Mark D. Chen, Albert Chen Bing Chen, Jacky Cheng, Jack Chow, Ken Yungang Lu, Jennifer J. Weng, Xu Ping, Ting Zheng (information from general registry of the Cayman Islands)
<b>Eighth Report</b>	Eighth report prepared by the JPLs, submitted to the Court on 3 June 2024 and published on GCBC's website	<b>Fourth Report</b>	The Former Litigation Steering Committee is made up of Ting Zheng, Mark Chen, Ken Lu, Jennifer Weng, Jacky Cheng, Jack Chow and excludes Xu Ping and Albert Chen
<b>EGM</b>	Extraordinary general meeting	<b>GCBC or the Company</b>	Fourth Report prepared by the JPLs, submitted to the Court on 1 June 2023 and published on GCBC's website
<b>EGM Injunction</b>	Injunction to prevent resolutions passed on 16 June 2022 at an extraordinary general meeting of shareholders voting against the Cellenkos Transaction and for the resignation of the Former Board and appointment of a new board of directors	<b>GMSC</b>	Global Cord Blood Corporation (In Provisional Liquidation)
<b>Enjoined HK Directors</b>	Albert Chen and/or Tina Zheng and/or Notake Minori and/or Sonoe Muramatsu	<b>GP</b>	Golden Meditech Stem Cells (BVI) Company Limited, registered in the BVI. It sold its shareholding in GCBC to the shareholder of the Petitioner on 30 December 2016
<b>Fifth Report</b>	Fifth Report prepared by the JPLs, submitted to the Court on 1 September 2023 and published on GCBC's website	<b>Group</b>	Cellenkos GP Limited – registered in the BVI, and acts as general partner of Cellenkos Holdings LP
<b>Fee Approval Period</b>	The JPLs' remuneration and disbursements for the period 22 September 2022 to 30 September 2023	<b>GT</b>	The Company and its subsidiaries including, inter alia, the HK Subsidiaries and the PRC Subsidiaries
<b>Fee Approval Summons</b>	JPLs' Summons filed on 13 May 2024 in the Cayman Proceedings for court approval of the terms of their remuneration agreement		Grant Thornton (a collective term for both Grant Thornton Recovery & Reorganisation Limited and Grant Thornton Specialist Services (Cayman) Limited)

<b>GTSS</b>	Grant Thornton Specialist Services (Cayman) Limited		the Company into provisional liquidation. Holds an interest of c. 65.4% in GCBC
<b>HK</b>	Hong Kong	<b>PIML</b>	Prime Intelligent Management Limited, purported corporate secretary of the HK Subsidiaries
<b>HK Court</b>	The High Court of the Hong Kong Special Administrative Region	<b>PRC</b>	People's Republic of China
<b>HK Proceedings</b>	The legal proceedings initiated by the JPLs in HK regarding the HK Subsidiaries as previously outlined in the Second Report	<b>PRC Subsidiaries</b>	GCBC's indirectly owned, operating PRC subsidiaries
<b>HK Subsidiaries</b>	GCBC's indirectly owned HK subsidiaries, the majority of which are currently party to the HK Proceedings	<b>Remuneration Agreement</b>	The JPLs' proposed terms of remuneration which they are seeking to have approved by the Cayman Court as part of the Amended Summons
<b>INEDs</b>	The former Independent Non-Executive Directors (of GCBC)	<b>Second Report</b>	Second report prepared by the JPLs, submitted to the Court on 1 December 2022 and published on GCBC's website
<b>IPR</b>	Insolvency Practitioners' Regulations (2023 Consolidation)	<b>Set-Aside Summons</b>	Petitioner's summons which seeks to have the 29 July 2022 Judgment in the Petition Proceedings set aside on the grounds that it was procured by fraud
<b>JPLs</b>	Margot MacInnis, John Royle and Chow Tsz Nga Georgia, the Joint Provisional Liquidators of GCBC	<b>SMOH</b>	The Singapore Ministry of Health
<b>Maxcess</b>	Maxcess Finance Limited, registered as a private limited company in HK with Money Lender's License Number 0640/2022	<b>Seventh Report</b>	Seventh report prepared by the JPLs, submitted to the Court on 8 March 2024 and published on GCBC's website
<b>New LSC</b>	Zhai Lingyun, Michael Steven Weiss and Wang Yang with Zhai Lingyun appointed as Chairperson	<b>Sixth Report</b>	Sixth report prepared by the JPLs, submitted to the Court on 1 December 2023 and published on GCBC's website
<b>Notake Minori or Notake</b>	Notake Minori, believed to be a resident of Japan, purportedly appointed to the boards of CSC Holdings, Stem South (BVI), and the HK Subsidiaries	<b>Sonoe Muramatsu or Sonoe</b>	Sonoe Muramatsu, believe to be a resident of Japan, purportedly appointed to the boards of the HK Subsidiaries
<b>NYSE</b>	New York Stock Exchange	<b>Stem South (BVI)</b>	China Stem Cells (South) Company Limited – incorporated in the British Virgin Islands
<b>Petitioner</b>	Blue Ocean Structure Investment Company Ltd – incorporated in the British Virgin Islands and also the petitioner who placed		

<b>Stem South (HK)</b>	China Stem Cells (South) Company Limited – incorporated in Hong Kong
<b>Ting or Tina Zheng or TZ</b>	Former Chairperson and Executive Director of GCBC (as well as director of GMHL until 24 May 2019)
<b>Varied Order</b>	Order effective 20 February 2023 resulting from the JPLs’ application to the Cayman Court by summons dated 16 January 2023 for orders, inter alia, that the Order be varied to include a penal notice that would be triggered in the event of further non- cooperation from the Former Board
<b>Yuen Kam</b>	The former Chairman and Executive Director of the Company



# 4 Executive Summary

## 4.1 Summary

- 4.1.1 Since the Eighth Report, the JPLs have continued steps to take control of the Group and prevent asset dissipation. Securing and protecting the Group's operating businesses in the PRC and preventing the dissipation of the HK Subsidiaries remains an urgent and important priority for the JPLs and their counsel.
- 4.1.2 The JPLs have also continued taking steps to defend and protect the Company against attempts to remove assets from the structure by (amongst other matters):
- i. Preparing the relevant papers to defend against the appeal of the 8 February HK Judgment by AC, TZ, PIML.
  - ii. Continuing efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries and pursuing actions in a number of provinces.
  - iii. Continuing to defend against the winding-up petitions issued by Maxcess against Stem South (BVI) and CSC Holdings.
  - iv. Pursuing realisations.
- 4.1.3 The Company was served with the Class Action Complaint filed in the United States District Court, seeking compensation from various defendants, including the Company. The JPLs are considering their stance in relation to this claim.

## 4.2 Next Steps

- 4.2.1 The JPLs will continue to investigate and/or progress litigation against the Enjoined HK Directors, Yuen Kam, and the Former Board (excluding Xu Ping) in order to protect and preserve the Group's assets. However, to do so, the JPLs require access to further funding on a timely basis.

- 4.2.2 The lack of funds has put significant pressure on the JPLs and the JPLs' service providers to undertake the work necessary to obtain control and secure the assets of the Company and preserve value to its stakeholders. With the benefit of further funding the JPLs will continue to, amongst other matters, investigate and/or progress litigation in order to protect and preserve the Group's assets.
- 4.2.3 In light of the above, the JPLs have been in discussions with several parties who provide litigation and/or liquidation financing, as well as the Company's stakeholders, in order to seek funding for the liquidation. These discussions have not formally concluded and the JPLs are still in the position of requiring funding.
- 4.2.4 The JPLs have also applied to the Court seeking approval for the JPLs' fees and disbursements for Fee Approval Period, which was part heard on 30 July 2024 with the remainder of the matter to be heard on 9 October 2024.

# 5 Actions taken by the JPLs since the Eighth Report

## 5.1 Books and Records

- 5.1.1 The JPLs have continued their efforts to acquire the Company's books and records. However, for the reasons previously highlighted in the Fourth and Fifth Reports, the position remains largely unchanged.

## 5.2 Assets

- 5.2.1 To date the JPLs have identified the following assets:

### Bank Accounts

- i. Bank accounts for GCBC with a total balance of c.US\$218k; and
- ii. Bank accounts for subsidiaries of GCBC with a total balance of c. US\$168k (excluding known balances of PRC Subsidiaries), US\$155k of which has been secured.

### Retainer Refunds

- 5.2.2 The JPLs have received a refund of retainer from former Cayman Islands counsel to the Company netting approximately c.US\$246k.
- 5.2.3 This is in addition to the net funds received previously from former Cayman counsel to the Company of approximately US\$271k (see §5.2.2 of the Second Report).

### Insurance Refund

- 5.2.4 As previously reported, the JPLs have cancelled the Director's & Officer's insurance taken out by the Company prior to the appointment of the JPLs. To date, c. US\$397k of the total c. US\$477k to be refunded has been recovered. This amount hasn't increased since the Seventh Report.

### Refundable Earnest Deposit

- 5.2.5 The position regarding the Refundable Earnest Deposit as outlined in the Fourth Report remains unchanged.

### Cordlife

- 5.2.6 The JPLs have completed a sale of GCBC's indirect interest in Cordlife. Further details regarding the steps taken by the JPLs to realise GCBC's interest in Cordlife are included in §5.6.4 of this report.

### Cost Awards

- 5.2.7 In total, the JPLs have received costs that have been awarded of HK\$865k (i.e. c. US\$111k). In each instance, the cost awards received were used to settle in part outstanding legal costs incurred in the HK Proceedings and Maxcess winding up proceedings.
- 5.2.8 Following the handing down of the HK Judgment, the JPLs are preparing a bill of costs to claim against Albert, Tina, PIML as well as CISIL, MS, and Notake. These sums are yet to be agreed and assessed, should these sums not be agreed the JPLs will need to commence taxation proceedings.

## 5.3 Liabilities

### Contingent Liability – Class Action Complaint

- 5.3.1 A civil class action complaint was filed with the United States District Court for the Southern District of New York on 22 April 2024, listing the Company as a defendant to the proceedings, together with former directors, related entities, and service providers of the Company.
- 5.3.2 The initial allegations against the Company may be summarised as follows:

- i. Due to misleading statements and material omissions, the Company's securities were purchased at artificially inflated prices, leading to economic losses of the class members.
- ii. Due to the defendants' fraudulent scheme and unlawful course of conduct, the plaintiffs would not have purchased or acquired Company securities, or if they had, would not have done so at the value that they did, as a direct result the class members have suffered damages.

5.3.3 The Company was required to file a response to the complaint by 7 June 2024 however the JPLs requested and were granted an extension of time to respond until 14 days after the appointment of lead counsel.

5.3.4 On 9 July 2024, orders were made to appoint lead counsel and a new lead plaintiff. The JPLs were subsequently informed that the new plaintiff wished to amend its complaint and on 17 July 2024, further orders were made allowing the plaintiff to amend its complaint by 20 September 2024, following which, the defendants' pre-motion letters and the plaintiff's reply to those letters are respectively due to be filed by 28 October 2024 and 21 November 2024.

5.3.5 The JPLs are awaiting the amended complaint to determine the characterisation and extent of the relief sought from the defendants. The claim against the Company has not yet been quantified as the claim is unliquidated. At this stage, the claim is treated as a contingent liability of the Company.

#### **Liabilities**

5.3.6 To date, the JPLs have been notified of amounts claimed to be owed by the Company in the amount of c. US\$1,164,416.83. The principal amount has increased by US\$9,656 since the Seventh Report.

5.3.7 A number of proofs of debt have been submitted and the JPLs are taking steps to notify any creditors to provide information about amounts that may be owed to them and to provide proofs of debt in respect of any such claims. The JPLs are also investigating the financials of the Company including any liabilities owed. The JPLs have established a liquidation website and the forms will also be available on that platform:

<https://www.grantthornton.ca/en/service/advisory/creditor-updates/#Global-Cord-Blood-Corporation>.

#### **Costs Award**

5.3.8 The JPLs have been ordered to pay a cost order following the adjournment of the Maxcess hearing of 15 April 2024. The amount of costs has yet to be agreed or taxed. This is further outlined from §5.7.6 of this report.

## 5.4 Control of GCBC's Corporate Structure

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

## 5.5 Cayman Islands

#### **AC, TZ and the JPLs' Disclosure Order**

5.5.1 As of the date of this report, AC's 9 May 2023 summons to set-aside the JPLs' Disclosure Order and certain parts of the Varied Order has not progressed, AC and TZ have failed to provide books and records or answers to the written question to the JPLs.

5.5.2 As disclosed in §7.2.8 of our Fifth Report, TZ determined that her obligation to serve answers on the JPLs to be directly impacted by the outcome of Albert Chen’s Summons of 9 May 2023 (and it therefore be inappropriate for her to serve her affirmation on the JPLs before Albert Chen’s Summons is disposed of). On 12 May 2023, Tina Zheng filed a summons with the Court seeking to vary the terms of the Disclosure Order. Tina filed her third affirmation containing answers to the written interrogatories with the Court (and not on the JPLs) pending the outcome of Albert’s 9 May 2023 summons.

#### **The INEDs and the JPLs’ Disclosure Order**

5.5.3 The JPLs have written to the INEDs in respect to the 60 outstanding written responses.

5.5.4 On 2 October 2023, the INEDs wrote to the JPLs to inform them they had instructed Cayman Counsel to consider the JPLs’ Disclosure Order and that they were currently reviewing both the outstanding written questions and other information requests. The JPLs responded pressing for answers to the written questions which remain unanswered.

5.5.5 On 19 July 2024, the INEDs wrote to the JPLs requesting to be indemnified and for an advancement of defence costs from the Company to defend the Class Action Complaint. On 6 August 2024, the JPLs responded denying this request and reminding them of their obligation to respond to the outstanding interrogatories.

5.5.6 As of the date of this report the JPLs have yet to receive a response. This is another workstream that requires funding in order to be progressed.

#### **The Set-Aside Summons**

5.5.7 On 8 September 2023, Justice Kawaley perfected an order that the injunction to prevent the consummation of the Cellenkos Transaction be continued; and the EGM Injunction be discharged and delivered his reasons for this decision (the “Set-Aside Judgment”).

5.5.8 The Former LSC did not apply for leave to appeal and a stay ahead of the finalised Set-Aside Judgment being handed down and order being finalised.

#### **The LSC and Board of Directors following the Set-Aside Judgment**

5.5.9 On 6 November 2023, the board of directors of GCBC passed resolutions which, amongst other things, reconstituted the membership of the LSC. Zhai Lingyun, Michael Weiss and Wang Yang were appointed as members of the LSC (the New LSC) and the LSC’s former members were removed (the Former LSC).

#### **LSC’s Privilege Summons**

5.5.10 On 25 March 2024, the JPLs and the New LSC agreed by consent summons to dismiss the Privilege Summons, and this was approved by the Court.

#### **JPLs’ Replacement Application**

5.5.11 On 21 March 2024, the JPLs and the New LSC agreed a consent order to dismiss the JPL Replacement Application which was subsequently approved and sealed by the Court on 25 March 2024.

#### **Fee Approval Application**

5.5.12 On 13 May 2024, the JPLs filed the Fee Approval Summons for Court approval of their remuneration for the Fee Approval Period pursuant to section 109(2) of the Companies Act and the IPR. The Fee Approval Summons was listed for hearing at 10am on 30 July 2024 (“Hearing Date”).

- 5.5.13 On 29 May 2024, the JPLs issued notice of the Fee Approval Summons and the Hearing Date to the Company's contributories. The notice was also advertised by way of 6-K notice on the SEC platform and on the Company's website. The 6-K is available below:
- <https://www.sec.gov/Archives/edgar/data/1467808/000092963824002056/form6ka.htm>
- 5.5.14 On 17 July 2024, the JPLs filed the Amended Summons to include an order for Court approval of the JPLs' proposed remuneration agreement. Notice of the Amended Summons was promptly issued to the Company's contributories and was also advertised by way of a 6-K notice on the SEC platform. The 6-K is available below:
- <https://www.sec.gov/Archives/edgar/data/1467808/000092963824002541/form6k.htm>
- 5.5.15 On 25 July 2024, the JPLs filed a further affidavit prior with the Court, which set out prior correspondence with various Company stakeholders. Notice of the affidavit was lodged by 6-K on the SEC platform. The 6-K is available below:
- <https://www.sec.gov/Archives/edgar/data/1467808/000092963824002602/form6k.htm>
- 5.5.16 On 30 July 2024, the Court part heard the Amended Summons, resulting in the Court making an order dated 30 July 2024 (the "30 July 2024 Order"), *inter alia*, that (i) the JPLs' terms of remuneration be approved in the form annexed to the order such approval being without prejudice to any challenge which the Controlling Shareholders may wish to make in respect of the rates charged by Grant Thornton staff engaged by the JPLs outside of the Cayman Islands and (ii) the hearing of the remainder of the Amended Summons be adjourned and re-listed for hearing.
- 5.5.17 Notice of the outcome of the 30 July 2024 hearing and the 30 July 2024 Order was issued to the Company's contributories on 9 August 2024, by publication on the Company's website:
- [https://ir.globalcordbloodcorporation.com/static-files/2024\\_08\\_09\\_Notice\\_to\\_Shareholders.pdf](https://ir.globalcordbloodcorporation.com/static-files/2024_08_09_Notice_to_Shareholders.pdf)
- 5.5.18 By consent of the parties, the Court listed the remainder of the Amended Summons to be heard on 9 October 2024. In the lead up to the hearing, the Court set a timeline which is summarised below:
- By 9 August 2024, the JPLs shall provide a copy of their timesheets for the Fee Approval Period to relevant parties (in accordance with the requirements of the 30 July 2024 Order) - this has been completed.
  - By 30 August 2024, agreed by extension to be 6 September, shareholders are required to file evidence in the proceeding by affidavit addressing various issues as required by the Court.
  - By 20 September 2024, now 27 September agreed by extension, the JPLs shall file and serve any evidence in reply.
  - Skeleton arguments shall be filed and exchanged five business days prior to the hearing.
  - The hearing bundle and any authorities bundles should be delivered to Court four business days before the hearing date.
- 5.5.19 On 22 August 2024, the parties agreed to revise the above timetable allowing the shareholders an additional week to file evidence, specifically by 6 September 2024. The JPLs are required to respond with evidence by 27 September 2024. There were no other revisions to the timetable.

## 5.6 BVI

### **BVI Proceedings in respect to the Cayman Share Charge**

- 5.6.1 An order formally recording the decision to grant summary judgment has been perfected. As explained in our Sixth Report, a copy of the finalised order has been made publicly available.
- 5.6.2 The JPLs understand that the defendants have appealed against the summary judgment and the appeal is expected to be heard in the week of 28 October 2024.

### **Cellenkos Holdings L.P.**

- 5.6.3 Should it be deemed necessary for the partnership to be reinstated at any point in the future, it is understood that this option will be available to the JPLs given they will continue to control the GP.

### **Cordlife**

- 5.6.4 Cordlife represents an indirectly held investment by GCBC which is owned via its BVI subsidiary, China Stem Cells (East) Company Limited. GCBC's indirect interest comprised 25,516,666 shares, or an ownership stake of 9.99%.
- 5.6.5 As outlined in the Seventh Report, the SMOH announced an investigation into Cordlife and issued a notice for Cordlife to stop (for a period of up to 6 months) the collection, testing, processing and/or storage of any new cord blood and human tissues. The freeze was expected to be lifted on 15 June 2024, however, SMOH extended the freeze for a further three (3) months. As of the cut-off date of this report, there has been no updates in respect to the freeze being lifted and going forward this will no longer be monitored by the JPLs given the divestiture of the Cordlife investment.

- 5.6.6 According to the SMOH's official press release, a complaint was received on 24 July 2023 by a member of the public alleging that cord blood units stored in a tank by Cordlife had been exposed to temperatures above acceptable limits, as well as other service quality issues. SMOH subsequently conducted unannounced audits on Cordlife whereupon various operational issues were identified.

- 5.6.7 The SMOH's official latest press releases can be found at the following link:

<https://www.moh.gov.sg/news-highlights/details/investigation-of-cordlife-group-limited-for-suboptimal-storage-temperature-for-cryopreserved-cord-blood>.

<https://www.moh.gov.sg/news-highlights/details/update-on-investigation-of-cordlife-group-limited-8apr2024>

- 5.6.8 Since the SMOH's press release in July 2023, the market price of Cordlife's shares according to Singapore Stock Exchange data has decreased substantially. On 26 June 2024, the JPLs received an expression of interest from a party seeking to purchase GCBC's total indirect interest in Cordlife, via a regulated broker based in Hong Kong. The JPLs subsequently received an offer to purchase GCBC's indirect interest in Cordlife for consideration of approximately SGD4.59 million.
- 5.6.9 The JPLs determined the offer to be favourable as Cordlife's shares were being traded at a price of SGD0.15 per share, whilst the offer represented an above market price of SGD0.18 per share. In addition to the favourable price, a lump sum sale of the shares was considered preferable to avoid the time and costs of selling the shares in the ordinary course, given the illiquid market for the shares.
- 5.6.10 On 2 August 2024, the JPLs completed the sale and the transfer of shares was executed. The Singapore Stock Exchange announced a change of interest (cessation of a substantial shareholder) in relation to the sale on its website, as follows:

<https://links.sgx.com/1.0.0/corporate-announcements/DRIIMLXOB03XDMRT/21442de889a5049e42d9044fb12312189edce40d6a354d1c6bf0458a47cf7559>

## 5.7 HK

5.7.1 A chronology which includes details of the steps taken in HK and/or events concerning the HK Subsidiaries since the Eighth Report is set out below for ease of reference at Appendix A.

### HK Proceedings: Judgment

5.7.2 Following the trial in the HK Proceedings which was outlined in the Sixth Report, on 8 February 2024, the HK Court issued its judgment in the HK Proceedings (the 8 February 2024 HK Judgment) which is available to view at the following link:

[legalref.judiciary.hk/lrs/common/ju/loadPdf.jsp?url=https://legalref.judiciary.hk/doc/judg/word/vetted/other/en/2022/HCA001407\\_2022.docx&mobile=N](https://legalref.judiciary.hk/lrs/common/ju/loadPdf.jsp?url=https://legalref.judiciary.hk/doc/judg/word/vetted/other/en/2022/HCA001407_2022.docx&mobile=N)

### HK Proceedings: Cost Awards

5.7.3 The JPLs' legal representatives are preparing a bill of costs and liaising with the defendants with respect to the quantum of the costs. If this cannot be agreed, taxation proceedings will have to be commenced.

### HK Proceedings: Appeal

5.7.4 Notices appealing the 8 February HK Judgment and the 4 March 2024 Order were received from TZ and PIML on 7 March 2024. Supplemental Notices of Appeal were received from AC on 18 March 2024. Notice to set down the appeal was filed by TZ and AC on 13 March 2024 and by PIML on 25 April 2024.

5.7.5 The appeal is scheduled to be heard on 28 November 2024 in the CoA. The JPLs are continuing to work alongside their legal representatives in preparation for the appeal.

### Maxcess

5.7.6 As outlined in the Sixth Report and Seventh Report, the JPLs and Maxcess appeared before the HK Court for a substantive hearing of the Maxcess winding-up petitions on 15 April 2024. The matter was adjourned by the HK Court until 9 August 2024 and a cost award was given in favour of Maxcess in relation to the adjournment, the quantum of which is yet to be agreed or taxed.

5.7.7 On 18 April 2024, the JPLs filed further evidence with the HK Court in respect of the circumstances of the loan agreement execution underpinning the Maxcess winding-up petitions.

5.7.8 On 3 May 2024, further affirmations in response were filed by Albert Chen and Ng Ho Yuen Howard.

5.7.9 On 1 August 2024 and 2 August 2024, the JPLs and Maxcess respectively lodged supplemental skeletons.

5.7.10 On 9 August 2024, the JPLs and Maxcess appeared before the HK Court at substantive hearing of winding-up petitions. The HK Court determined that Stem South (BVI) and CSC Holdings were unable to dispute the debts in question on *bona fide* grounds. On 9 August 2024, written reasons were delivered in which the HK Court noted that the parties were in agreement that the HK Court should not immediately proceed to make orders winding up the companies in question but to adjourn the matter to 12 August 2024 instead to allow the two companies an opportunity to pay the debts.

5.7.11 On 12 August 2024, orders were made regarding the winding up of Stem South (BVI) and CSC Holdings should payment of the debts not be made within the extension of 14 days.



- 5.7.12 Given the adverse decision of the HK Court and the impending deadline, the JPLs took urgent steps to obtain additional funding to repay the debts owing to Maxcess, in order to preserve GCBC's equity interest in Stem South (BVI) and CSC Holdings.
- 5.7.13 On 14 August 2024, the JPLs arranged payment of the debt owing by CSC Holdings to Maxcess.
- 5.7.14 On 21 August 2024, the JPLs entered into a security agreement and loan agreements to obtain sufficient funding to repay the Maxcess debts.
- 5.7.15 On 22 August 2024, the JPLs arranged payment of the debt owing by Stem South (BVI) to Maxcess. In this regard the loans subject to the Maxcess winding-up petitions have been paid in full, however, the question of the petitioning costs is yet to be determined by the HK Court.

## 5.8 PRC

- 5.8.1 The JPLs, in conjunction with their legal counsel, are continuing to progress their efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries, as well as allow the business to continue to operate with as little interruption as possible.
- 5.8.2 The JPLs are pursuing claims in a number of provinces to obtain control of the PRC Subsidiaries and are continuing to progress their efforts to pursue claims to safeguard the assets of PRC Subsidiaries.
- 5.8.3 The JPLs' PRC counsel, review the public filings on a weekly basis in respect of the PRC Subsidiaries to monitor any filings, change of shares issued etc.
- 5.8.4 The JPLs' PRC counsel identified a newly established company, Shenzhen Zhuoyuan Stem Cell Engineering Co., Ltd, incorporated on 14 August 2024 by Shandong Qilu Stem Cell Engineering Co. Ltd ("Qilu"), and two other entities. Qilu is an indirect subsidiary of GCBC based in the PRC. Given

the recency of the incorporation, there is limited information available regarding the company.

## 5.9 US

### NYSE

- 5.9.1 As at the date of this report, the Company continues to be delisted from the NYSE. However, the JPLs have continued to comply with regulatory requirements by issuing 6-Ks on the SEC platform where appropriate.

Given the JPLs' investigations into the Company's financial position are ongoing, the Company's was unable to timely file its annual report for the financial year ended 31 March 2024, without unreasonable effort or expense. In this regard, on 9 August 2024, the JPLs filed a form 12B-25 'Notice of Late Filing' on the SEC platform, which is available below:

<https://www.sec.gov/Archives/edgar/data/1467808/000092963824002758/global12b.htm>

### Section 1782 Proceedings

- 5.9.2 As detailed in the Sixth Report, the Petitioner has also historically filed an application under title 28 of the United States Code (Section 1782) for a subpoena against Cellenkos and a variety of parties connected to the Cellenkos Transaction.
- 5.9.3 Currently, the JPLs aren't in a position to take any further steps in respect of that proceeding.

### Derivative Shareholder Complaint

- 5.9.4 Since the Seventh Report, the Court has set down a hearing date of 5 September 2024 to consider the standing of the plaintiff of the Derivative Shareholder Complaint to pursue derivative relief. There have not been any other substantive updates regarding the complaint.



5.9.5 The JPLs will continue to monitor this derivative claim for any significant updates.

#### **Class Action Complaint**

5.9.6 As detailed in §5.3.1, a Class Action Complaint has been filed in the Southern District of New York that names the Company as a defendant. The JPLs are awaiting the plaintiff to amend its complaint, which is required by 20 September 2024, following which, the defendants' pre-motion letters and the plaintiff's reply to those letters are respectively due to be filed by 28 October 2024 and 21 November 2024.

5.9.7 The JPLs are considering the Class Action Complaint and what steps (if any) the Company should take in those proceedings.

## 5.10 Communications with stakeholders

5.10.1 The JPLs issued a Form 6-K with confirmation that on 3 June 2024, the JPLs furnished their Eighth Report to the Court. A copy of the Eighth Report is available on the Company's website which can be accessed here:

[https://ir.globalcordbloodcorporation.com/static-files/GCBC\\_Report\\_3\\_June\\_2024.pdf](https://ir.globalcordbloodcorporation.com/static-files/GCBC_Report_3_June_2024.pdf)

5.10.2 The JPLs have also set-up a bespoke website that includes FAQs, the eight reports to date and downloadable proof of debt forms. Stakeholders can access this website here:

<https://www.grantthornton.ca/en/service/advisory/creditor-updates/#Global-Cord-Blood-Corporation>

5.10.3 The Company's creditors and shareholders can contact the JPLs at [GCBCJPLs@uk.gt.com](mailto:GCBCJPLs@uk.gt.com). This email account is monitored regularly by the JPLs.

5.10.4 The JPLs are continuing their investigations in respect of the affairs of the Group and in that regard request shareholders to provide any information or records they may have in relation to the Company.

## 5.11 Investigations

5.11.1 Investigations into the affairs of the Company and its subsidiaries are ongoing and complex. Some matters being investigated are confidential and commercially sensitive. As detailed earlier in this report, there are also ongoing proceedings which are subject to disclosure rules and codes of conduct in those jurisdictions. Accordingly, consistent with the JPLs' approach to date, this report omits commercially sensitive or confidential information that could prejudice the outcome of the Provisional Liquidation or any proceedings. The JPLs are therefore not able to disclose the full results of their investigations to date.

5.11.2 As the investigations progress and further steps are taken by the JPLs, the results of these investigations and actions taken with respect to them will be reported to stakeholders, but only where this would not prejudice the Company's interests (e.g. by potentially cutting-across any steps to bring proceedings or make recoveries). All comments, findings and observations herein resulting from the JPLs' investigative efforts to date are subject to further investigation and verification. Such further investigation is contingent on the JPLs obtaining access to and examining of books and records, financial, banking, and communications data, as well as interviews of former management.

# 6 Funding and costs to 30 June 2024

## 6.1 Funding

- 6.1.1 It was apparent very early on in the JPLs' appointment that the Company's access to cash and the funding necessary to take appropriate steps to recover and secure the assets was significantly challenged. These circumstances imposed significant difficulty and pressure on the JPLs and service providers to undertake the steps necessary to protect and secure the Company's interest in circumstances where it has been stripped of its assets and cash put beyond the reach of the JPLs.
- 6.1.2 The expenses required to engage and co-ordinate both urgent and important workstreams to secure and control the assets across multiple jurisdictions are, and will continue to be, considerable. The JPLs' highest priority is securing and protecting the assets of the Company with the resources available.
- 6.1.3 Pursuant to the Order, the JPLs are able to exercise the power to raise and borrow money and grant securities therefor over the property of the Company. Accordingly, the JPLs have held, and are in, discussions with several parties who provide litigation and/or liquidation financing as well as the Company's stakeholders in order to seek funding for the liquidation. This may include a proposal that the Company issue additional GCBC shares to existing shareholders in exchange for cash consideration.
- 6.1.4 The JPLs have received some level of financing to date and would welcome expressions of interest from any other parties which can be sent to [GCBCJPLs@uk.gt.com](mailto:GCBCJPLs@uk.gt.com).

## 6.2 JPLs' Remuneration and Legal Costs

- 6.2.1 The costs of the liquidation (including the JPLs' professional fees and those of their instructed counsel) up to 30 June 2024, amount to approximately US\$23.34 million as set out below:

Costs to Date	Total US\$'000
Liquidators' Fees & expenses	12,831
Legal Fees and expenses	10,513
<b>Total</b>	<b>23,344</b>

\*Time incurred from JPLs' appointment on 22 September 2022 to end of Q2 2024.

- 6.2.2 The costs outlined above represents approximately 1.73% of the total Group assets as per its latest annual report filed with the SEC for the year end 31 March 2022.

## 6.3 Draw-down on Fees

- 6.3.1 On 6 August 2024, the directors of CSC East BVI drew-down on US\$128,369 pursuant to costs incurred in line with directorship service agreements.

## 6.4 Fee approval

- 6.4.1 Approval of the JPLs' Fees and expenses for the period 22 September 2022 to 30 September 2023 is being sought with the Cayman Court – as outlined in §5.5.12 of this report.

# 7 Next steps

## 7.1 Immediate next steps

7.1.1 The key areas of focus for the JPLs in the immediate term are as follows:

### HK Proceedings

7.1.2 Following a successful judgment being handed down in respect to the HK proceedings, the JPLs will continue taking steps to enforce cost orders against AC, TZ, Notake and Sonoe and defend the appeal of the 8 February 2024 HK Judgment and the 8 March 2024 Order.

### PRC

To JPLs will continue safeguarding and obtain control over the key assets in the PRC as a matter of urgency and progressing the JPLs' asset preservation proceedings begun in Beijing.

### Funding

7.1.4 Negotiating and taking all necessary steps to obtain sufficient funding to enable the continued progress of the provisional liquidation.

### Fee Application

7.1.5 Appearing before the Court on 9 October to seek approval of the JPLs' fees and disbursements for the Fee Approval Period

## 7.2 Strategy to 31 December 2024

7.2.1 The JPLs' over-arching strategy until the end of the year remains similar to that stated in prior reports to date namely:

- a) Take all steps to obtain control of the PRC Subsidiaries and preserve the value of the Group;
- b) Identify, locate and secure, all assets of the Group;

- c) Identify and locate any institutions and/or individuals that may have precipitated any concealment, misappropriation and/or dilution of assets;
- d) Obtain such disclosure as necessary to trace the whereabouts of any assets transferred or paid away from the Company; and
- e) Take appropriate steps for cooperation in multiple jurisdictions with a view to secure and compel production of documents and protection of assets.

## 7.3 Reporting

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



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Signed John Royle – Joint Provisional Liquidator of the Company

2 September 2024

# Appendix A – Chronology of Key Events

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

**3 June 2024:** The JPLs furnished their eighth report to the Court and lodged notice by 6-K on the SEC platform.

**3 July 2024:** The JPLs appeared before the HK Court in the HK proceedings and an appeal date was scheduled for 28 November 2024.

**9 July 2024:** United States District Court made orders to appoint lead counsel and a new lead plaintiff in the class action complaint against the Company, amongst others.

**17 July 2024:** The JPLs filed an amendment to the Fee Approval Summons with the Court.

**17 July 2024:** The JPLs received orders extending the Court timeline for the Class Action Complaint, requiring the new lead plaintiff to amend their complaint by 20 September 2024, following which, the defendants' pre-motion letters and the plaintiff's reply to those letters are respectively due to be filed by 28 October 2024 and 21 November 2024.

**18 July 2024:** The third affidavit of John Royle was filed with the Court in support of the Amended Summons. On the same day, the JPLs issued correspondence to the Company's contributors providing notice of the third affidavit and updated information with respect to the Amended Summons, which was lodged by 6-K on the SEC platform.

**24 July 2024:** The fourth affidavit of John Royle was filed with the Court in support of the Amended Summons.

**25 July 2024:** The JPLs issued further communication to the Company's shareholders with updated information with respect to the Summons.

**30 July 2024:** The JPLs' Amended Summons was part-heard by the Court and resulted in the Court ordering that the JPLs' terms of remuneration be approved in the form annexed at Annexure A to the 30 July Order and hearing of the remainder of the Amended Summons be adjourned and re-listed for hearing on or after 7 October 2024. The parties agreed to schedule the hearing on 9 October 2024.

**1 August 2024:** The JPLs lodged supplemental skeletons in relation to the Maxcess winding-up petitions.

**2 August 2024:** The JPLs completed the sale of GCBC's indirect interest in Cordlife.

**6 August 2024:** The JPLs issued correspondence to the INEDs contesting their assertions for entitlement to an indemnity in response to the class action complaint.

**9 August 2024:** The JPLs attended a substantive hearing before the HK Court to defend the Maxcess winding-up petitions, at which, a judgment was handed down allowing a final opportunity for the defendants to pay the debt owing to Maxcess.

**9 August 2024:** The JPLs issued a notice to shareholders via the Company's website, providing inter alia, details of the outcome of the part hearing of the Amended Summons, together with a copy of the Court orders.

**9 August 2024:** the JPLs provided copies of their timesheets for the Fee Approval Period to relevant parties (in accordance with the requirements of the orders).

**9 August 2024:** The JPLs filed a form 12B-25, 'Notice of Late Filing' on the SEC platform in relation the Company's inability to file an annual report for the financial year ending 31 March 2024.

**14 August 2024:** The JPLs arranged payment of the debt owing by CSC Holdings to Maxcess.

**21 August 2024:** The JPLs entered into a security agreement and loan agreements to obtain sufficient funding to repay the Maxcess debts.

**22 August 2024:** The JPLs arranged payment of the debt owing by Stem South (BVI) to Maxcess.



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