

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

Third 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 20 February 2023. The JPLs have relied upon information that is available to them and recognise that this information may be incomplete and that they await third party verification. Accordingly, the JPLs consider there will be further developments in their investigations of the Company's affairs which will be incorporated in the JPLs subsequent reports to the Court.
- 1.1.3 This report should be read in conjunction with the First Report and Second Report, and this report sets out the progress of the liquidation for the period 24 November 2022 to 20 February 2023.

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

Albert Chen	Albert Chuen Bing Chen, former Chief Financial Officer of the Company	BVI	British Virgin Islands
Authority Application	Summons issued by the Litigation Steering Committee seeking declarations and or orders that they have the authority to oppose the Petition and engage attorneys and counsel for the purpose of the Petition Proceedings	BVI Amendment Application	An application that GMSC made on 1 November 2022 to make substantive amendments to its pleaded case in the BVI Proceedings
Baoman	Jinan Baoman Science & Technology Development Co., Ltd – registered in the PRC and indirectly wholly owned by GCBC	BVI Subsidiaries	Cellenkos GP Limited; China Stem Cells (East) Company Limited (BVI reg no: 1050377); China Stem Cells (West) Company Limited BVI reg no: 1050379; China Stem Cells (North) Company Limited (BVI reg no: 1050380); China Stem Cells (South) Company Limited (BVI reg no: 1050378) – incorporated in the British Virgin Islands and indirectly wholly owned by GCBC
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	Cayman Share Charge	Shares in the Company which are subject to an alleged share charge dated 30 March 2018
Blue Ocean HK	Blue Ocean HK is a company incorporated under the laws of Hong Kong and the legal owner of the 72 issued and fully paid shares in the Petitioner. However, the beneficial ownership of the shares in the Petitioner is in dispute	Cayman Subsidiaries	CCBS and CSC Holdings
Board Order	Order issued by the Court on 14 February 2023 and filed 16 February 2023 sanctioning the JPLs exercising the power to remove all existing members of the Former Board	Cellenkos	Cellenkos Inc – registered in Delaware, specialises in stem cell therapy and was the target entity in the 29 April 2022 Cellenkos Transaction
		Cellenkos GP Limited	BVI registered company number 102983 and fully owned by GCBC

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	Expert Reports	The expert reports in respect of the allegedly forged Cayman Share Charge
Chapter 15	Refers to an application for US Bankruptcy Code Chapter 15 relief filed by the JPLs in the US Bankruptcy Court, Southern District of New York on 7 October 2022	Favorable Fort	Favorable Fort Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC
Chen Hong	Beijing Jiachenhong Biological Technologies Co., Ltd – incorporated in the PRC	First Report	First Report prepared by the JPLs, submitted to the Court on 20 October 2022 and published on the GCBC website
CISIL	China In Shine Investment Limited, BVI registered company and purported initial recipient of the Transferred Subsidiaries	Former Board	The Company's former board of directors consisting of Mark D. Chen, Albert Chuen Bing Chen, Jacky Cheng, Jack Chow, Ken Yungang Lu, Jennifer J. Weng, Xu Ping, Ting Zheng (information from general registry of the Cayman Islands)
Collateral Use Application	Application filed by the Petitioner seeking permission in the BVI Proceedings to disclose documents to the JPLs, including all documents disclosed by GMSC, the expert reports in respect of the allegedly forged Cayman Share Charge, witness statements and affidavits	GCBC or the Company	Global Cord Blood Corporation (In Provisional Liquidation)
Court	The Grand Court of the Cayman Islands	GCBC HQ	48/F Bank of China Tower, 1 Garden Road, Central, Hong Kong, the headquarters of GCBC
Enjoined HK Directors	Albert Chen and/or Tinga Zheng and/or Notake Minori	GM Investment	GM Investment Company Limited, a HK-based company and GMSCL's sole shareholder
		GMSCL	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
		GMSCL	Golden Meditech (Shanghai) Company Limited

GMSCL's Standing	The issue of GMSCL's standing, right to intervene and/or joinder	INEDs	The former Independent Non-Executive Directors (of GCBC)
Group	the Company and its subsidiaries including the Cayman Subsidiaries, the HK Subsidiaries, the PRC Subsidiaries, and the BVI Subsidiaries	JPLs	Margot MacInnis, John Royle and Chow Tsz Nga Georgia, the Joint Provisional Liquidators of GCBC
GT	Grant Thornton (a collective term for both GTHK and GTSS)	Litigation Steering Committee	The Litigation Steering Committee is made up of Ting Zheng, Albert Chen, Mark Chen, Ken Lu, Jennifer Weng, Jacky Cheng, Jack Chow and excludes Xu Ping
GTHK	Grant Thornton Recovery & Reorganisation Limited (located in Hong Kong)	Lukou	Zhejiang Lukou Biotechnology Co., Ltd – registered in the PRC
GTSS	Grant Thornton Specialist Services (Cayman) Limited	Maxcess	Maxcess Finance Limited, registered as a private limited company in HK with Money Lender's License Number 0640/2022
HK	Hong Kong	Notake	Notake Minori, believed to be a resident of Japan, purportedly appointed to the boards of CSC Holdings, Stem South (BVI), Stem North, Stem East, CSC South, and Favorable Fort
HK Court	The High Court of the Hong Kong Special Administrative Region	Nuoya	Guangzhou Municipality Tianhe Nuoya Bio-engineering Co., Ltd
HK Proceedings	The legal proceedings initiated by the JPLs in HK regarding the HK Subsidiaries as previously outlined in the Second Report	NYSE	New York Stock Exchange
HK Registrar	The HK Companies Registry of 14th Floor, High Block, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong	Order	Order to appoint the JPLs on 22 of September 2022 by the Court, as amended from time to time
HK Subsidiaries	Stem North and/or Stem West and/or Stem East and/or Stem South and/ or Favorable Fort		

Petition	Order to appoint the JPLs on 22 September 2022 by the Court, as amended from time to time		July 2022 Judgement in the Petition Proceedings set aside on the grounds that it was procured by fraud
Petitioner	The proceedings commenced by the Petitioner before the Court having been assigned FSD Cause Number 108 of 2022 (IKJ)	Sonoe	Sonoe Muramatsu, believe to be a resident of Japan, purportedly appointed to the boards of the HK Subsidiaries
Petition Proceedings	The proceedings commenced by the Petitioner before the Cayman Court with cause number 108 of 2022 (IKJ)	Stem North	China Stem Cells (North) Company Limited – incorporated in Hong Kong
PRC	People’s Republic of China	Stem South	China Stem Cells (South) Company Limited – incorporated in Hong Kong.
PRC Subsidiaries	Chen Hong, Lukou, Nuoya, Baoman, and Qilu	Stem South (BVI)	China Stem Cells (South) Company Limited – incorporated in the British Virgin Islands
Prime Intelligent	Prime Intelligent Management Limited, purported corporate secretary of the HK Subsidiaries, whose appointment validity is being contested by the JPLs in the HK Proceedings	Stem West	China Stem Cells (West) Company Limited – incorporated in Hong Kong and indirectly wholly owned by GCBC
Qilu	Shandong Province Qilu Stem Cells Engineering Co., Ltd. – registered in the PRC and indirectly owned by Favorable Fort (24% shareholding)	Tier 1 Subsidiaries	Nuoya, Chen Hong, and Baoman
Replacement Directors	Sandipan Bhowmik, Denny Cheuk Kai Tse, and Nigel Valentino Trayers, all employees of GT	Ting or Tina Zheng	Former Chairperson and Executive Director of GCBC (as well as director of GMHL until 24 May 2019)
Second Report	Second Report prepared by the JPLs, submitted to the Court on 1 December 2022 and published on GCBC’s website	Transferred Subsidiaries	Subsidiaries which were purportedly transferred away from the Group, mainly being Stem North, Stem South, Favorable Fort and Stem East
Set Aside Summons	Petitioner’s summons which seeks to have the 29		

Variation Application

JPL's 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

Variation Order

Order effective 20 February 2023 resulting from the JPLs' Variation Application

4 Executive Summary

4.1 Summary

- 4.1.1 Since the Second Report, the JPLs have continued to take steps necessary to take control of the Group and prevent asset dissipation. Securing and protecting the Group's operating businesses in the PRC remains an urgent and important priority for the JPLs.
- 4.1.2 The JPLs' efforts have been impeded by the actions of various parties whose intentions appear to be to frustrate access to and control of the HK Subsidiaries and PRC Subsidiaries and the Group's operating businesses which include:
- a) transactions designed to move the majority of the assets of the Group out of JPLs' control;
 - b) non-cooperation and deliberate steps being taken by the Company's Former Board (excluding Xu Ping) to frustrate the JPLs' authority despite evidence that they are aware of the Order appointing the JPLs and its terms; and
- 4.1.3 The JPLs have taken steps to defend and protect the Company against attempts to remove assets from the structure by:
- a) obtaining interim orders that Albert Chen, Ting Zheng, CISIL and Sonoe be joined as defendants to the HK Proceedings pending the outcome of a three-day hearing scheduled for May 2023;
 - b) obtaining urgent interim relief in the HK Proceedings to prevent i) further dissipation of the shares in the HK Subsidiaries by Notake and Sonoe ii) to prevent Notake and Sonoe from holding themselves out or acting as directors or shareholders of the HK Subsidiaries and/or carrying out actions in the name of the HK Subsidiaries;
- c) removing all existing members of the Former Board and appointing in their place the Replacement Directors in their place, each of whom is also associated with GT, as members of the Board;
 - d) obtaining an order from the Court varying the current Order to include, *inter alia*, a penal notice that would be triggered in the event of further non-cooperation of the Former Board;
 - e) orders ancillary to the Order requiring the Former Board (other than Xu Ping) to provide documents belonging to the Company and for the examination of the Former Board (other than Xu Ping);
 - f) investigating the validity of the winding-up petitions against Stem South (BVI) and CSC Holdings and formulating a response and strategy in respect to the same; and
 - g) continuing efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries.

4.2 Next Steps

- 4.2.1 The JPLs will continue to investigate and 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, in order to do so the JPLs require access to funding.
- 4.2.2 It was apparent very early on in the JPLs' appointment that the lack of available assets and cash would be one of a number of challenges for the JPLs to address in circumstances where the Company had been stripped of its assets and cash put beyond the reach of the JPLs. The JPLs have identified a funder who is willing to bridge the liquidity issues of the Company and have agreed commercial terms with this funder. The JPLs

will be making an application to the Court to sanction the terms of this funding. This is discussed further in §9 of this report.

4.2.3 The lack of funds has put significant pressure on the JPLs and the Company's service providers to undertake the work necessary to obtain control and secure the assets of the Company and value to its stakeholders. With the benefit of a successful application for funding the JPLs will continue to prioritise these steps including:

- 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;
- e) take appropriate steps for cooperation in multiple jurisdictions with a view to secure and compel production of documents and protection of assets; and
- f) to investigate and, where appropriate, bring proceedings against any individual or entity to aid the recovery of the Company's assets.

5 Actions taken by the JPLs since the Second Report

5.1 Books and Records

- 5.1.1 Since the Second Report, the JPLs have written to a number of additional parties notifying them of their appointment (including relevant directorship appointments of subsidiaries) and requested books and records and other information relating to the Company and its subsidiaries that would assist their investigations, bringing the total number of unique parties contacted to approximately 160.
- 5.1.2 The JPLs have also written to the former employees of the Company. To date, no responses have been received.
- 5.1.3 As noted in the Second Report, whilst the JPLs have received responses from most parties, they have been provided with limited information to date and continue to engage with parties directly (and with the assistance of the JPLs' legal counsel) to establish a multi-faceted understanding of the Company's affairs through independent means.
- 5.1.4 While some service providers and legal advisors are cooperating with the JPLs and are providing the JPLs with information and records on a "rolling basis", the JPLs have not received meaningful cooperation or assistance from all parties who would have information and records of the Company.
- 5.1.5 The JPLs' efforts to understand the operations and financial status of the underlying subsidiaries of the Group are ongoing and have been frustrated by the lack of cooperation from the Former Board and a number of former service providers of the Company. As of the date of this report, it continues to be the case that none of the Former Board, other than Xu Ping, have co-operated with the JPLs. Due to the lack of co-operation, the JPLs have only been able to access minimal Company

records to enable them to assess the current financial position of the Company.

- 5.1.6 The JPLs discuss the lack of cooperation from the Former Board (save for Xu Ping) and obstructive steps taken by parties who appear to be connected with GMSCL, GMHL, the Enjoined HK Directors and Yuen Kam later in this report, including steps successfully taken by the JPLs with a view to obtaining the Company's books and records (and other information) from the Company's Former Board.

5.2 Assets

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

Bank Accounts

- a) bank accounts for GCBC with a total balance of US\$214k; and
- b) bank accounts for subsidiaries of GCBC with a total balance of US\$49k and HK\$135k.

Retainer Refunds

- 5.2.2 Since the Second Report, the JPLs have received a refund of retainer from former Cayman Islands counsel to the Company netting approximately US\$246k. This is in addition to the net funds received previously of approximately US\$271k from former Cayman Islands counsel to the Company mentioned at §5.2.2 of the Second Report.

Insurance Refund

- 5.2.3 The JPLs have cancelled the D&O insurance taken out by the Company prior to the appointment of the JPLs and are due a refund in excess of US\$247k.

Refundable Earnest Deposit

- 5.2.4 The financial statements of the Company for the years ended 31 March 2020, 2021 and 2022 include a RMB340m (c.US\$54m) non-current deposit asset, which is described as “a refundable earnest money deposit” relating to a “Letter of Intent with a third party to potentially acquire non-controlling equity interests in a healthcare company”.
- 5.2.5 Investigations into these matters remain ongoing.

5.3 Liabilities

- 5.3.1 To date, the JPLs have been notified of amounts claimed to be owed by the Company (pre-appointment) in the amount of c. US\$983k.
- 5.3.2 A number of proofs of debts have been submitted and the JPLs are taking steps to notify any creditors to provide information about amounts that may be owed to them and to provide proofs of debts 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>.

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 needed to take control of GCBC’s corporate structure via its subsidiaries, including in the Cayman Islands, the BVI, HK, and the PRC.

5.5 Cayman Islands

Board appointments and resignations

- 5.5.1 On 16 February 2023, acting pursuant to the Order and the Board Order, the JPLs removed all existing members of the Former Board and appointed in their place the Replacement Directors, each of whom is also associated with GT, as members of the Board.
- 5.5.2 Notwithstanding their removal as directors of the Company, the Litigation Steering Committee are seeking, by way of their Authority Application, a declaration that they are able to defend the Petition Proceedings and to engage attorneys and counsel for such purposes. This application has been listed to be heard on 14 March 2023. Nothing in the Board Order prevents or otherwise prejudices the Company’s ongoing defence of the Petition Proceedings.

Maxcess

- 5.5.3 Please refer to §5.7.17 of the report for details of a winding up petition that has been filed by Maxcess against CSC Holdings in the HK Court.

5.6 BVI

Cellenkos Holdings L.P.

- 5.6.1 Since 12 January 2023, the Company, in its capacity as sole shareholder (pursuant to the Cellenkos Transaction which is still under investigation) of Cellenkos GP Limited (the general partner Cellenkos Holdings L.P.), have been in contact with Cellenkos Holdings L.P.'s registered agent to request the books and records of the partnership pursuant to Cellenkos GP Limited's management powers under Cellenkos Holdings L.P.'s Limited Partnership Agreement.
- 5.6.2 The JPLs have now been granted access to Cellenkos Holdings L.P.'s corporate file and are continuing to liaise with the partnership's registered agent to acquire any further available information.

Maxcess

- 5.6.3 Please refer to §5.7.17 of this report for details of winding up petitions that have been presented by Maxcess against CSC Holdings and Stem South (BVI) in the HK Court.

5.7 HK

- 5.7.1 Since the Second Report, the JPLs have continued to take a number of steps to obtain control of the HK Subsidiaries. A chronology which includes details of the steps taken in HK and/or events concerning the HK Subsidiaries since the Second Report is set out below for ease of reference at Appendix A.

Removal of contentious and non-HK Directors

- 5.7.2 By shareholder resolutions passed on 12 December 2022 at a general meeting of the sole member of each of Stem North, Stem South, Favorable Fort and Stem East, the JPLs have formally removed Notake

from the boards of each of the HK Subsidiaries (notwithstanding the JPLs' position that Notake's appointment was invalid).

Injunctions

- 5.7.3 The HK Injunction Orders remain in place. Since the Second Report, the JPLs have served the HK Injunction Orders on the Enjoined HK Directors by sending sealed copies to their last known addresses, including their residential addresses and Prime Intelligent's registered office address (by way of substituted service pursuant to orders of the HK Court).
- 5.7.4 Prime Intelligent has now filed evidence in opposition to the HK Proceedings which, among other things, alleges that 100% of the shares in the Transferred Subsidiaries have been purportedly transferred away from the Group to CISIL for US\$1 each on 12 September 2022 (prior to the appointment of JPLs). The documents disclosed contend that the shares in the Transferred Subsidiaries were then transferred by CISIL to Sonoe, again for US\$1, on the following day (13 September 2022). The documents further suggest that following these purported transfers, shares in the HK Subsidiaries were allotted to Notake, and Notake and Sonoe were appointed directors of each of the HK Subsidiaries.
- 5.7.5 The JPLs' investigations into these allegations remain ongoing. So far the JPLs have identified materials which strongly indicate the documents evidencing these purported share transfers were created after the JPLs' appointment.
- 5.7.6 The JPLs' forensic investigations have to date also identified a possible connection between CISIL and Yuen Kam. CISIL appears to be a shareholder in a BVI incorporated company, Meditech Global Group Limited of which Yuen Kam appears to be the sole director. Meditech Global Group Limited in turn appears to be a shareholder of GMHL.
- 5.7.7 As a result of these disclosures and discoveries, by applications filed on 7 February 2023 the JPLs sought:

- a) orders that Albert Chen, Ting Zheng, CISIL and Sonoe be joined as defendants to the HK Proceedings;
 - b) leave to amend the JPLs' Writ of Summons and Statement of Claim in the HK Proceedings, to (i) set aside the purported share transfers referred to in §5.7.4 above and (ii) update the existing claims to set aside the purported share allotments; and
 - c) urgent relief in the HK Proceedings seeking, *inter alia*, injunctions to prevent further dissipation of the shares in the HK Subsidiaries by Notake and Sonoe, to prevent them from holding themselves out or acting as directors of the HK Subsidiaries, and to prevent Ting Zheng and Albert Chen from holding out that Notake and Sonoe are shareholders or directors of the HK Subsidiaries and/or carrying out actions in the name of the HK Subsidiaries.
- 5.7.8 On 10 February 2023, the JPLs successfully obtained further orders in the HK Proceedings. The effect of these orders is that the JPLs have obtained further injunctive relief. The parties listed above have been joined to the HK Proceedings, that the JPLs have leave to amend the Writ of Summons and Statement of Claim.
- 5.7.9 Further, the HK Court has previously directed that there will be a three-day hearing from 23 – 25 May 2023 for the substantive determination of the claims in the HK Proceedings against Prime Intelligent. The HK Court, at the 10 February 2023 hearing, gave leave to the JPLs to apply to have issues in the HK Proceedings (on the amended pleadings) determined as preliminary issues against all parties (including newly joined parties) at the May 2023 hearing.
- 5.7.10** Notake has defaulted in filing acknowledgement of service of the original writ of summons. On 14 February 2023, Ting acknowledged service of the amended writ of summons in respect to Favorable Fort. On 17

February 2023, Albert also acknowledged service of amended writ of summons in respect to Stem East, Stem South, and Stem North.

Statements of Claim

- 5.7.11 The Statements of Claim in the HK Proceedings were duly filed and served on Prime Intelligent and the Enjoined HK Directors on 2 December 2022. Prime Intelligent filed and served its Defence on 27 January 2023. As indicated above Notake did not file any acknowledgement of service or intention to defend.
- 5.7.12 Further to the orders made on 10 February 2023, referred to above at §5.7.7, amended Statements of Claim were filed by the JPLs in the HK Proceedings on 10 February 2023 and served on Prime Intelligent and the Enjoined HK Directors. The JPLs are in the process of applying for an order for leave to serve out of the jurisdiction and/or substituted service on CISIL and Sonoe.
- 5.7.13 On 17 February 2023, summonses were filed in accordance with the case management directions given by the HK Court and the JPLs have served these on Prime Intelligent, the Enjoined HK Directors, CISIL and Sonoe. A hearing for directions has been fixed on 23 March 2023.

GMHL and GCBC HQ

- 5.7.14 Since the Second Report, the JPLs have continued to press GMHL to respond to their outstanding requests for information pertaining to (i) the books and records of the Company, (ii) its claim for rental arrears and (iii) certain payments made by cheques authorised by Albert Chen to it from April 2021 to June 2022.
- 5.7.15 A review of the Company's Bank of China statements also demonstrates that there has been a total of US\$9.9 million of payments made by cheques authorised by Albert Chen to GMHL from that account from April

2021 to June 2022. The JPLs have queried these payments with GMHL and received no response to date.

- 5.7.16 The JPLs have drafted interrogatories which will be sent to the Former Board which *inter alia*, deal with the above. The Former Board (with the exception of Xu Ping) will be required to respond by sworn affidavit, failing which they will be in breach of the Variation Order.

Maxcess

- 5.7.17 On 11 January 2023, GCBC received (purportedly by way of service at the JPLs' Hong Kong offices) statutory demands in relation to CSC Holdings and Stem South (BVI) from legal representatives of Maxcess alleging that these subsidiaries owed US\$2,600,000 (in principal value) under the terms of two separate loan agreements purportedly entered into on 1 September 2022, prior to the JPLs' appointment.
- 5.7.18 Maxcess has since provided GCBC with sealed winding-up petitions in respect to CSC Holdings and Stem South (BVI), with hearing dates set for 11 April 2023 in the HK Court. Notices to Act have been filed for CSC Holdings and Stem South (BVI) in both winding up proceedings. The deadline to file any affidavit in opposition to the petitions is 14 March 2023.

5.8 PRC

- 5.8.1 The JPLs, in conjunction with their legal counsel, will continue to progress their efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries and allow the business to continue to operate with as little interruption as possible.
- 5.8.2 Prior to Prime Intelligent's disclosures regarding the purported transfer of the Transferred Subsidiaries, steps had already been taken by JPLs to

replace the original representatives and board of the Tier 1 PRC Subsidiaries with the JPLs' appointed equivalents.

- 5.8.3 The JPLs are aware there are significant operating assets in the Group and are taking advice as to the most appropriate manner to approach and safeguard 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 and measures available to them to protect and secure the business and ensure that the operating subsidiaries are not negatively impacted.

5.9 US NYSE

- 5.9.1 The NYSE have been provided with copies of the First and Second Reports and the JPLs remain in communication with the NYSE. Trading in the Company's shares on the NYSE remains halted.

5.10 Chapter 15

- 5.10.1 As detailed in our Second Report – the JPL's application for Chapter 15 relief was opposed by GMSCL and by the following (former) INEDs: Mark D. Chen, Jacky Cheng, Jack Chow, Ken Yungang Lu, Jennifer J. Weng.
- 5.10.2 The JPLs application for Chapter 15 relief was heard on 10 November 2022. On 5 December 2022 Judge David S. Jones delivered his judgment and denied the JPLs' application for Chapter 15 recognition.

5.11 Petitioner Application under Section 1782

- 5.11.1 Prior to the JPLs' appointment, the Petitioner had filed an application under title 28 of the United States Code (Section 1782) for a subpoena

against Cellenkos and a variety of parties connected to the Cellenkos Transaction.

5.11.2 The JPLs continue to monitor these proceedings.

5.12 Communications with stakeholders

5.12.1 On 2 December 2022, the JPLs issued a Form 6-K with confirmation that on 1 December 2022, the JPLs furnished their Second Report to the Court and that a copy of same is available on the Company's website: [2022.12.01 Second Report 70 day Global Cord.pdf \(globalcordbloodcorporation.com\)](https://globalcordbloodcorporation.com/2022.12.01_Second_Report_70_day_Global_Cord.pdf)

5.12.2 The JPLs have also set-up a bespoke website that includes FAQs, the First Report, the Second Report, as well as downloadable proof of debt forms. Stakeholders can access the website: <https://www.grantthornton.ca/en/service/advisory/creditor-updates/#Global-Cord-Blood-Corporation>

5.12.3 Creditors and shareholders can contact the JPLs at GCBCJPLs@uk.gt.com. This email account is monitored regularly by the JPLs.

5.12.4 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.

6 Investigations

6.1 Investigations

- 6.1.1 Investigations into the affairs of the Company and its subsidiaries are ongoing and complex. The JPLs set out in this section a high-level overview of the investigations undertaken in the period since the issue of the Second Report. To avoid repetition, we have not sought to restate the details of investigations as summarised in the Second Report.
- 6.1.2 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 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.
- 6.1.3 As the investigations progress and further steps are taken by the JPLs, the results of these investigations and actions taken with respect to them will be reported to stakeholders, but only where this would not prejudice the Company's interests (e.g. by potentially cutting-across any steps to bring proceedings or make recoveries).
- 6.1.4 The primary focus of the investigations to date has been in relation to (i) the structure and operating subsidiaries of the Company; (ii) the disposition of the Company's assets; (iii) the apparent related-party payments; (iv) the Cellenkos Transaction; (v) the whereabouts and actions of the Company's former management; (vi) service providers and the role they played; and (vii) information gathering from key counterparties and stakeholders.
- 6.1.5 The JPLs continue to gather intelligence from various sources including HK and PRC and other jurisdictions as required and the information gathered contributes to the wider understanding of the matter, the various individuals involved, and the carrying out of the JPLs' duties.
- 6.1.6 The JPLs continue to take all steps to locate, identify and take control of all the Company's bank accounts. The JPLs' efforts to identify the bank accounts are ongoing notwithstanding the challenge and obstruction caused by the lack of cooperation and lack of books and records. To date the JPLs have identified accounts belonging to the Group with an aggregate balance of c. US\$278k. Correspondence with the banks remains ongoing. Once additional bank statements are received, this should enable a partial funds flow analysis to be undertaken.
- 6.1.7 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.

7 The Former Board

7.1 Board appointments and resignations

7.1.1 As indicated in §5.5, on 16 February 2023, the JPLs removed all existing members of the Former Board and appointed in their place the Replacement Directors, each of whom is also associated with GT, as members of the Board.

7.2 The Former Board

7.2.1 As outlined in the Second Report, since their appointment, the JPLs have made numerous attempts to contact the Former Board. With the sole exception of Xu Ping, none of the Former Board have cooperated with the JPLs to date despite repeated requests made to them directly or through their legal counsel.

7.2.2 In our Second Report at §7.4 we explained that the Former Board had been provided with the Order and have been asked to cooperate with the JPLs on numerous occasions.

7.2.3 As foreshadowed at footnote 1 to §5.1.4 of our Second Report, counsel for the self-styled “independent directors” responded to a letter from the JPLs requesting books and records and other information regarding the Company by letter dated 30 November 2022. The letter asserts that the (former) INEDS are not in possession of any books and records of the Company and do not have control over access to the Company's headquarters.

7.2.4 In response, the JPLs by letter of 5 December 2022 invited the former 'independent directors' to meet with the JPLs. Counsel for the former independent directors were of the view that there would be no benefit in the former independent directors having a meeting with the JPLs, that

they held no information relating to the Company and considered that such a meeting would be a "complete waste of time".

7.2.5 In response to the Former Board's non-cooperation (with the exception of Xu Ping), on 16 January 2023 the JPLs filed the Variation Application and the Disclosure Application (as amended on 16 February 2023) in the Petition Proceedings, seeking *inter alia* the following:

- a) an order varying the current Order to include, *inter alia*, specific prohibitions in respect of the Former Board's powers and a penal notice that would be triggered in the event of further non-cooperation from the Company's former directors;
- b) orders ancillary to the Order requiring the Former Board (other than Xu Ping) to provide documents belonging to the Company and for the examination of the Former Board (other than Xu Ping); and
- c) orders for substituted service.

7.2.6 The Variation Application and Disclosure Application were heard in part on 17 February 2023 and the remainder of the application on 20 February 2023. The orders sought in the Variation Application and Disclosure Applications were granted.

7.2.7 The Former Board have 14 days from the date of service of the order to deliver up documents for examination (the Disclosure Order) to deliver up 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.

7.2.8 The Former Board will have 28 days from the date of service of the Disclosure Order to submit to the JPLs a verified affidavit containing answers to written interrogatories. Within 14 days of service of each verified affidavit, the JPLs shall advise the Former Board if they are required to attend for oral examination by way of service of an

examination notice. Upon service of an examination notice, the Former Board will be required to attend for oral examination at the JPLs' offices in the Cayman Islands.

7.2.9 Should a Former Board member disobey the Variation Order, this may result in the Former Board member being in contempt of the Court, and may be imprisoned, fined or have their assets seized.

7.2.10 The JPLs continue to investigate other potential wrongdoing by members of the Former Board.

8 Applications in the Petition Proceedings and in the BVI

8.1 Cayman Islands

8.1.1 A number of interlocutory applications have recently been made in the Petition Proceedings.

GMSCL summons to set aside the Petition

8.1.2 On 18 January 2023, GMSCL issued a summons seeking a strike out, stay, or be granted injunctive relief in respect of the Petition (the GM Summons).

8.1.3 Books and records to date indicate that GMSCL is a company which is ultimately owned and controlled by Yuen Kam, who in turn, owns and controls the Golden Meditech group companies and has particularly close links to Company's former directors, Albert Chen and Tina Zheng. According to several Chinese corporate aggregators, the sole shareholder of GMSCL is GM Investment – a HK-based company. Based on its most recently filed annual return (made up to 11 November 2022), GM Investment's sole shareholder is GMHL.

8.1.4 The Petitioner is adopting the position that GMSCL does not have standing to be joined or to intervene in the Petition Proceedings. The issue of GMSCL's standing, right to intervene and/or joinder (the GMSCL Standing Issues) is to be determined prior to the Set Aside Summons and the GM Summons, at a hearing on 14 March 2023.

Request by GMSCL to access the JPL's GCBC liquidation court file (the Court File)

8.1.5 On 19 January 2023 GMSCL wrote to the Court requesting access to the Court File, which was opposed by the Petitioner. On 24 January 2023, GMSCL wrote to the Court stating that they intend make an application to

Court to access the Court File. Accordingly, on 30 January 2023 the JPLs wrote a letter to the Court setting-out their concerns and the potential negative impact of sharing the Court File with GMSCL, given the potential links to GMHL and Yuen Kam.

8.1.6 The Court has not granted GMSCL access to the Court file as at the date of this report. By order of 1 February 2023, the Court ordered that all summonses, evidence and submissions relating to the GM Summons, the GMSCL Standing Issues and the Set Aside Summons be copied to all parties including GMSCL. The JPLs continue to monitor the request for access to the Court File.

Request to set aside the 29 July 2022 Judgement (Set Aside Summons)

8.1.7 The Set Aside Summons seeks to have the 29 July Judgement set aside on the grounds that it was procured by the fraud of the Company by way of the Former Board.

Litigation Steering Committee's Authority Application

8.1.8 On 8 February 2023, the Litigation Steering Committee issued a summons seeking declarations and or orders that they have the authority to oppose the Petition (including making or opposing ancillary applications) and engage attorneys and counsel for the purpose of the Petition proceedings (the **Authority Application**).

Case Management Directions

8.1.9 On 25 January 2023 the Court gave case management directions, which *inter alia* adjourned the hearing of the Petitioner's application previously

fixed for 15 February 2023 in respect to the Set Aside Summons at a date to be fixed after the determination of the GMSC Standing Issue and the Authority Application.

- 8.1.10 On 1 February 2023, a directions order was made by the Court setting down the timetable for *inter alia* the GMSC Standing Issues being determined ahead of the GM Summons. The Set Aside Summons was directed to be adjourned to a hearing date to be fixed in the future.

8.2 BVI

BVI Proceedings

- 8.2.1 In light of the GM Summons, the Petitioner wrote a letter to the Court dated 27 January 2023 to provide an update in respect of the proceedings in the BVI, in which the Petitioner and Blue Ocean HK filed proceedings against GMSC and in which GMSC claims, *inter alia*, that the Petitioner's shares in the Company are subject to a share charge dated 30 March 2018 and that accordingly, beneficial ownership of the Petitioner's shares in the Company have passed to GMSC. The Petitioner's position in the BVI Proceedings is that the Cayman Share Charge (and other documents) were forged, which was an issue which the parties agreed would be determined by expert evidence in the BVI Proceedings.
- 8.2.2 The BVI trial has been vacated and a hearing of certain applications including the petitioner's application for summary judgment in the BVI Proceedings has been scheduled for 21-23 March 2023.

BVI Amendment Application

- 8.2.3 By way of update, the Petitioner advised the Court that the BVI Proceedings had progressed, and that on 1 November 2022, GMSC made an application to make substantive amendments to its pleaded case in the BVI Proceedings (the BVI Amendment Application). This application was determined at a hearing before Justice Wallbank on 11 January 2023 and the Petitioner advised the Court that what emerged

was that "*both parties' experts who were engaged to examine and opine on the authenticity of the Petitioner's signatures to the Cayman Share Charge (and various other documents) concluded that the signatures had been forged. This is obviously significant, not only in respect of the effect that it is likely to have on GMSC's case in the BVI Proceedings, but in light of the other evidence of forgery and fraud perpetrated by the Company's directors (who have close links to Kam and his associated Golden Meditech companies) in these Proceedings.*"

- 8.2.4 The Petitioner referred to the judgment of Justice Wallbank on 11 January 2023 in response to GMSC's BVI Amendment Application, stating that "*This proposed new case is clearly the construct, not of the parties themselves and commercial men behind this dispute, but by some lawyer or a team of lawyers who have been trying to think of ways of saving the defence in circumstances where the forgery on the share charges has become patent.*"

Collateral Use Application

- 8.2.5 The Petitioner has filed an application seeking permission in the BVI Proceedings to disclose documents filed in the BVI Proceedings to the JPLs, including all documents disclosed by GMSC, the expert reports in respect of the allegedly forged Cayman Share Charge (Expert Reports), witness statements and affidavits (the Collateral Use Application). The Petitioner's Collateral Use Application also seeks permission to use the Expert Reports in the Cayman proceedings.
- 8.2.6 The Collateral Use Application was listed to be heard on 28 February 2023¹. GMSC's further application to amend its Defence and Counterclaim in BVI was filed on 7 February and will be heard at the hearing on 12-23 March hearing.

¹ The Collateral Use Application was heard on 28 February 2023 in the BVI (after the cut-off date of this report) and dismissed.

9 Funding and costs to 31 December 2022

9.1 Funding

- 9.1.1 It was apparent very early on in the JPLs' appointment that the lack of available assets and cash would be one of a number of challenges for the JPLs to address in circumstances where the Company had been stripped of its assets and cash put beyond the reach of the JPLs. The lack of funds has put significant pressure on the JPLs and the service providers to undertake the work necessary to obtain control and secure the assets of the Company and value to its stakeholders.
- 9.1.2 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. However, the costs being incurred are reasonable in proportion to the assets of the Company and the sums alleged to have been misappropriated. The JPLs' highest priority is securing and protecting the assets of the Company.
- 9.1.3 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 discussions with a number of parties who provide litigation and/or liquidation financing as well as the Company's stakeholders in order to seek funding for the liquidation. The JPLs have identified a potential provider of funding who is willing to bridge the short-term liquidity issues of the Company and have agreed to commercial terms with this funder. Those terms were the subject of extensive negotiation, and the JPLs will shortly apply to the Court for sanction of the exercise of the JPLs' power to borrow on the commercial terms agreed with this funder.
- 9.1.4 The current funding terms represent the only offer made notwithstanding months of discussions and negotiations with other parties who typically provide funding in these situations and an outreach to stakeholders who may be interested in providing the funding. Despite a very robust process, the JPLs have not received any other offers and most funders citing

(commonly) their lack of interest or ability to fund arising because: i) uncertainty of outcome and timing for recovery of assets; ii) the uncertainty of the position with respect to control and ownership over the collateral and iii) interest in funding the potential litigation claims only (which would likely be far more expensive than the present facility).

9.2 JPLs' Remuneration and Legal Costs

- 9.2.1 The costs of the liquidation (including the JPLs' professional fees and those of their instructed counsel) up to 31 December 2022, amount to c. US\$10 million as set out below:

Costs to Date	Q3	Q4	Total
	US\$'000	US\$'000	US\$'000
Liquidator's Fees and expenses	885	4,292	5,177
Legal Fees and expenses	685	4,195	4,880
Total	1,570	8,487	10,057

*Time incurred from JPLs' appointment on 22 September 2022 to end of Q3

9.3 Fee approval

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

10 Next steps

10.1 Immediate next steps

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

Funding

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

HK Proceedings

10.1.3 Determining various preliminary issues in the 23 – 25 May 2023 hearing of the HK proceedings, including, issues relating to the invalidity of the purported share allotments and purported share transfers in relation to the HK Subsidiaries, so that the JPLs' undisputed control of the HK Subsidiaries can be established (including with the HK Registrar) and further steps can be taken to prevent further disruption from the Enjoined HK Directors at the HK Subsidiaries level.

PRC

10.1.4 Safeguard and obtain control over the key assets in the PRC as a matter of urgency.

Maxcess winding-up petitions

10.1.5 Responding to the winding-up petitions presented by Maxcess to place CSC South (BVI) and CSC Holdings into liquidation with the HK Court.

10.2 Strategy to 30 June 2023

10.2.1 The JPLs' over-arching strategy until 30 June 2023 remain similar to those stated in the First Report and Second Reports, 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.

10.3 Reporting

10.3.1 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.



Signed Margot MacInnis – Joint Provisional Liquidator of the Company

1 March 2023

Appendix A – Chronology of Key Events

Chronology of Key Events (since the Second Report)

2 December 2022: Statements of claim in the HK Proceedings are served on the Prime Intelligent and the Enjoined HK Directors.

10 December 2022: General meetings for Stem East, Stem North, CSC South, and Favorable Fort are held to confirm the removal of Notake from their boards (notwithstanding the asserted invalidity of her appointments).

6 January 2023: Prime Intelligent submits its affirmations for the HK Proceedings which include details of the HK Purported Transfers.

11 January 2023: GCBC purportedly receives statutory demands from Maxcess regarding CSC Holdings and Stem South (BVI).

27 January 2023: Prime Intelligent submits its formal defences for the HK Proceedings.

27 January 2023: The JPLs replies to letter enclosing Maxcess' statutory demands.

1 February 2023: The JPLs request a 28-day time extension to file responses to Prime Intelligent's affirmations (originally due on 3 February 2023) which is subsequently accepted by Prime Intelligent.

6 February 2023: Prime Intelligent responds to the JPLs' requests for supporting evidence regarding their defenses (originally submitted on 27 January 2023).

6 February 2023: The Enjoined HK Directors fail to file their defenses to the HK Proceedings by the stipulated deadline.

7 February 2023: The JPLs file their amended Statements of Claim for the HK Proceedings, as well as the relevant documents to request the new injunctions against Notake, Sonoe, CISIL, Albert Chen, and Ting Zheng for the HK Subsidiaries.

7 February 2023: The JPLs receive details of the purported loan agreements between Maxcess and CSC Holdings, as well as Maxcess and Stem South (BVI).

10 February 2023: Wider injunction applications for the HK Subsidiaries are heard and granted to the JPLs on an interim basis.

16 February 2023: Acting pursuant to the Order and the Board Order, the JPLs removed all existing members of the Former Board and appointed in their place the Replacement Directors, each of whom is also associated with Grant Thornton, as members of the Board.

17 February 2023: The revised summonses for the HK Proceedings are submitted by the JPLs.

17 - 20 February 2023: The Variation Application and Disclosure Application are heard and approved by the Cayman Court.



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