

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

Fifth 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 25 August 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, Second Report, Third Report and Fourth Report. This report sets out the progress of the liquidation for the period 23 May 2023 to 25 August 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 or AC	Albert Chuen Bing Chen, former Chief Financial Officer of the Company	Cordlife	Cordlife Group Limited, a listed company registered in Singapore and indirectly owned by GCBC
BVI	British Virgin Islands	Court	The Grand Court of the Cayman Islands
BVI Proceedings	Proceedings in the BVI in which the Petitioner (and its associates) filed proceedings against GMSC and in which GMSC claims, <i>inter alia</i> 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	CSC Holdings	China Stem Cells Holdings Limited – incorporated in the Cayman Islands
Cayman Share Charge	Shares in the Company which are subject to an alleged share charge dated 30 March 2018	Enjoined HK Directors	Albert Chen and/or Tina Zheng and/or Notake Minori and/or Sonoe Muramatsu
Cellenkos	Cellenkos Inc – registered in Delaware, specialises in stem cell therapy and was the target entity in the 29 April 2022 Cellenkos Transaction	First Report	First Report prepared by the JPLs, submitted to the Court on 20 October 2022 and published on GCBC's website
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, <i>inter alia</i> , 114 million shares in the Company and US\$664 million cash	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)
		Fourth Report	Fourth Report prepared by the JPLs, submitted to the Court on 1 June 2023 and published on GCBC's website
		GCBC or the Company	Global Cord Blood Corporation (In Provisional Liquidation)
		GMSC	Golden Meditech Stem Cells (BVI) Company Limited, registered in the BVI. It sold its shareholding in GCBC to the shareholder of the Petitioner on 30 December 2016
		Group	The Company and its subsidiaries including, <i>inter alia</i> , the HK Subsidiaries and the PRC Subsidiaries

GT	Grant Thornton (a collective term for both Grant Thornton Recovery & Reorganisation Limited and Grant Thornton Specialist Services (Cayman) Limited)	NYSE	New York Stock Exchange
HK	Hong Kong	Petitioner	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 c. 65.4% in GCBC
HK Court	The High Court of the Hong Kong Special Administrative Region	PIML	Prime Intelligent Management Limited, purported corporate secretary of the HK Subsidiaries.
HK Proceedings	The legal proceedings initiated by the JPLs in HK regarding the HK Subsidiaries as previously outlined in the Second Report	PRC	People's Republic of China
HK Registrar	The HK Companies Registry of 14th Floor, High Block, Queensway Government Offices, 66 Queensway, Admiralty, Hong Kong	PRC Subsidiaries	GCBC's indirectly owned, operating PRC subsidiaries
HK Subsidiaries	GCBC's indirectly owned HK subsidiaries, the majority of which are currently party to the HK Proceedings	Second Report	Second report prepared by the JPLs, submitted to the Court on 1 December 2022 and published on GCBC's website
INEDs	The former Independent Non-Executive Directors (of GCBC)	Set-Aside Summons	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
JPLs	Margot MacInnis, John Royle and Chow Tsz Nga Georgia, the Joint Provisional Liquidators of GCBC	Sonoe Muramatsu or Sonoe	Sonoe Muramatsu, believe to be a resident of Japan, purportedly appointed to the boards of the HK Subsidiaries
Litigation Steering Committee or LSC	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	Stem South (BVI)	China Stem Cells (South) Company Limited – incorporated in the British Virgin Islands
Maxcess	Maxcess Finance Limited, registered as a private limited company in HK with Money Lender's License Number 0640/2022	Third Report	Third report prepared by the JPLs, submitted to the Court on 1 March 2023 and published on GCBC's website
Notake Minori or Notake	Notake Minori, believed to be a resident of Japan, purportedly appointed to the boards of CSC Holdings, Stem South (BVI), and the HK Subsidiaries.	Ting or Tina Zheng or TZ	Former Chairperson and Executive Director of GCBC (as well as director of GMHL until 24 May 2019)
		Varied Order	Order effective 20 February 2023 resulting from the JPLs' application to the Cayman Court by summons dated 16 January 2023

Yuen Kam

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

The former Chairman and Executive Director of the Company

4 Executive Summary

4.1 Summary

- 4.1.1 Since the Fourth Report, the JPLs have continued to take steps 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 have taken steps to defend and protect the Company against attempts to remove assets from the structure by (amongst other matters):
- a) Continuing efforts to take control of and safeguard the operating business and assets of the PRC Subsidiaries;
 - b) Continuing their investigation of 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 (to be heard on 27 September 2023);
 - c) Preparing for the substantive hearing of the HK Proceedings; and
 - d) Taking control of the Company's indirect investment in Cordlife.
- a) Obtain control of the PRC Subsidiaries and preserve the value of the Group and identify and locate any institutions and/or individuals that may have precipitated any concealment, misappropriation and/or dilution of assets;
 - b) Obtain such disclosure as necessary to trace the whereabouts of any assets transferred or paid away from the Company;
 - c) Identify, locate and secure, all assets of the Group and take appropriate steps for cooperation in multiple jurisdictions with a view to secure and compel production of documents and protection of assets; and
 - d) Investigate and, where appropriate, bring proceedings against any individual or entity to aid the recovery of the Company's assets.

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.
- 4.2.2 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 preserve value to its stakeholders. With the benefit of further funding the JPLs will continue to (amongst other matters):

5 Actions taken by the JPLs since the Fourth 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 Report, the position remains largely unchanged.
- 5.1.2 It is anticipated that the JPLs will be able to provide a more substantive update regarding the Company's books and records following the outcome of the substantive hearing of the HK Proceedings (discussed further at §5.7 of this report) and/or the proceedings currently underway in the Cayman Islands (discussed further at §6.1 of this report).

5.2 Assets

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

Bank Accounts

- a) Bank accounts for GCBC with a total balance of c.US\$218k; and
- b) 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.

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

- 5.2.3 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\$282k of the total c.US\$477k to be refunded has been recovered.

Refundable Earnest Deposit

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

Cordlife

- 5.2.5 Please refer to §5.6.3 of this report for further details regarding the JPLs' activities in respect of Cordlife.

5.3 Liabilities

- 5.3.1 To date, the JPLs have been notified of amounts claimed to be owed by the Company in the amount of c. US\$1,064,582.
- 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

Cayman Proceedings

- 5.5.1 Please refer to §6.1 of the report for further details regarding proceedings in the Cayman Islands.

Maxcess

- 5.5.2 Please refer to §5.7.12 of the report for details of 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 The JPLs are continuing to keep Cellenkos Holdings L.P. in good standing should the partnership's control be needed for any further investigations and/or legal matters that may be required in the future.

Maxcess

- 5.6.2 Please refer to §5.7.12 of the report for details of winding-up petition that has been filed by Maxcess against Stem South (BVI) in the HK Court.

Cordlife

- 5.6.3 Cordlife represents an indirectly held investment by GCBC which is owned via its BVI subsidiary China Stem Cells (East) Company Limited. Cordlife is listed on the Singapore stock exchange. Based on publicly available market data, it is understood that the value of the shares owned (representing 9.99% of the total issued shares in the entity) ranges between approximately US\$8.5 to US\$10 million, however the stock is highly illiquid.
- 5.6.4 The JPLs, through their directorship vehicles, have obtained control of the brokerage account associated with this investment.

5.7 HK

- 5.7.1 Since the Fourth Report, the JPLs have continued to take 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 Fourth Report is set out below for ease of reference at Appendix A.

HK Proceedings: Evidence, Further Filings, and Preparations for Substantive Hearing(s)

- 5.7.2 Following the order for discovery made against TZ on 12 May 2023 by the HK Court, the JPLs subsequently received correspondence from TZ's legal representatives confirming that TZ (like AC) did not possess any of the documents referenced in her filed defences. However, in support of their defences, TZ did adduce evidence by way of an affirmation in her name as well as an affirmation in Yuen Kam's name, which were filed with the HK Court on 29 May 2023.
- 5.7.3 On 21 July 2023, the JPLs filed a further affidavit responding to the various points raised by AC and TZ's defences and affirmations (as well as Yuen Kam's affirmation).

5.7.4 Throughout July – August 2023, the JPLs have also written to AC, TZ, Kam Yuen, and PIML to, *inter alia*, understand whether they intend to attend the substantive hearing(s) scheduled for the HK Proceedings in-person during September 2023. AC and PIML have confirmed their attendance(s), but TZ and Yuen Kam have confirmed they will be unable to physically attend. They will therefore attend the hearings remotely.

5.7.5 It should also be noted that, as at the date of the Fifth Report, Notake Minori and Sonoe Muramatsu have still not acknowledged service of the HK Proceedings.

5.7.6 Any further substantive updates will be provided by the JPLs following the hearing in September 2023.

HK Proceedings: Leave to Appeal and Cost Orders

5.7.7 As outlined in the Fourth Report, on 19 March 2023, AC and TZ formally filed summonses in the HK Proceedings requesting leave to appeal the Order of the Honourable Madam Justice Linda Chan dated 2 March 2023 based on purported procedural unfairness by the HK Court concerning summonses that were filed by the JPLs on 17 February 2023 in accordance with handed-down case management directions.

5.7.8 Subsequently, on 17 May 2023, the JPLs received correspondence from AC and TZ's representatives confirming that they were withdrawing their appeal summonses. The JPLs instructed their counsel to seek recovery of the costs associated with the appeal summonses on an indemnity basis, which were approved by the HK Court on 29 May 2023 in the amounts of HK\$320k and HK\$290k against AC and TZ (respectively).

5.7.9 On 31 July 2023, it was confirmed to the JPLs that TZ had fully settled the outstanding cost order made against her. However, AC is still yet to make any form of payment regarding his outstanding sums.

5.7.10 The JPLs are considering the options available to them to enforce the cost order against AC.

Interrogatories

5.7.11 Further information regarding the review of the sworn responses to the JPLs' interrogatories which were received from the INEDs and some of the Former Board is provided at §6.1.2.

Maxcess

5.7.12 On 5 June 2023, the JPLs received correspondence from Maxcess' legal representatives enclosing a draft consent summons to vacate and adjourn the hearing listed on 7 June 2023 for the winding up petitions. It is understood by the JPLs that such adjournment was requested on the basis that Maxcess was still waiting to receive certificates of compliance from the HK Registrar to support its petitions.

5.7.13 At the advice of their HK legal representatives, the JPLs communicated their agreement to the adjournment, but the HK Court did not vacate the hearing. At the hearing on 7 June 2023 attended by the legal representatives of both parties, the HK Court ordered that the winding up petitions be adjourned to 5 July 2023.

5.7.14 On 4 July 2023, Maxcess' legal representatives filed a further summons to request permission to amend their winding up petitions for the purpose of addressing requisitions raised by the HK Court. Preliminary matters concerning this summons were heard by the HK Court on 5 July 2023 whereupon Maxcess confirmed that they had yet to receive any comments from the Official Receiver in respect of their application to amend. In the circumstances, the HK Court ordered that: (i) the hearing for the summons regarding the amended petitions be adjourned to 19 July 2023, and (ii) the winding up petition hearings be adjourned to 16 August 2023.

- 5.7.15 On 18 July 2023, upon the consent of both parties, the HK Court approved Maxcess' application to amend their petitions.
- 5.7.16 On 4 August 2023, advertisements were published in the HK Gazette concerning Maxcess' winding up petitions. However, on 14 August 2023, Maxcess' legal representatives again confirmed to the JPLs that the HK Registrar had raised further requisitions which require their response and thus they had been unable to receive the certificates of compliance it needed from the HK Registrar to support its petitions.
- 5.7.16 In light of this, on 16 August 2023, the HK Court ordered that the winding-up petitions be adjourned by 6 weeks (and thus will now be heard on 27 September 2023).

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 Any and all other claims regarding the PRC Subsidiaries are currently ongoing matters at this time and are dependent on the outcome(s) of the HK Proceedings and Maxcess winding-up petitions.

5.9 US NYSE

- 5.9.1 The JPLs and their counsel have been in regular contact with representatives from the NYSE regarding the Company's listed status since their appointment and, where they have sufficient records, have procured appropriate SEC filings needed at various stages of the Company's provisional liquidation.

- 5.9.2 However, following several meetings between the JPLs and representatives from the NYSE, on 7 June 2023, the NYSE communicated their decision to delist the Company and immediately suspend the trading of the Company's ordinary shares.
- 5.9.3 A press release made by the NYSE – available at the following link: <https://ir.theice.com/press/news-details/2023/NYSE-to-Commence-Delisting-Proceedings-Against-Global-Cord-Blood-Corporation-CO/default.aspx> – highlights the reasons for the delisting.

5.10 Petitioner Application under Section 1782

- 5.10.1 As detailed in the Fourth Report, the Petitioner has 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.
- 5.10.2 The JPLs continue to monitor the Section 1782 proceedings and avenues of gaining access to records relevant to the JPL's investigations.

5.11 Derivative Shareholder Complaint

- 5.11.1 On 25 July 2023, a derivative action was filed in the Supreme Court of the State of New York (Index No. 653598/2023) by certain purported shareholders in the Company against various parties historically associated with the Company – including members of the Former Board. As it is a derivative claim, the Company is a nominal defendant.
- 5.11.2 The derivative plaintiffs allege, *inter alia*, that the Cellenkos Transaction was a related-party transaction, not properly approved, and which grossly overvalued Cellenkos. The causes of action include breach of fiduciary

duty, dishonest assistance and knowing receipt. The relief sought includes compensatory damages against the defendants, disgorgement of profits, rescission of the Cellenkos Transaction and other relief.

- 5.11.3 The JPLs were not aware of the claim before it was filed. The Company is a nominal defendant and will not participate in the proceedings. The JPLs consider that the claim may benefit the estate and its stakeholders, if successful, but does not otherwise impact the Company's provisional liquidation.

5.12 Communications with stakeholders

- 5.12.1 The JPLs issued a Form 6-K with confirmation that on 1 June 2023, the JPLs furnished their Fourth Report to the Court. A copy of the Fourth Report is available on the Company's website which can be accessed here: https://ir.globalcordbloodcorporation.com/static-files/GCBC_Report_1_June_2023.pdf
- 5.12.2 The JPLs have also set-up a bespoke website that includes FAQs, the First Report, the Second Report, Third Report, Fourth Report, 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>
- 5.12.3 The Company's 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.

5.13 Investigations

- 5.13.1 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 at §6 of 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.
- 5.13.2 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 Legal Proceedings in Cayman and BVI

6.1 Cayman Islands

AC, TZ and the JPL's Disclosure Order

- 6.1.1 As of the date of this report, AC's 9 May 2023 summons to set-aside the JPL's Disclosure Order and certain parts of the Varied Order has not progressed, and the JPLs haven't received answers to the written interrogatories from either AC or TZ. The JPL's Cayman legal counsel are in continued correspondence with AC's legal counsel in respect to the 9 May summons, the deficiencies in same, as well as the books and records and written interrogatories still outstanding and due to the JPLs.

The INEDs and the JPLs' Disclosure Order

- 6.1.2 The JPLs have written to the INEDs in respect to the 60 outstanding written interrogatory responses and as of the date of this report have yet to receive a response. The JPLs are considering next steps.

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

- 6.1.3 The Set-Aside Summons was heard on 15-16 August 2022.
- 6.1.4 At the conclusion of the hearing, Justice Kawaley pronounced his decision that the Cellenkos Transaction Injunction be continued; and that the EGM Injunction be discharged. Justice Kawaley will deliver written reasons in due course.
- 6.1.5 On 16 August 2023, Justice Kawaley's chambers notified the parties that no order would be perfected (i.e. giving effect to his findings) without affording the LSC an opportunity to apply for leave to appeal and a stay, if so required. As of the date of this report, the order has not yet been perfected.

Production Application

- 6.1.6 On 13 July 2023, the Petitioner filed a summons seeking that the LSC produce 4 items that would facilitate the efficient conduct of the Set Aside Summons.
- 6.1.7 The production application was heard on 10 August 2023. On 14 August 2023, Justice Kawaley delivered a judgment confirming that the Petitioner was entitled to one of the four production items, but production of this item was ultimately not required because, thanks to the JPLs, it had subsequently been produced.
- 6.1.8 All other heads of relief were adjourned with liberty to restore, if needed after the Set-Aside Summons had been determined. As of the date of this report, the application has not been restored.

LSC's Privilege Summons

- 6.1.9 On 7 August 2023, the LSC filed a summons seeking orders that (amongst other things) the JPLs may not compel production of documents privileged to the Company without consent of the LSC or Court order.
- 6.1.10 Pending any hearing of that summons, the JPLs have agreed they will only seek production of material that is privileged to the Company from any current or former legal advisers or service providers, by way of an application filed at Court (and not a request for voluntary production).

JPL Replacement Application

- 6.1.11 On 31 July 2023, the LSC filed a Summons with the Cayman Court requesting that the JPLs should be either:
- a) replaced;

- b) maintain their appointment alongside an additional set of JPLs (to *(inter alia)* review their work); or
 - c) vary the terms upon which the JPLs are currently appointed.
- 6.1.12 A timetable has yet to be agreed in relation to any listing of the summons, which has not been listed for hearing.

BVI Proceedings in respect to the Cayman Share Charge

- 6.2.1 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.
- 6.2.2 The BVI court handed down its decision in respect to the BVI Proceedings on 31 July 2023. The written reasons are in draft and embargoed. However, the JPLs have been given to understand that the decision, pronounced in open court, was that the Petitioner was granted summary judgment and the defendant's reamendment application was dismissed.
- 6.2.3 Whilst comments on the draft were due to be provided by 21 August 2023, the JPLs understand that the defendant initially sought a further 2 weeks to provide comments which was opposed by the Petitioner. The defendant then requested an extension of time to 28 August, but no response was received by the BVI court because it is not in session. In any event, it is likely that the judgment will only be formally published sometime after this.
- 6.2.4 The JPLs will provide a further update once judgment has been delivered.

7 Funding and costs to 30 June 2023

7.1 Funding

- 7.1.1 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.
- 7.1.2 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.
- 7.1.3 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 several 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 are engaging with major shareholders and third-party professional funders. The JPLs have received some level of unsecured financing to date and would welcome expressions of interest from any other parties which can be sent to GCBCJPLs@uk.gt.com.

7.2 JPLs' Remuneration and Legal Costs

- 7.2.1 The costs of the liquidation (including the JPLs' professional fees and those of their instructed counsel) up to 30 June 2023, amount to c.US\$17.0 million as set out below:

Costs to Date	Total
	US\$'000
Liquidator's Fees & expenses	9,186
Legal Fees and expenses	7,838
Total	17,024

*Time incurred from JPLs' appointment on 22 September 2022 to end of Q2 2023

7.3 Fee approval

- 7.3.1 The JPLs have received US\$245k from external funding on account of their remuneration and expect to receive further amounts in respect of some of the workstreams being completed by the JPLs. The JPLs intend to bill this amount within 7 days of receipt and will apply to the Court in due course for the approval of their remuneration.

8 Next steps

8.1 Immediate next steps

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

HK Proceedings

8.1.2 Making final preparations for, and attending, the substantive hearings for the HK Proceedings which are due to be heard 19 - 22 September 2023. Issues to be determined at the hearing include 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

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

Maxcess Winding-up Petitions

8.1.4 Responding to the winding-up petitions presented by Maxcess to place CSC South (BVI) and CSC Holdings into liquidation with the HK Court. Preparing for the hearing on 27 September 2023.

Funding

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

8.2 Strategy to 30 November 2023

8.2.1 The JPLs' over-arching strategy until 30 November 2023 remains similar to that stated in the First Report, Second Report, Third Report, and Fourth Report 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.

8.3 Reporting

8.3.1 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 John Royle – Joint Provisional Liquidator of the Company
1 September 2023

Appendix A – Chronology of Key Events

Chronology of Key Events (since the Fourth Report)

29 May 2023: Indemnity costs totalling HK\$320k and HK\$290k are ordered against AC and TZ (respectively) by the HK Court for (*inter alia*) AC and TZ's self-conceded errors in filing appeal summonses in the HK Proceedings and resultant postponement of the substantive hearings to September 2023.

5 June 2023: The JPLs receive correspondence from Maxcess' legal representatives requesting consent to vacate and adjourn the winding-up petition.

7 June 2023: The HK Court ordered that the winding up petitioners be adjourned to 5 July 2023.

7 June 2023: The NYSE contacts the JPLs via letter to confirm that the Company will be delisted and trading in the Company's ordinary shares will be suspended immediately. A public announcement/press release concerning this is also publicised by the NYSE.

29 June 2023: The hearing for the Maxcess winding up petitions are again adjourned to 17 July 2023 by order of the HK Court.

4 July 2023: Maxcess' legal representatives file summonses seeking leave to amend their winding up petitions to respond to various requisitions raised by the HK Court.

5 July 2023: The summonses filed on Maxcess' behalf to request amendment to their winding up petitions are heard by the HK Court, and it is subsequently ordered that the hearing for the winding-up petitions be adjourned to 16 August 2023.

18 July 2023: The HK Court ordered that the winding up petitions be amended.

13 July 2023: The Petitioner files a Production Application with the Court.

21 July 2023: The JPLs file their sixth affidavit in the HK Proceedings with the HK Court.

31 July 2023: TZ settles the balance of the outstanding costs orders made against her as part of the HK Proceedings.

31 July 2023: The LSC files a summons with the Cayman Court seeking *inter alia* the replacement of the JPLs.

4 August 2023: Advertisements are published by Maxcess' legal representatives in the HK Gazette regarding the winding up petitions presented against CSC South and CSC Holdings, indicating a hearing date had been listed for 16 August 2023.

7 August 2023, The LSC submits the Privilege Summons with the Cayman Court.

10 August 2023: The Production Application is heard in the Cayman Court.

11 August 2023: The JPLs write to the HK Court to request that directions be made regarding, *inter alia*, each parties' attendance at the September 2023 hearings for the HK Proceedings.

14 August 2023: Judgment is delivered in respect to the Production Summons.

14 August 2023: Maxcess' legal representatives contact the JPLs' HK counsel to inform them that they have, again, been unable to acquire the necessary certificates of compliance from the HK Registrar to support their winding-up petitions.

15 – 16 August 2023: The Set-Aside Application of the 29 July 2022 Judgment is heard in the Cayman Court

16 August 2023: The HK Court orders a 6-week adjournment of the Maxcess winding-up petitions, meaning the petitions are now due to be heard on 27 September 2023.

21 August 2023: The HK Court granted TZ's application to give evidence remotely by way of video conferencing facilities.



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