

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

PLAINTIFF, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

GLOBAL CORD BLOOD CORPORATION,
TING ZHENG, BING CHUEN (ALBERT)
CHEN, YUEN KAM, MARK DA-JIAN CHEN,
JENNIFER J. WENG, DR. KEN LU, JACK
CHOW, JACKY CHENG, GOLDEN
MEDITECH HOLDINGS LIMITED,
GOLDEN MEDITECH STEM CELLS (BVI)
COMPANY LIMITED, GM PRECISION
MEDICINE (BVI) LIMITED, GOLDEN
MEDITECH PRECISION MEDICINE
LIMITED, GOLDEN MEDITECH (BVI)
COMPANY LIMITED, and KPMG
HUAZHEN LLP

Defendants.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

Plaintiff, individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Global Cord Blood Corporation ("Global Cord" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the

Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired Global Cord securities between June 4, 2019 and May 3, 2022, both dates inclusive (the “Class Period”), seeking to recover damages caused by Defendants’ violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Global Cord, together with its subsidiaries, provides umbilical cord blood storage and ancillary services in the in the Beijing Municipality, Guangdong Province, and Zhejiang Province of the People’s Republic of China (“PRC”). Originally known as “China Cord Blood Corporation,”¹ Global Cord became a public company in May 2007 and began trading on the New York Stock Exchange (“NYSE”) in November 2009. The Company has received but rejected multiple “going private” offers, or transactions in which a public company is converted into private ownership.

3. From the Company’s inception until January 2018, Global Cord’s largest shareholder was Golden Meditech Holdings Limited (“Golden Meditech” or “GMHL”), a medical device and hospital management company incorporated in the Cayman Islands and based in the

¹ The Company changed its name from China Cord Blood Corporation to Global Cord Blood Corporation in March 2018.

PRC.² Founded in 2001 by Defendant Yuen Kam (“Kam”), Golden Meditech was publicly listed on the Hong Kong Stock Exchange until October 2020, when it was taken private by Kam.

4. Golden Meditech’s previous financial interest in Global Cord is just one of the significant connections that have existed between the two companies during the relevant time. Global Cord and Golden Meditech also maintained the same registered address in Hong Kong, even occupying the same building floor. Furthermore, Defendant Kam previously served as Global Cord’s Chairperson until January 31, 2018. Global Cord’s next Chairperson and CEO, Defendant Ting Zheng (“Zheng”), served as a non-executive member of Golden Meditech’s Board of Directors from August 2012 to May 2019. Global Cord’s Chief Financial Officer (“CFO”), Defendant Bing Chuen (Albert) Chen (“Albert Chen”), served (officially) as Golden Meditech’s Corporate Finance Vice President from March 2005 until an unknown date after 2017. After that time, Defendant Albert Chen continued to be secretly involved in managing Golden Meditech while he was serving as Global Cord’s CFO. Similarly, Kam continued to exert control over Global Cord after he was no longer formally associated with the Company. After the Transaction (described below) was announced, Albert Chen held Kam out as a representative of Global Cord for a private meeting with the Company’s largest shareholder. Even further highlighting the connections between Golden Meditech and Global Cord, Defendants Zheng and Kam are in a personal relationship and have two children.

5. In September 2016, Golden Meditech, in combination with The University of Texas at MD Anderson Cancer Center, announced the founding of Cellenkos Inc. (“Cellenkos”), a

² On or about January 31, 2018, Golden Meditech sold its entire interest in Global Cord, approximately 65.4% of the Company’s outstanding shares, to Nanjing Yingpeng Huikang Medical Industry Investment Partnership (“Nanjing Yingpeng”) at \$11 per share.

biotechnology company based in Houston that focuses on umbilical cord blood-derived T-regulatory (“T-reg”) cellular therapies.³

6. On April 29, 2022, after the market closed, in a Form 6-K filed with the SEC, Global Cord announced that it had entered into a Material Definitive Agreement to acquire Cellenkos for over \$1 billion, including \$664 million in cash and 114 million Global Cord shares—roughly the same number of the Company’s shares that were already outstanding (the “Transaction”). In a press release appended as an exhibit to the Form 6-K, the Company provided that it would acquire 100% of Cellenkos and the rights to develop and commercialize all of its existing and future products worldwide except those related to a certain existing collaboration. Further, the Company stated that, at the close of the Transaction, it planned to issue approximately 125 million new shares, valued at US\$11 per share, and pay \$664 million in cash as total consideration. The Transaction thus stood to dilute the Company’s shareholders by half and deplete its sizable cash balance.

7. On this news, Global Cord’s stock price fell \$0.98 per share, or 28.57%, from \$3.43 at the close of trading on April 29, 2022, to close at \$2.45 per share on May 2, 2022.

8. The Transaction was rushed to completion in under three days from when Global Cord’s Board was first notified of it, without the shareholder approval that would be expected—and was required—for such a momentous transaction. Further, it grossly overvalued Cellenkos, such as by assuming that all of its treatments would receive regulatory approval.

9. Global Cord’s Directors approved the Transaction to benefit themselves and other Company insiders and related parties. The court in the Cayman Islands has criticized the role of

³ Golden Meditech is also the majority owner of Cellenkos, holding approximately 52% of Cellenkos’ outstanding shares.

Global Cord’s Directors and management in the Transaction, stating (among other observations) that “it is impossible at this stage to discern any easily comprehensible commercial rationale for the Company, especially being a listed company, consummating and implementing an arrangement which was so financially and strategically significant with such a breath-taking combination of speed and stealth, particularly in circumstances where the Company was (as at April 29, 2022) under ‘minority’ rather than majority shareholder control.”

10. One of Cellenkos’s primary products is CK0802, an allogenic cell therapy product that is presently in a randomized, double blinded placebo controlled, multi-center trial for the treatment of COVID-19 induced acute respiratory distress syndrome (“ARDS”). In October 2021, pursuant to a license agreement (the “License Agreement”), Cellenkos assigned the license of CK0802 to Defendant Golden Meditech Precision Medicine Limited (“GMPM”), a subsidiary of Golden Meditech. Thereafter, on October 25, 2022—in preparation for the Transaction at issue here—GMPM assigned its interest in the License Agreement to Defendant GM Precision Medicine (BVI) Limited (“GMPM BVI”), a 100% wholly owned subsidiary of GMPM.

11. Under the Framework Agreement for the Transaction, GM Precision Medicine (BVI) Limited was to “provide a written notice (the ‘Allocation Notice’) to Buyer [*i.e.*, Global Cord] at least five (5) Business Days prior to the Closing, setting out the identity of each Person (which shall be GMPM or any of GMPM’s shareholders or Affiliates as designated by BVI Company [*i.e.*, GMPM BVI]) to receive all or a portion of the Consideration and the amount of Cash Consideration and/or Closing Share Consideration to be received by such Person.”

12. The Consideration under the Framework Agreement was \$800 million, “of which US\$664,000,000 shall be payable in cash (the ‘Cash Consideration’), and the remainder shall be

payable in form of 12,363,636 ordinary shares of Buyer [*i.e.*, Global Cord], par value US\$0.0001 per share (the ‘Closing Share Consideration’).”

13. On May 3, 2022, Blue Ocean Structure Investment Company Limited (“Blue Ocean”), a wholly owned subsidiary of Nanjing Yingpeng, filed a Petition (the “Petition”) in the Grand Court of the Cayman Islands, Financial Services Division, opposing the Transaction. Specifically, the Petition asserted that Cellenkos had no discernible long-term value, that the Transaction purchase price was unjustifiable, that the Transaction would result in a massive dilution of Global Cord shareholders, that the close relationship between Global Cord and Cellenkos constituted a conflict of interest, and that the Transaction was approved without sufficient shareholder knowledge.

14. On this news, Global Cord’s stock price fell \$0.22 per share, or 9.09%, to close at \$2.20 per share on May 5, 2022.

15. On September 22, 2022, as a result of the actions described above and other misconduct by the Individual Defendants related to the Transaction, the Grand Court of the Cayman Islands suspended the powers of Global Cord’s Directors and appointed Joint Provisional Liquidators (“JPLs”) over the Company. As Global Cord announced on September 26, 2022:

The Joint Provisional Liquidators are authorized and empowered by the Grand Court to take such steps as they consider necessary or expedient to protect the Company’s assets. The powers of the Joint Provisional Liquidators include, among other things, the power to defend any actions or legal proceedings on behalf of the Company, to investigate and conduct the affairs of the Company, to engage staff and advisors to assist them in the performance of their functions, to take possession of and collect the Company’s property and to execute all agreements and documents on behalf of the Company.

16. Following the appointment of the Joint Provisional Liquidators, the NYSE halted trading in Global Cord’s ordinary shares, effective September 23, 2022.

17. Evidence that was presented to the Cayman Islands court, and that was investigated further and corroborated by the Joint Provisional Liquidators appointed by the Cayman court,

shows that the Cellenkos Transaction was actually part of a cover-up aimed at “filling a gap” in Global Cord’s balance sheet. It turns out that from September 2015 to May 2022, Global Cord made secret, undisclosed payments of at least \$606 million to entities related to Golden Meditech and controlled by Defendant Kam.

18. Kam and the Golden Meditech Defendants also misappropriated even more of Global Cord’s funds. The Joint Provisional Liquidators have been able to identify only approximately US\$427,000 and HK\$135,000 in Global Cord’s bank accounts, as compared to the over \$1 billion in cash that the Company reported before the Transaction was announced.

19. The Joint Provisional Liquidators and the court in the Cayman Islands have also been highly critical of the extensive efforts of the Individual Defendants to obstruct their work.

20. On June 22, 2023, the Securities and Exchange Commission filed a Form 25 Notification of Removal from Listing and/or Registration Under Section 12(b) of the Securities Exchange Act of 1934, stating: “Pursuant to 17 CFR 240.12d2-2(b), the Exchange has complied with its rules to strike the class of securities from listing and/or withdraw registration on the Exchange.” The Company’s shares continue to trade in the United States on the over-the-counter market and, as of April 19, 2024, were trading at \$1.25 per share.

21. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Global Cord employed a capital allocation strategy designed to reserve funds for Company insiders and related parties rather than for the benefit of Company shareholders; (ii) Global Cord’s decisions to reject multiple going private offers and enter into the Transaction were nothing more than self-serving and conflicted attempts by Defendants to divert company funds to corporate insiders and related

parties; (iii) Defendants fundamentally misrepresented to investors Global Cord's approach to capital allocation, strategic investments, acquisitions, and related party transactions as a result of the misappropriation by Defendant Kam and his entities of hundreds of millions of dollars from the Company; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

22. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

23. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

24. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

25. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b), as the alleged misstatements entered and subsequent damages took place in this Judicial District. Pursuant to Global Cord's most recent annual report covering the Class Period, as of March 31, 2022, there were 121,551,075 of the Company's shares outstanding. Global Cord's securities traded on the NYSE. Accordingly, there are presumably hundreds, if not thousands, of investors in Global Cord's securities located within the U.S., some of whom undoubtedly reside in this Judicial District.

26. In connection with the acts alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited

to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

27. Plaintiff, as set forth in the attached Certification, acquired the Company's securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged fraud.

28. Defendant Global Cord is a Cayman Islands corporation that had its principal executive offices located at 48th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong S.A.R. Global Cord's securities traded on the NYSE under the symbol "CO."

29. Defendant Zheng served as Global Cord's Chairperson and CEO at all relevant times. In addition, Zheng served as a non-executive member of the Board of Directors of Golden Meditech from August 2012 to May 2019.

30. Defendant Albert Chen served as the Company's Chief Financial Officer at all relevant times and is a member of the Company's Board of Directors. In addition, Albert Chen served as the Corporate Finance Vice President of Golden Meditech beginning in March 2005 and continued to be secretly involved in the operations of Golden Meditech during the Class Period.

31. Defendant Kam served as Golden Meditech's Chairperson and CEO at all relevant times. In addition, Kam served as Global Cord's Chairperson until January 31, 2018. While Global Cord represented that Kam was no longer associated with it after January 31, 2018, Kam secretly

continued to control its operations. Defendants Kam and Zheng are in a personal relationship and have two children.

32. Defendant Mark Da-Jian Chen (“Mark Chen”) was a Director of Global Cord Blood from 2009 until he was removed in 2023 by the JPLs. He was the founder, CEO, Chairman, and President of Pantheon before it merged with the Company’s predecessor in 2009.

33. Defendant Jennifer J. Weng was a Director of Global Cord Blood from 2009 until she was removed in 2023 by the JPL. She was Pantheon’s CFO and Secretary before it merged with the Company’s predecessor in 2009. Defendants Weng and Mark Chen are married to each other.

34. Defendant Dr. Ken Lu was a Director of Global Cord Blood from 2009 until he was removed in 2023 by the JPLs.

35. Defendant Jack Chow was a Director of Global Cord Blood from November 2019 until he was removed in 2023 by the JPLs.

36. Defendant Jacky Cheng was a Director of Global Cord Blood from February 2020 until he was removed in 2023 by the JPLs.

37. Defendant Golden Meditech Holdings Limited (“Golden Meditech”) is a private company incorporated under the laws of the Cayman Islands. Its principal executive offices are located at 48th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong, China—the same as Global Cord Blood. Defendant Yuen Kam founded Golden Meditech in 1993. It was listed on the Hong Kong Stock Exchange in 2001 and was taken private by Defendant Kam in October 2020. A disclosure that Golden Meditech issued on August 21, 2020, in connection with Kam’s proposal to take it private, listed its registered office at Ocorian Trust (Cayman) Limited, P.O. Box 1350, Clifton House, 75 Fort Street Grand Cayman, KY1-1108 Cayman Islands.

38. Defendant Golden Meditech Stem Cells (BVI) Company Limited is a British Virgin Islands (“BVI”) company affiliated with Golden Meditech that stood to receive substantial

consideration from the Transaction. A Schedule 13D/A that Golden Meditech Stem Cells (BVI) Company Limited filed with the SEC, in connection with its and Golden Meditech's holdings of Global Cord Blood securities, named Defendant Kam as a Director of Golden Meditech Stem Cells (BVI) Company and listed its address as P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

39. Defendant GM Precision Medicine (BVI) Limited is a BVI company affiliated with Golden Meditech that stood to receive substantial consideration from the Transaction. As part of the Transaction, GM Precision Medicine (BVI) Limited entered into a Framework Agreement dated as of April 29, 2022 with Global Cord.

40. Defendant Golden Meditech Precision Medicine Limited is a private company incorporated with limited liability under the laws of Hong Kong, affiliated with Golden Meditech, and having a place of business at 48/F Bank of China Tower, 1 Garden Road, Central, Hong Kong.

41. Defendant Golden Meditech (BVI) Company Limited, a BVI company, is affiliated with Golden Meditech and stood to receive substantial consideration from the Transaction. As part of the Transaction, Golden Meditech (BVI) Company Limited entered into a Stock Purchase Agreement dated as of April 29, 2022 with Global Cord and Cellenkos.

42. Defendant KPMG Huazhen LLP ("KPMG") served as Global Cord's auditor at all relevant times.

43. Defendants Zheng, Albert Chen, Kam, Mark Chen, Weng, Lu, Chow, and Cheng are collectively referred to herein as the "Individual Defendants."

44. The Individual Defendants possessed the power and authority to control the contents of Global Cord's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Global Cord's SEC filings and press releases

alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions (officially or surreptitiously) with Global Cord, and their access to material information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Individual Defendants are liable for the false statements and omissions pleaded herein.

45. Golden Meditech Holdings Limited, Golden Meditech Stem Cells (BVI) Company Limited, GM Precision Medicine (BVI) Limited, Golden Meditech Precision Medicine Limited, and Golden Meditech (BVI) Company Limited are collectively referred to herein as the “Golden Meditech Defendants.”

46. Global Cord, the Individual Defendants, the Golden Meditech Defendants, and KPMG are collectively referred to herein as “Defendants.”

SUBSTANTIVE ALLEGATIONS

Materially False and Misleading Statements Issued During the Class Period

47. Defendants made many materially false and misleading statements during the Class Period regarding Global Cord’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Global Cord employed a capital allocation strategy designed to reserve funds for Company insiders and related parties rather than for the benefit of Company shareholders; (ii) Global Cord’s decisions to reject multiple going private offers and enter into the Transaction were nothing more than self-serving and conflicted attempts by Defendants to divert company funds to corporate insiders and related parties; (iii) Defendants had fundamentally misrepresented to investors Global Cord’s approach to

capital allocation, strategic investments, acquisitions, and related party transactions as a result of the misappropriation by Defendant Kam and his entities of hundreds of millions of dollars from the Company; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times. These materially false and misleading statements include the following statements that Defendants made in SEC filings, press releases, and on conference calls with investors, among statements made in other sources.

48. The Class Period begins on June 4, 2019, when Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing that the Company had received a preliminary non-binding proposal from Cordlife Group Limited ("Cordlife"), "pursuant to which Cordlife propose[d] to combine the businesses of Cordlife and the Company, by way of a statutory merger" (the "Cordlife Offer").

49. On June 6, 2019, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing that the Board of Directors of the Company had formed a special committee to evaluate the Cordlife Offer. The Company stated that the Special Committee consisted of "Mr. Mark D. Chen, Dr. Ken Lu and Ms. Jennifer J. Weng, each of whom currently serves as an independent director on the Board, with Mr. Chen serving as the chair of the Special Committee."

50. On June 18, 2019, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company's fiscal Q4 and full year 2019 results. The press release stated, in relevant part, quoting Defendant Zheng:

"We expect volume contributions from our three markets to remain in their respective trends, and we maintain caution regarding near-term volumes. We believe that our new pricing will absorb some rising cost pressures and bridge the revenue gap while better reflecting the Company's market position. As we continue to reexamine our capital on hand, business position, core competencies, and strategy, we also remain alert to the possible changes ahead together with available

opportunities. *With the solid foundation set forth by our PRC cord blood banking business, we continue our commitment towards enhancing service quality, customer experience, and taking a pro-active approach to expand our business scope and service offerings in order to take the Company to the next phase,” Ms. Zheng concluded.*

(Emphasis added.)

51. This press release disclosed the Global Cord’s balance sheet, including the following figures:

ASSETS	2019	2018	2017
	RMB	(in thousands except share data)	US\$
Current assets			
Cash and cash equivalents	17,164,610	1,467,561	744,708
Accounts receivable, less allowance for doubtful accounts (March 31, 2018: RMB19,227; March 31, 2019: RMB28,534 (US\$1,256))	187,818	90,923	14,442
Prepayments	27,718	27,612	4,114
Prepaid expenses and other receivables	77,776	71,137	4,533
Total current assets	17,458,922	1,657,233	767,807
Property, plant and equipment, net	532,969	545,340	10,259
Non-current deposits	232,133	238,719	39,272
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2018: RMB69,715; March 31, 2019: RMB74,300 (US\$1,146))	181,889	104,557	15,624
Intangible assets	71,758	77,594	15,592
Intangible assets, net	182,090	97,143	14,220
Investment in equity interests	153,842	107,362	19,897
Other non-current assets	128,739	129,739	24,481
Deferred tax assets	21,295	44,981	5,732
Total assets	18,448,437	2,820,951	876,133

52. On June 19, 2019, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q4 2019 results (the “Q4 2019 Earnings Call”). During the scripted portion of the Q4 2019 Earnings Call, when asked to explain the Company’s poor capital efficiency ratios, Defendant Albert Chen responded, in relevant part:

Internally, I should say the capital allocation decision is one of the heavily debated issues and various members have expressed different views and concerns. And we are not taking this decision lightly because when it comes to capital allocation decisions, we look at the existing policy environment. The cord blood banking industry outlook within the PRC, especially when we are seeing the number of newborns in China gradually declining.

As we talked about in our previous calls, we are evaluating our strategic options whether or not to expand our service offering beyond cord blood banking or to march into other geographical regions, but either way to allow the company to grow and lower our business concentration risk. We talked about the non-binding offer from Cordlife with the special committee is taking helm in leading the evaluation as far as negotiations, if any. But this non-binding offer is clearly a sign that the company has to review the value propositions and carry on or even expedite our expansion strategy if necessary. I hope this will give you a better sense about our -about where we are heading.

53. In addition, during the Q&A portion of the Q4 2019 Earnings Call, an analyst stated, in relevant part:

Excuse me, obviously disappointed but not surprised on the dividend. And I think it's pretty clear that the Board, the independent, so called independent Board and Tina don't represent and never have the minority shareholders. This offer is a complete joke. It's made by a company that's broke. It owes everybody money both Yuan and Sanpower and Nanjing; Nanjing's under investigation. Tina who have been a shareholder since or 15 years or whatever it's been. We, I think rang the bell in 2009, \$6 when stocks were brought public. The stock right now is as cheap as it's ever been relationship to cash.

There's more cash on the books than the price and that does not count this mysterious Shandong receivable of \$34 million nor the value of Shandong. So in December Tina and all the Golden Meditech boards were sanctioned by Hong Kong Stock Exchange. Kam, Tina, Cordlife, Sanpower, Yuan and so-called independent Board members have been involved in all these transactions being it agreed to stock options a convertible bond that destroyed value for minority shareholders and now you've got a special committee.

They got paid over a \$1 million to basically do nothing for two years except to suppress the stock price with another so-called non-binding offer. It was only rejected when the new plan came where Golden Meditech and Kam with Tina's help, received 11.70 a share. There [were] no investment bankers hired; there was no rejection of the debt; there was no communication for over two years. These guys are not independent, convertible bond, the diluted stock options approving Sanpower to purchase of Golden Meditech at 11.70 to the exclusion of minority shareholder.

Failure to stop the self-dealing by Kam and Sanpower, approving projects where Kam and Yuan get side payment like management contracts for the buildings of different plans. We and every other shareholder have asked for ten years for share repurchase and a special dividend. The stock would be at 12.15, 12.20 if you would have done that. And so this is another --hopefully you're not involved, Albert, but this is clearly just another insider deal with Tina who we've never met; she's never on the call. So I think we all know what's going on here.

And then Tina's comments which are almost hilarious which I [was] reviewing the capital outlay company that's making this proposal is owned by Sanpower for sure Kam still has his fingers in it and Tina's involved in all of this. Tina and Kam in March had to resign from the Golden Meditech Board, oh and by the way the stocks gone up 30% probably an SFC investigation. What do we know publicly, this all relates around the lack of disclosure of a transaction between Golden Med i.e. Mr. Kam, Tina who is on the Board and Sanpower with respect to a company called

Funtalk. It wasn't disclosed. All of a sudden bad news came out. Kam was able to increase his position at extremely low prices and sell it much higher.

He has been there all along. Now there's a \$34 million -- there's a purchase of Shandong, again same cast of characters, Sanpower owns 76%. We put down \$34 million seven years ago as an option. Last year in the 20-F, it said we -- we've moved this to receivable to get out, the receivable, sure. Sanpower can't pay anybody and now they're making an offer of a failed company that's absolutely tiny that's been losing money and add insult to injury the stock around the time of this offer has moved up 60% and paid for researchers tried to make it into a good investment, recommending in the last year you said you'd look for new investors.

We have known that investors on this phone call, no new investor. So it's been 10 years of stock suppression and whatever else. And so we're asking you have Tina resigned immediately to reject this offer and to get for future offers get independent Board members, not Board members with discernment compensation around the audit and have made lots of money. And their job is to do thing -- and you know Albert, there's many people that are willing to bid \$10 for this asset. They need to be able to talk to somebody; go see and do due diligence and whatever else. It's just an insider deal. We have asked you and management and over the years. The Tina's management, Tina decides what goes to the Board.

We asked you to project what the GAAP earnings this year. You got a company with really \$900 million cash probably. So my question is when are you going to disclose and when are we going to get our money back from Shandong and when are we going to cash out of Shandong, our 24% asset which according to Sanpower's publicly filed statements in Nanjing is making a lot of money and generating a lot of cash. This again is very similar to the Golden Med, Funtalk situation where we had this asset on the books, it was public, nothing also no cash payments okay. There were cash payments, last cash payment we've had in 2015. So will we receive the same platitudes we have, well, it's strategic that we're receiving it. Why was it in the 20-F as been [*sic*] receivable and when will we get cash out of this asset Shandong. What's being done to protect the minority shareholders since Sanpower is involved in all this other stuff will ultimately end up probably in bad asset. Thanks, Albert. I sure hope you're not involved in this.

In response to the analyst's comments, Defendant Albert Chen stated, in relevant part:

Tina has been our CEO and chairing the companies and steering company for a long time. She has her prior directorships as the non-executive director at Golden Meditech level because we used to be subsidiaries of Golden Meditech and she acting as the non-executive director for one of the subsidiaries is totally understandable. Matter for her to resign I think is inappropriate at this stage. I fail to see why this is -- would lead to her resignation but I acknowledge that Golden Meditech has made public announcement regarding these sanctions.

And the Board has therefore has [sic] been criticized, but as you pointed out there was a transaction which doesn't even involve our company. As for the Shandong operations. Shandong is operationally performing well. I think this is a fair statement based on their public disclosure. But the ability to or whether not Shandong decided to distribute all their earnings is -- this is a thing that is a little bit out of our control. I mean but it is certainly something that we can voice out as something is --something obviously something that we can push for. But as you are aware that we don't have a Board representative at the Shandong cord blood bank level but we can try to make an attempt to convince them to dividend out some of their earnings. But that once again be subject to their own capital plan, as well as their business expansion plan.

54. On July 23, 2019, Global Cord filed an Annual Report on Form 20-F with the SEC, signed by Defendant Zheng, reporting the Company's financial and operating results for the year ended March 31, 2019 (the "2019 20-F"). It also contained Certifications by Defendants Zheng and Albert Chen Pursuant to Rule 13a-14(a) of the Exchange Act and 18 U.S.C. Section 1350 of the Sarbanes-Oxley Act of 2002.

55. The 2019 20-F contained a Report of Independent Registered Public Accounting Firm, by KPMG, which stated that it served as the Company's auditor since 2015. This report stated:

We have audited the accompanying consolidated balance sheets of Global Cord Blood Corporation and subsidiaries (the "Company") as of March 31, 2018 and 2019, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended March 31, 2019, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2018 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended March 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated July 23, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

56. The 2019 20-F contained the following description of the Company's strategies:

Acquire the Right to Operate Additional Cord Blood Banks and Invest in Other Cord Blood Banks in China. We intend to acquire the right to operate additional cord blood banks and invest in other cord blood banks in China through investments or acquisitions of existing operators of licensed cord blood banks and potential license applicants. . . . We believe that our experience in license acquisition and our track record of growing our subscriber base and hospital network positions us to be the preferred strategic partner for license holders and potential applicants.

57. Further, in discussing the Company's competition, the 2019 20-F stated, in relevant part:

We will seek to expand our geographical coverage by acquiring other licenses or, if available, acquiring or collaborating with potential applicants for licenses in the other regions. Hence, we may need to compete with existing cord blood banking operators as well as other new market entrants for such licenses or acquisitions. These companies may have greater financial resources, stronger marketing capabilities and higher level of technological expertise and quality control standards than us. In addition, we may face competition from foreign-invested cord blood banking service providers in China with longer operating history, greater capital resources, better management and higher level of technological expertise than us.

58. In addition, in discussing the Company's liquidity and capital resources, the 2019 20-F stated, in relevant part:

As of March 31, 2019, we had cash and cash equivalents of RMB4,997.9 million (\$744.7 million). We use a variety of sources, both external and internal, to finance our operations. We use equity and debt financing to fund capital expenditures and strategic investments.

Capital Expenditures

For the years ended March 31, 2017, 2018 and 2019 our capital expenditures consisted primarily of expenditures for our cord blood banks in Beijing, Guangdong and Zhejiang, regions in which we are operating the licensed cord blood banks. In connection therewith, we have acquired equipment.

We are also in discussion for potential acquisitions or collaboration. Some of these discussions are ongoing, and we have not reached an agreement or

executed any binding or non-binding written agreements with respect to the terms and conditions of any potential acquisition with any of its potential targets. As cash requirements relating to potential acquisitions may vary significantly depending on the targets we may acquire, our future capital expenditures may differ significantly from our current plans.

59. The 2019 20-F disclosed the Company’s key balance sheet data as follows:

	As of March 31,					
	2016	2017	2018	2019	2020	2021
	\$	RMB	RMB	RMB	RMB	RMB
	(in thousands except share data)					
Selected balance sheet data:						
Cash and cash equivalents	744,706	4,997,851	4,250,610	3,510,264	3,008,422	2,436,625
Working capital ⁽¹⁾	678,313	4,352,286	3,940,247	2,724,180	2,751,338	2,188,329
Total assets	976,123	6,350,954	5,841,525	5,182,512	4,687,927	4,111,684
Deferred revenue	383,626	2,576,478	2,340,587	1,894,769	1,578,951	1,119,559
Ordinary shares	12	83	83	59	59	59
Retained earnings	209,683	1,407,225	1,116,871	879,275	753,585	663,615
Total equity attributable to Global Cord Blood Corporation	529,158	3,417,335	3,113,533	1,837,855	1,709,253	1,537,728
Total shares outstanding ⁽²⁾	121,551,075	121,251,075	120,824,742	73,003,248	73,003,248	73,003,248

60. In describing the Company’s “General Principles on Related Party Transactions,” the 2019 20-F stated, in relevant part:

Our Audit Committee has adopted an internal policy regarding the identification, review, consideration and oversight of any transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any “related party” are participants. Transactions involving compensation for services provided to us as an employee, director, consultant or similar capacity by a related person are not covered. A related party is any executive officer, director or a holder of more than five percent of our ordinary shares, including any of their immediate family members and any entity owned or controlled by such persons.

Under our policy, where a transaction has been identified as a related party transaction, management must present information regarding the proposed related party transaction to the Audit Committee of our Board of Directors for review. The presentation must include a description of, among other things, the material facts, the direct and indirect interests of the related parties, the benefits of the transaction to us and whether any alternative transactions are available. To identify related party transactions in advance, we rely on information supplied by our executive officers, directors and certain significant shareholders. In considering related party transactions, the Audit Committee of our Board of Directors takes into account the relevant available facts and circumstances including, but not limited to the risks, costs and benefits to us; the impact on a director’s independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated; the terms of the transaction; the availability of other sources for comparable services or products; and the terms available to or from, as the case may be, unrelated third parties or to or from our employees generally. In the event a director has an interest in the proposed transaction, the director must excuse himself or herself from the deliberations and approval.

Prior to the establishment of our Audit Committee in connection with the closing of the Business Combination, CCBS’s Board of Directors performed similar

functions in approving related party transactions. GCBC's Board of Directors reviewed each of the following related party transactions and has concluded that, in light of known circumstances, each transaction is in, and is consistent with, its best interests and its shareholders.

61. In addition, in discussing the Company's strategies, the 2019 20-F stated, in relevant part:

Expand Service Portfolio. Over the years, we had provided cord blood banking services to numerous parents in Beijing, Guangdong and Zhejiang. As of March 31, 2019, our accumulated subscriber base has reached 750,273 subscribers. Our subscriber base together with our extensive hospital network positioned us well and gave us a competitive advantage to commercialize other healthcare services in our respective markets. We intend to seek expansion and diversification opportunities by bringing in additional healthcare and therapeutic related services in order to better serve our existing and future subscribers' medical needs. We intend to diversify our revenue stream by providing additional healthcare and therapeutic related services, which will potentially improve our revenue per subscriber.

62. On August 14, 2019, Global Cord filed with the SEC an amended 2019 20-F that contained substantially the same statements described above from the 2019 20-F.

63. On August 27, 2019, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company's fiscal Q1 2020 financial results. The press release stated, in relevant part, quoting Defendant Zheng, "[w]e will strive to expand service offerings and may mitigate business concentration risk through acquisitions in addition to increasing our penetration and business expansion."

64. This press release disclosed Global Cord's balance sheet, including the following figures:

	March 31, 2019 RMB	June 30, 2019 RMB	June 30, 2019 US\$
ASSETS			
Current assets			
Cash and bank deposits	4,897,801	5,162,037	751,856
Accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB10,674; June 30, 2019: RMB26,587 (US\$14,267))	96,222	56,254	14,027
Prepaid expenses	21,814	22,282	3,891
Prepaid expenses and other receivables	21,552	21,815	3,149
Total current assets	5,037,389	5,362,388	772,923
Prepaid plans and obligations, net	141,740	140,856	20,801
Operating lease right-of-use assets	—	6,365	921
Non-current deposits	236,710	242,556	35,322
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB1,162; June 30, 2019: RMB1,109 (US\$536, 612))	115,629	111,391	16,249
Investments	77,184	78,378	11,459
Intangible assets, net	87,444	86,289	12,626
Investments in equity securities at fair value	107,162	120,443	17,243
Other equity investments	100,120	100,120	14,556
Deferred tax assets	11,263	11,111	1,610
Total assets	6,286,961	6,239,522	872,873

65. On August 28, 2019, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q1 2020 results (the “Q1 2020 Earnings Call”). During the Q&A portion of the Q1 2020 Earnings Call, when asked to explain why the Board of Directors of the Company decided not to pay a dividend, Defendant Albert Chen responded, in relevant part:

I think in terms of the capital deployment decisions, I think the Board has taken into multiple factors into account. On one hand is the pending expirations of the existing licensing regimes, and at the same time is the company’s future growth and the ability to expand our services to go beyond just purely Cord Blood banking within one single market. So I think it’s a multiple factors that we have to take into account, and that’s why no dividend was recommended in the prior quarter.

66. On November 26, 2019, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q2 2020 financial results. The press release quoted Defendant Zheng as stating, “we will continue to look for opportunities to broaden our revenue sources, and are prepared to adjust our strategy and market positioning to cope with any potential changes within the industry.”

67. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2019 RUB	Q2019 (in thousands)	September 30, 2019 RUB	US\$
ASSETS				
Current assets				
Cash and cash equivalents	4,957,861	5,368,285	751,050	
Accounts receivable, less allowance for doubtful accounts (March 31, 2019: RUB100,000; September 30, 2019: RUB110,521) (US\$11,900)	149,622	41,280	14,342	
Prepayments	77,882	77,882	3,193	
Prepaid expenses and other assets	21,522	15,242	2,726	
Total current assets	5,147,887	5,482,689	771,311	
Non-current assets				
Property, plant and equipment, net	242,540	242,519	34,027	
Operating lease right-of-use assets*	—	5,846	818	
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2019: RUB117,350; September 30, 2019: RUB117,962) (US\$11,170)	276,710	242,713	34,027	
Prepayments	182,983	149,083	11,174	
Intangible assets, net	77,164	80,719	11,178	
Investment in equity securities at fair value	37,444	35,124	12,310	
Other equity investments	18,462	11,426	1,614	
Other equity investments	186,179	186,176	24,442	
Deferred tax assets	46,851	46,409	6,521	
Total assets	6,050,922	6,391,152	872,238	

68. On November 27, 2019, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q2 2020 results (the “Q2 2020 Earnings Call”). During the Q&A portion of the Q2 2020 Earnings Call, when asked how the Company was planning to increase shareholder value, Defendant Albert Chen responded, in relevant part:

Let me begin by saying that with respect to the non-binding proposal from Cordlife, while I’m not authorized to respond to questions relating to the special committee

or the proposed offer, I do understand that investors are eager to learn about the latest development regarding Cordlife non-binding offer. As you are aware, the committee is comprised of both new and old directors, who are independent from the offer.

And they will review and evaluate this proposed offer free from conflict of interest and will do what's in the best interest of all stakeholders. Many investors have urged the special committee to provide more information regarding the status of the proposed offer ,and we will reiterate that message internally as well. Rest assured, the Company as well as the special committee will continue to comply with this disclosure obligation and we will make further announcement accordingly.

Let me begin by saying that we are constantly reviewing our capital structure and we are also looking into the different ways to deploy our capital, and there are multiple ways to deploy capital including like using the capital for growth -- organic growth or even in M&A activities or even in dividend etc.

69. On March 11, 2020, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company's fiscal Q3 2020 financial results. The press release stated, in relevant part, quoting Defendant Zheng, "[i]n view of the impact of the coronavirus on the next fiscal quarter and likely the next fiscal year, the uncertainties surrounding updated regulations on the cord blood banking industry in China, and prolonged consumer caution on spending compounded by traditionally soft newborn numbers in the Year of the Mouse, we will remain agile in order to navigate through tough waters in the short term while accelerating our business development activities to expand our service offerings and alleviate business concentration risks."

70. This press release disclosed Global Cord's balance sheet, including the following figures:

	March 31, 2019	December 31, 2018	December 31, 2017
	RMB	RMB	US\$
	(In thousands except share data)		
ASSETS			
Current assets:			
Cash and cash equivalents	4,057,061	5,336,536	773,766
Accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB19,634; December 31, 2019: RMB110,759; US\$ 6,241);	56,823	96,122	14,691
Prepayments	2,052	19,298	2,872
Prepaid expenses and other receivables	21,732	18,713	2,816
Total current assets	4,137,668	5,470,669	794,345
Property, plant and equipment, net	547,540	512,552	76,182
Operating lease right-of-use assets ⁽¹⁾	—	3,129	463
Non-current deposits	756,788	827,551	124,877
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB74,380; December 31, 2019: RMB72,173; US\$ 9,424);	104,827	140,317	20,228
Intangible assets, net	77,154	32,020	4,873
Investments in equity securities at fair value	27,444	20,078	2,999
Other equity investments	136,176	139,419	20,187
Deferred tax assets	44,921	51,120	7,514
Total assets	4,860,924	5,311,474	1,021,885

71. On June 29, 2020, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q4 and full year 2020 financial results. The press release stated, in relevant part, quoting Defendant Zheng, “we will continue to execute on our strategy to overcome the short-term challenges, focus on achieving operational targets, and explore business opportunities to pave a solid path for our long-term development.”

72. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2020	March 31, 2019	US\$
	RMB	RMB	
	(In thousands except share data)		
ASSETS			
Current assets:			
Cash and cash equivalents	4,057,061	2,173,373	772,968
Accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB19,634; March 31, 2020: RMB111,809; US\$ 6,241)	56,823	104,221	14,722
Prepayments	2,052	19,298	2,872
Prepaid expenses and other receivables	21,732	18,713	2,816
Total current assets	4,137,668	2,305,605	794,345
Property, plant and equipment, net	547,540	527,076	78,315
Operating lease right-of-use assets ⁽¹⁾	—	4,546	642
Non-current deposits	226,719	21,490	31,201
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2019: RMB74,380; March 31, 2020: RMB71,471; US\$ 9,424)	104,827	146,221	20,500
Intangible assets, net	77,154	32,359	4,906
Investments in equity securities at fair value	27,444	20,078	2,999
Other equity investments	136,176	139,320	20,187
Deferred tax assets	44,921	50,701	7,465
Total assets	4,860,924	3,237,085	1,021,885

73. On July 29, 2020, Global Cord filed an Annual Report on Form 20-F with the SEC, signed by Defendant Zheng and reporting the Company’s financial and operating results for the year ended March 31, 2020 (the “2020 20-F”). The 2020 20-F contained substantively similar descriptions of the Company’s strategies, competition, liquidity and capital resources, balance sheet, and principles on related party transactions, as discussed in the 2019 20-F, *supra* ¶¶ 56-61 (with figures updated for the new year). The 2020 20-F also contained substantially similar certifications by Defendants Zheng and Albert Chen, and a Report of Independent Registered

Public Accounting Firm by KPMG, to those included with the 2019 20-F, as described in ¶ 55 *supra*.

74. On August 24, 2020, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q1 2021 financial results. The press release stated, in relevant part, quoting Defendant Zheng, “[w]e will also continue to pursue business opportunities as we expand our service offerings to support the long-term growth of the Company.”

75. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2021	June 30, 2020	June 30, 2019
	US\$	US\$	US\$
ASSETS			
Current assets			
Cash and cash equivalents	5,473,373	5,567,226	787,759
Accounts receivable, less allowance for doubtful accounts (March 31, 2020: RMD111.365; June 30, 2020: RMD115.812 (US\$16.39M))	104,251	111,675	12,303
Prepaid expenses and other receivables	6,124	5,980	6,423
Property, plant and equipment, net	24,783	76,331	11,237
Intangible assets, net	5,666,847	5,869,187	623,284
Other current assets	22,879	536,621	73,122
Non-current assets	4,248	4,021	576
Non-current receivables, less allowance for doubtful accounts (March 31, 2020: RMD71.421; June 30, 2020: RMD71.721 (US\$90.151M))	169,421	175,122	22,354
Intangible assets, net	83,309	84,249	12,223
Other non-current assets	92,823	91,868	12,973
Liabilities to equity securities at fair value	161,366	185,427	16,964
Other equity investment	189,129	189,129	26,769
Deferred tax assets	30,451	31,830	4,622
Total assets	12,193,332	12,084,776	1,096,971

76. On November 24, 2020, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q2 2021 financial results. The press release stated, in relevant part, quoting Defendant Zheng, “[a]lthough future regulation in the cord blood banking industry in China remains unclear, we continue to prepare for multiple potential outcomes and carry on with our business expansion and risk diversification efforts.”

77. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2020	September 30, 2020	
	RMB	RMB (in thousands except share data)	US\$
ASSETS			
Current assets			
Cash and cash equivalents	5,475,573	5,728,503	843,654
Accounts receivable, less allowance for doubtful accounts (March 31, 2020: RMB111,949; September 30, 2020: RMB120,382; US\$17,749)	104,251	121,722	17,926
Inventory	43,785	55,646	8,264
Prepaid expenses and other receivables	44,735	57,324	9,027
Total current assets	5,668,344	5,963,195	888,871
Property, plant and equipment, net	292,273	314,123	47,795
Operating lease right-of-use assets	7,818	8,269	1,247
Non-current deposits	347,565	347,250	50,656
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2020: RMB17,821; September 30, 2020: RMB16,981; US\$2,378)	185,511	194,262	28,481
Intangible assets	85,149	88,576	13,017
Investment assets, net	60,623	60,412	8,784
Investment in equity securities at fair value	101,585	101,220	14,771
Other equity investment	189,129	196,149	27,946
Deferred tax assets	67,751	57,503	7,990
Total assets	7,245,853	7,372,320	1,115,372
LIABILITIES			

78. On November 25, 2020, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q2 2021 results (the “Q2 2021 Earnings Call”). During the Q&A portion of the Q2 2021 Earnings Call, when asked a question regarding the possibility of a dividend, Defendant Albert Chen responded, in relevant part:

I think the capital deployment decisions, as I previously -- as I mentioned previously in other conference calls, has to be in line with the company and shareholders’ interests as a whole. But we have to take into account the future strategic development direction of the company as well and whether or not there are opportunities available.

But I also mentioned in my other earnings call -- on my prior earnings call, I said, the company is looking for opportunity to diversify some of its operation of risk, such as, the single country risk or single market risk, I should say, and the single business risk. So single line up business mainly. So I think, whether or not we going to adopt other capital deployment decisions in the future beyond 2020. Really depends on what directions we are -- we will be choosing to head towards.

But with that being said, we will always be considering what is best for the company and shareholders as a whole and how to take the company forward. For some of you who have been with the company for some time, this ongoing policy renewal which happens once every five years is definitely no fun.

79. On February 11, 2021, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing “in relation to the non-binding proposal letter (the ‘Cordlife Proposal’) dated June 4, 2019 received by the Company’s Board of Directors (the ‘Board’) from Cordlife Group Limited (‘Cordlife’), a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited, pursuant to which Cordlife proposed to combine

its businesses with that of the Company by way of a statutory merger (the ‘Proposed Transaction’), the Board and the board of Cordlife have mutually agreed to discontinue any further discussions regarding the Cordlife Proposal and/or the Proposed Transaction.”

80. On February 24, 2021, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q3 2021 financial results. The press release quoted Defendant Zheng as stating, in relevant part, “[w]e intend to leverage our advantages as the industry leader to increase penetration in existing markets and seize available opportunities to expand our business and services.”

81. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2021	December 31, 2020	
	US\$	US\$	US\$
ASSETS			
Current assets			
Cash and cash equivalents	5,470,270	5,067,754	398,374
Accounts receivable, less allowance for doubtful accounts (March 31, 2021: \$0.00 (0.00%); December 31, 2020: \$0.00 (0.00%))	10,121	1,219,862	14,730
Prepayments	23,754	37,563	8,750
Prepaid expenses and other receivables	42,725	27,293	8,771
Total current assets	5,666,870	6,352,472	430,625
Property, plant and equipment, net	2,226,919	2,014,241	77,948
Operating lease right-of-use assets	4,543	5,575	834
Non-current deposits	247,369	247,206	52,538
Long-term accounts receivable, less allowance for doubtful accounts (March 31, 2021: \$0.00 (0.00%); December 31, 2020: \$0.00 (0.00%))	100,001	255,808	49,099
Intangibles	85,808	86,152	15,915
Intangible assets, net	82,823	86,357	13,895
Investment in equity securities at fair value	101,264	121,253	18,520
Other equity investments	139,439	139,439	28,945
Deferred tax assets	16,301	11,784	8,742
Total assets	7,219,855	7,769,568	1,142,444

82. On February 25, 2021, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q3 2021 results (the “Q3 2021 Earnings Call”). During the Q&A portion of the Q3 2021 Earnings Call, when asked a question regarding a potential acquisition, Defendant Albert Chen responded, in relevant part:

With respect to the M&A initiatives. There are currently -- we are looking at several interesting opportunities right now. Obviously, this may still be too early to tell whether those opportunities will be materialized. I don't anticipate that -- we -- at least we haven't reached a stage that we are -- that we intend to enter into any definitive agreements, but we are certainly looking at something quite interesting right now. And it basically involved by first -- expanding our service portfolio, I should say -- fair to say, fair to say.

83. On March 2, 2021, Global Cord issued a press release, filed with the SEC on Form 6-K and signed by Defendant Albert Chen, announcing that the Company had received a non-

binding acquisition proposal from Alternate Ocean Investment Company Limited (“Alternate Ocean”), “pursuant to which Alternate Ocean, acting on behalf of certain funds and/or entities that it manages and/or advises, proposes to acquire all of the outstanding ordinary shares of the Company for US\$5.00 per ordinary share in cash, subject to certain conditions” (the “Alternate Ocean Offer”).

84. On March 15, 2021, Global Cord issued a press release, filed with the SEC on Form 6-K and signed by Defendant Albert Chen, announcing the Board of Directors of the Company had formed a special committee to evaluate the Alternate Ocean Offer. The Company stated that “[t]he Special Committee consists of Mr. Mark D. Chen, Dr. Ken Lu, Mr. Jack Chow and Mr. Jacky Cheng, each of whom currently serves as an independent director on the Board, with Mr. Chen serving as the chair of the Special Committee.”

85. On June 28, 2021, Global Cord issued a press release, filed with the SEC on Form 6-K and signed by Defendant Albert Chen, announcing the Company’s fiscal Q4 and full year 2021 financial results. The press release stated, in relevant part, quoting Defendant Zheng, “[h]owever, we believe in the gradual recovery of consumer sentiment and intend to leverage the solid foundation of our growing client base, pursue organic growth opportunities in our current markets while selectively considering new expansion opportunities to better serve our clients and diversify income sources.”

86. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2020	March 31, 2021	
	RMB	RMB	US\$
		(in thousands except share data)	
ASSETS			
Current assets			
Cash and cash equivalents	3,732.73	5,815,196	927,319
Accounts receivable, less allowance for doubtful accounts (March 31, 2020: RMB111,936; March 31, 2021: RMB137,861) (US\$21,057)	186,211	135,298	20,487
Prepaids	43,758	44,357	6,755
Prepaid expenses and other receivables	44,725	47,783	7,294
Total current assets	3,967,427	6,042,634	931,855
Property, plant and equipment, net	222,679	495,835	76,120
Operating lease right-of-use assets	4,546	2,859	436
Non-current deposits	147,568	144,733	22,419
Non-current accounts receivable, less allowance for doubtful accounts (March 31, 2020: RMB71,421; March 31, 2021: RMB67,655) (US\$10,248)	168,631	217,208	33,152
Intangibles	83,189	91,145	13,957
Intangible assets, net	92,928	83,202	12,862
Investment in equity securities at fair value	181,566	117,913	17,927
Other equity investment	189,129	189,129	28,857
Other non-current assets	59,781	57,845	8,754
Total assets	721,985	7,865,252	1,236,741

87. On June 29, 2021, Global Cord hosted an earnings call with investors and analysts to discuss the Company's fiscal Q4 2021 results (the "Q4 2021 Earnings Call"). During the Q&A portion of the Q4 2021 Earnings Call, when asked to discuss the Company's acquisition strategy, Defendant Albert Chen responded, in relevant part:

First of all, regarding the company's strategic directions, especially concerning the potential acquisition, the company is looking into expanding our service revenue or service portfolio, and part of the expansion strategy definitely will involve acquisitions and we are not limiting ourselves to acquisition targets within the PRC. There are interesting opportunities, which we're currently exploring. So, it is fair to -- I guess it is fair to say that I think there are definitely opportunities available, but none of that had reached an announceable [*sic*] stage, put it this way. So, if we make any material developments on the acquisition front, we will definitely announce it to the market in a timely manner.

88. On July 29, 2021, Global Cord filed an Annual Report on Form 20-F with the SEC, signed by Defendant Zheng and reporting the Company's financial and operating results for the year ended March 31, 2021 (the "2021 20-F"). The 2021 20-F contained substantively similar descriptions of the Company's strategies, competition, liquidity and capital resources, balance sheet, and principles on related party transactions, as discussed in the 2019 and 2020 20-Fs, *supra* ¶¶ 56-61, 73 (with figures updated for the new year). The 2021 20-F also contained substantially similar certifications by Defendants Zheng and Albert Chen, and a Report of Independent Registered Public Accounting Firm by KPMG, to those included with the 2019 and 2020 20-Fs, as described in ¶¶ 55, 73 *supra*.

89. On August 30, 2021, Global Cord issued a press release, filed with the SEC on Form 6-K and signed by Defendant Albert Chen, announcing the Company's fiscal Q1 2022 financial results. The press release stated, in relevant part, quoting Defendant Zheng, "[h]owever, despite current policy stimulus on newborn, we remain cautious about our near-term outlook due to factors that include the recent reimplementation of COVID-related lockdowns, general

regulatory uncertainty, potential changes to the market dynamics affecting China’s cord blood banking industry and the downward newborn trend in our operating markets. With a focus on enhancing our risk-resistance capacities, we continue to prepare for potential structural and regulatory changes to ensure the long-term growth of the Company.”

90. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2021	June 30, 2021	US\$
	RMB	RMB (in thousands except share data)	
ASSETS			
Current assets			
Cash and cash equivalents	6,075,785	6,157,405	966,834
Accounts receivable, less allowance for credit losses (March 31, 2021: RMB117,941; June 30, 2021: RMB147,261) (US\$13,813)	130,740	131,118	20,075
Prepayments	44,231	28,893	4,124
Prepaid expenses and other receivables	47,000	65,917	10,164
Total current assets	6,297,756	6,473,333	1,001,197
Property, plant and equipment, net	465,650	453,505	75,705
Operating lease right-of-use assets	5,039	4,001	699
Non-current deposits	244,732	240,440	39,856
Non-current accounts receivable, less allowance for credit losses (March 31, 2021: RMB67,091; June 30, 2021: RMB65,799) (US\$10,193)	217,765	278,800	45,095
Intangible assets, net	91,166	92,169	15,219
Investment in equity securities at fair value	39,262	51,061	8,442
Other equity investment	189,129	189,129	29,292
Deferred tax assets	35,015	59,021	9,112
Total assets	7,096,227	8,091,955	1,255,718

91. On November 24, 2021, Global Cord issued a press release announcing the Company’s fiscal Q2 2022 results. The press release stated, in relevant part, quoting Defendant Zheng, “[a]s we continue to monitor relevant regulations and carry on with our organic growth efforts, we have directed ample resources to analyze business development opportunities in-depth to foster the long-term growth of the Company.”

92. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2021	September 30, 2021	US\$
	RMB	RMB (in thousands except share data)	
ASSETS			
Current assets			
Cash and cash equivalents	5,675,798	5,290,652	994,312
Accounts receivable, less allowance for credit losses (March 31, 2021: RMB197,961; September 30, 2021: RMB150,000) (US\$13,743)	185,746	144,667	23,413
Prepayments	44,231	33,821	5,259
Prepaid expenses and other receivables	47,700	72,345	12,315
Total current assets	6,293,475	5,641,485	1,035,339
Property, plant and equipment, net	195,639	184,184	31,031
Operating lease right-of-use assets	5,039	4,969	816
Non-current deposits	444,732	443,159	73,315
Non-current accounts receivable, less allowance for credit losses (March 31, 2021: RMB47,091; September 30, 2021: RMB42,344) (US\$9,703)	217,200	241,377	39,491
Intangible assets, net	91,166	92,241	15,118
Investment in equity securities at fair value	39,262	51,692	8,333
Other equity investment	187,911	188,974	29,812
Deferred tax assets	130,129	130,129	20,378
Deferred tax assets	35,015	37,232	5,921
Total assets	7,096,227	6,259,159	1,201,662

93. On November 26, 2021, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s Q2 2022 results (the “Q2 2022 Earnings Call”). During the

scripted portion of the Q2 2022 Earnings Call, Defendant Zheng was quoted as stating, in relevant part, “[f]acing regulatory and market uncertainties, the management team will continue to focus on the company’s long-term development, maintain active communications with relevant regulatory agencies, expand marketing and sales channels and carry out extensive work as we dive deep into new business development opportunities.”

94. Further, during the Q&A portion of the Q2 2022 Earnings Call, when asked to discuss the time line it would take for the Company’s special committee to consider the Alternate Ocean Offer or how the Company thinks about the potential for a stock buyback, Defendant Albert Chen responded, in relevant part, “[w]ith that being said if the board decided to relaunch a share repurchase program or announce a dividend position *or even a potential acquisition in the future we will definitely make those decisions known to the market through our announcements and publication.*” (Emphasis added.)

95. On December 16, 2021, Global Cord issued a press release, filed with the SEC on Form 6-K and signed by Defendant Albert Chen, announcing “that its Board of Directors (the ‘Board’) decided to reject the non-binding proposal letter (‘Alternate Ocean Proposal’) from Alternate Ocean Investment Company Limited (‘Alternate Ocean’) received by the Board dated March 2, 2021, pursuant to which Alternate Ocean proposed to acquire all outstanding ordinary shares of the Company for US\$5.00 per ordinary share in cash, based on the recommendation from a special committee of independent directors (the ‘Special Committee’). The Special Committee and the Board believe such proposal in its original form fails to properly reflect the value of the Company and maximize shareholder value.”

96. On February 28, 2022, Global Cord issued a press release, filed with the SEC on a Form 6-K signed by Defendant Albert Chen, announcing the Company’s fiscal Q3 2022 financial

results. The press release stated, in relevant part, quoting Defendant Zheng, “[a]s regulatory uncertainties affecting China’s cord blood banking industry remain as we head to the Year of Tiger, management will continue to monitor any potential regulatory changes, while carrying on with our operating efforts and thoroughly examining business development opportunities related to cord blood stem cells, as we aim to generate growth in new areas.”

97. This press release disclosed Global Cord’s balance sheet, including the following figures:

	March 31, 2021	December 31, 2021	
	RMB	RMB (in thousands except share data)	US\$
ASSETS			
Current assets			
Cash and cash equivalents	5,075,708	5,105,014	1,605,783
Accounts receivable, less allowance for credit losses (March 31, 2021: RMB137,961; December 31, 2021: RMB152,160) (US\$13,868)	132,280	134,074	24,177
Inventory	44,257	47,393	7,487
Prepaid expenses and other receivables	17,735	72,721	11,532
Total current assets	5,270,080	5,359,199	1,648,979
Property, plant and equipment, net	196,810	182,224	73,234
Operating lease right-of-use assets	5,069	5,444	218
Non-current deposits	144,772	145,184	53,908
Non-current accounts receivable, less allowance for credit losses (March 31, 2021: RMB67,005; December 31, 2021: RMB59,173) (US\$6,336)	217,230	253,532	32,785
Intangible assets	96,110	91,333	33,244
Intangible assets, net	88,005	84,787	31,785
Investments in equity securities at fair value	117,911	107,720	39,905
Other equity investment	105,129	105,129	29,678
Deferred tax assets	35,323	35,827	13,716
Total assets	7,916,320	8,097,726	2,817,987

98. On March 1, 2022, Global Cord hosted an earnings call with investors and analysts to discuss the Company’s fiscal Q3 2022 results (the “Q3 2022 Earnings Call”). During the scripted portion of the Q3 2022 Earnings Call, Defendant Zheng was quoted as stating, in relevant part:

Meanwhile, as the overall number of women of childbearing age and new birth continue to decline, the academic community and general public in China began vibrant discussions on how to stimulate population growth. In face of such a dynamic regulatory and business environment, the management team continues to closely monitor any potential development of industry regulations and policies and carry on efforts to operate existing lines of business, while digging deeper into business development opportunities related to cord blood stem cells with a goal to diversify business risks and cultivate new ways of growth.

99. The statements referenced in ¶¶ 48-98 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose: (i) Global Cord employed a capital

allocation strategy designed to reserve funds for Company insiders and related parties rather than for the benefit of Company shareholders; (ii) Global Cord's decisions to reject multiple going private offers and enter into the Transaction were nothing more than self-serving and conflicted attempts by Defendants to divert company funds to corporate insiders and related parties; (iii) Defendants had fundamentally misrepresented to investors Global Cord's approach to capital allocation, strategic investments, acquisitions, and related party transactions as a result of the misappropriation by Defendant Kam and his entities of hundreds of millions of dollars from the Company; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

100. On April 29, 2022, after the market had closed, in a Form 6-K filed with the SEC, Global Cord announced that the Company had entered into a Material Definitive Agreement to acquire Cellenkos. In a press release appended as an exhibit to the Form 6-K, the Company provided, in relevant part:

Global Cord [. . .] announced today that the Company will acquire 100% of Cellenkos, Inc ("CLNK") and the rights to develop and commercialize all of its existing and future products worldwide except those related to CLNK's existing collaboration with Incyte Corporation [. . .] As of the date hereof, the Company has entered into agreements with the holders of approximately 95% of CLNK outstanding equity interest and GM Precision Medicine (BVI) Limited ("GMPM"). Following the entry into an agreement at substantially the same terms with the remaining 5% holder, at closing, the Company will issue approximately 125 million new shares (on an as-converted and fully diluted basis) valued at US\$11 per share and pay US\$664 million in cash as total consideration.

CLNK is a biotechnology research and development ("R&D") company that utilizes umbilical cord blood ("CB") as the raw material to develop innovative, allogeneic, off-the-shelf, cell based therapeutic products. Through a License and Strategic Development Agreement with The University of Texas M. D. Anderson Cancer Centre and CLNK's own proprietary Intellectual property ("IP"), CLNK focuses on developing T-regulatory ("T-reg") cell therapies for treating autoimmune diseases and inflammatory disorders. Out of a rich and expanding

product pipeline, CLNK is developing cellular medicines to suppress severe inflammations of Coronavirus Disease 2019 (COVID-19), Acute Respiratory Distress Syndrome (ARDS), Amyotrophic Lateral Sclerosis (ALS) and Aplastic Anemia (AA). One of its core products, CK0802, has completed a Phase 1, Double-Blinded, Randomized, Placebo Controlled Safety and Early Efficacy Trial for the treatment of COVID-19 induced ARDS in 45 patients (www.clinicaltrials.gov NCT04468971). The results of this trial showed that CK0802 infusions were well-tolerated and the 100 million cell dose was likely associated with improvements in the primary endpoint of being alive and extubated at day 28 as well as in the overall survival at last follow up, after accounting for prognostic covariates. A larger confirmatory study is warranted. CLNK is preparing to initiate Phase II/III trials and to apply for Emergency Use Authorization (“EUA”), Regenerative Medicine Advanced Therapy Designation (“RMAT”), Breakthrough Therapy Designation (“BTD”), Fast Track Designation (“FTD”) and Orphan Drug Designation (“ODD”). Additionally, CLNK has formed a development collaboration with Incyte to investigate the combination of CK0804 and ruxolitinib (Jakafi®) in patients with myelofibrosis (MF) and is entitled for licensing fees and royalties based on milestones.

Upon completion of all transactions, the Company will own 100% of CLNK equity, the global rights for most of its products, and the laboratory assets under GMPM. The Company will fully support all of CLNK’s on-going and outstanding clinical and R&D projects.

The Board of Directors of the Company believes that CLNK is a perfect fit for the Company and that its products can have distinct synergies with the Company’s existing line of business. “Aiming at the multi-billion-dollar cell therapy market, the Company adds a growth engine through CLNK’s world-class cell therapy R&D team, CLNK’s owned cGMP manufacturing facility and its unique technology to derive T-reg cellular therapies with the ability to generate multiple and distinct products against various conditions,” said Ms. Ting Zheng, Chairperson and CEO of GCBC. “Besides business expansion from umbilical cord blood stem cell storage to T-reg cell therapy, the Company’s targeted market also spreads beyond China and Asia, as we strive to serve global patients’ un-met medical needs and save lives.”

“As a biotech company focused on innovative cellular therapies, CLNK is honored to join the GCBC family. This union represents an important milestone for CLNK and I believe GCBC’s current business, extensive network and sales and marketing resources in Asia will help expedite CLNK’s R&D activities and future commercialization and expansion,” said Dr. Simrit Parmar, MD, Founder of CLNK. “Looking ahead, the CLNK team will continue to focus on the R&D and manufacturing for breakthrough T-reg cell therapies, co-operate with GCBC’s existing team to expand CLNK’s pipeline and prepare for the commercialization of our products on a global scale to benefit patients who are in dire need of better treatment options.”

101. On this news, Global Cord's stock price fell \$0.98 per share, or 28.57%, from \$3.43 at the close of trading on April 29, 2022, to close at \$2.45 per share on May 2, 2022.

102. Then, on May 5, 2022, Blue Ocean, a wholly owned subsidiary of Nanjing Yingpeng, filed a Petition opposing the Transaction in the Grand Court of the Cayman Islands, Financial Services Division. The Petition asserted, in relevant part:

As at 31 March 2021, the Company had 121,551,075 shares outstanding. Therefore the Equity Consideration for the deal is almost equivalent to the entire outstanding share capital of the Company. This will result in a substantial dilution of the existing shareholders, particularly the Petitioner, whose interest will decrease from 65.4% to 32%.

As stated above, the price of the Company's shares on the NYSE on the day of the 6-K was US\$3.51. The market value of the Equity Consideration as at that date was US\$400,885,057.

According to the Company's most recent 20-F filing, the Company has free cash flow of approximately US\$927 million. The Cash Consideration will therefore use up over 2/3 of the Company's free cash flow.

No Shareholder Approval or Notice of Transaction

[Blue Ocean] heard of the Transaction and of Cellenkos, Inc for the very first time from the 6-K. [Blue Ocean] had never been informed of any proposed acquisition and no shareholder approval had been sought or obtained.

[Blue Ocean] made inquiries of Mr Xu, who is the director of the Company appointed by [Blue Ocean]. Mr Xu was unaware of the Transaction and had not attended any meeting of the Board.

The Transaction, which involves an almost 100% increase in outstanding shares and over 2/3 of the Company's free cash flow was therefore approved by the Board, without any shareholder knowledge, consultation or approval, within 62 hours of the Board being notified of the Transaction proposal.

Related Party Transaction

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

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

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

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

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

As part of the Cellenkos Acquisition, a BVI investment holding company called Vyserion Limited ("Vyserion") also acquired a warrant which, upon exercise resulted in Vyserion being issued with 1,250,000 shares in Cellenkos. It is not clear who owns Vyserion. The Stock Purchase Agreement entered into by the Company with Vyserion on 29 April 2022 for the acquisition of its shares (at an extremely inflated value as set out below) contains no contact details for the seller (Vyserion) in the notices clause (clause 10.1) and the agreement is signed "O NA" as director of Vyserion. It appears that the ultimate beneficial owner of Vyserion has gone to great lengths to hide their identity.

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

Transaction not in Best Interests of Company

On 4 November 2021, BVCF Management Ltd ("BVCF") acquired 523,148 shares in Cellenkos, Inc for US\$15 million (the "BVCF Acquisition"). The total number of shares acquired by BVCF as part of the BVCF Acquisition is based on the Stock

Purchase Agreement entered into between the Company and HL Succors and HL Succors ZN that were exhibited to the 6-K. At schedule 1 of the Stock Purchase Agreement the shareholding in Cellenkos, Inc of the two entities is set out. It states that HL Succors holds 455,139 shares of Class A Common Stock in Cellenkos, Inc and HL Succors ZN holds 68,009 shares of Class A Common Stock in Cellenkos, Inc. The Stock Purchase Agreement is signed on behalf of those entities by Mr Yang Zhi as Director. Mr Yang Zhi is the founder of BVCF.

Assuming the BVCF Acquisition was an arms-length commercial transaction, the BVCF Acquisition would indicate that in November 2021, the shares of Cellenkos, Inc were valued at \$28.67 per share.

[Table Omitted]

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

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

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

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

In any event, the value of CK0802 should not form part of the valuation of the Cellenkos shares because the licence for CK0802 (in the event that it is ever approved and marketed) was assigned on 25 October 2021 to Golden Meditech Precision Medicine Limited (“GMPM”) pursuant to a licence agreement (the “Licence Agreement”). GMPM is a Hong Kong company having its place of

business at 48/F Bank of China Tower, 1 Garden Road, Central – which, as noted above, is the same address of both the Company and GMHL.

According to the Framework Agreement exhibited to the 6-K, the Licence Agreement grants GMPM exclusive license of CK0802 (and preferential rights to other Cellenkos products), to develop, manufacture, distribute, market, promote, and sell licensed product in the PRC, Brunei, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, India, South Korea, Japan, Iran, Iraq, Israel, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates and Yemen for a period of no less than 10 years (from the first commercial sale).

GMPM in turn assigned its interest in the Licence Agreement to GM Precision Medicine (BVI) Limited (“GMPM BVI”), which is a 100% wholly owned subsidiary of GMPM, on 27 April 2022. The Framework Agreement is signed on behalf of GMPM BVI by Mr Kam as director. It would therefore appear that GMPM and GMPM BVI are subsidiaries of GMHL and, as such, are wholly owned by Mr Kam.

There is no information regarding the consideration paid (if any) by either GMPM or GMPM BVI for the Licence Agreement. No copy of the Licence Agreement has been provided to [Blue Ocean].

Communication with Company

On Sunday, 2 May 2022, [Blue Ocean’s] PRC international legal advisors, DLA Piper, sent a letter to the Board of the Company and to the Company’s Registered Office objecting to the Transaction and raising a number of concerns regarding the conduct of the Board.

[Albert Chen] responded at 5.08am on Monday 2 May 2022 via email as follows:

Dear Mr. Chang,

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

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

Warm Regards

Albert Chen

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

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

GROUNDS FOR WINDING UP ON JUST AND EQUITABLE BASIS

In relation to the Transaction:

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

The Board failed to call an EGM notwithstanding [Blue Ocean's] request in its capacity as majority shareholder of the Company;

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

The Board approved the Transaction without shareholder approval notwithstanding the Transaction would result in a 50% dilution of [Blue Ocean's] interest in the Company, causing it to becoming a minority shareholder;

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

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

103. On this news, Global Cord's stock price fell \$0.22 per share, or 9.09%, to close at \$2.20 per share on May 5, 2022.

104. On May 12, 2022, the Grand Court of the Cayman Islands granted Blue Ocean's *ex parte* injunction order, pausing the Transaction.

105. On September 22, 2022, pursuant to a petition filed by Blue Ocean, the Grand Court of the Cayman Islands suspended the powers of Global Cord's Directors and appointed Joint Provisional Liquidators over the Company. As Global Cord announced on September 26, 2022:

The Joint Provisional Liquidators are authorized and empowered by the Grand Court to take such steps as they consider necessary or expedient to protect the Company's assets. The powers of the Joint Provisional Liquidators include, among other things, the power to defend any actions or legal proceedings on behalf of the Company, to investigate and conduct the affairs of the Company, to engage staff and advisors to assist them in the performance of their functions, to take possession of and collect the Company's property and to execute all agreements and documents on behalf of the Company.

106. Following the appointment of the Joint Provisional Liquidators, the NYSE halted trading in Global Cord's ordinary shares, effective September 23, 2022.

107. Evidence that was presented to the Cayman Islands court, and that was investigated further and corroborated by the Joint Provisional Liquidators, shows that the Cellenkos Transaction was actually part of a cover-up aimed at "filling a gap" in Global Cord's balance sheet. It turns out that from September 2015 to May 2022, Global Cord made secret, undisclosed payments of approximately \$606 million to entities related to Golden Meditech and controlled by Defendant Kam.

108. Kam and the Golden Meditech Defendants misappropriated even more of Global Cord's funds. The Joint Provisional Liquidators have been able to identify only approximately US\$427,000 and HK\$135,000 in Global Cord's bank accounts, as compared to the over \$1 billion in cash that the Company reported before the Transaction was announced.

109. The Joint Provisional Liquidators and the court in the Cayman Islands have also been highly critical of the extensive efforts of the Individual Defendants to obstruct their work, as described above.

110. On June 22, 2023, the Securities and Exchange Commission filed a Form 25 Notification of Removal from Listing and/or Registration Under Section 12(b) of the Securities

Exchange Act of 1934, stating: “Pursuant to 17 CFR 240.12d2-2(b), the Exchange has complied with its rules to strike the class of securities from listing and/or withdraw registration on the Exchange.” The Company’s shares continue to trade in the United States on the over-the-counter market and, as of as of April 19, 2024, were trading at \$1.25 per share.

111. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF’S CLASS ACTION ALLEGATIONS

112. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise acquired Global Cord securities during the Class Period (the “Class”); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

113. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Global Cord securities were actively traded on the NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Global Cord or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

114. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

115. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

116. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business, operations and management of Global Cord;
- whether the Individual Defendants caused Global Cord to issue false and misleading financial statements during the Class Period;
- whether Defendants engaged in a plan, scheme, conspiracy, or course of conduct related to the acts described above;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Global Cord securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

117. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden

of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

118. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Global Cord securities are traded in an efficient market;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NYSE and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Global Cord securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

119. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

120. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

NO SAFE HARBOR

121. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and

conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Global Cord who knew that the statement was false when made.

COUNT I

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) Promulgated Thereunder Against Global Cord, the Individual Defendants, and KPMG)

122. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

123. This Count is asserted against Defendants Global Cord, the Individual Defendants, and KPMG, and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

124. Defendants Global Cord, the Individual Defendants, and KPMG, individually and in concert, directly and indirectly, by the use of the means or instrumentalities of interstate commerce, the mails, and/or the facilities of national securities exchanges, violated Section 10(b) of the Exchange Act and Rule 10b-5(b) promulgated thereunder by the SEC.

125. These Defendants made false and misleading statements of material facts, omitted to state material facts which they had a duty to disclose and omitted to state material facts necessary

in order to make the statements made, in light of the circumstances under which they were made, not misleading.

126. These Defendants made their false and misleading statements and omissions and engaged in the fraudulent activity described herein knowingly and intentionally or in such a reckless manner as to constitute willful deceit and fraud upon Plaintiff and the other members of the Class who purchased or acquired Global Cord securities.

127. These Defendants intended to and did, as alleged herein, (i) deceive the investing public, including Plaintiff and the Class; and (ii) cause Plaintiff and the Class to purchase or acquire Global Cord securities.

128. These Defendants also were individually and collectively responsible for making the false and misleading statements and omissions alleged herein by virtue of having made public statements and prepared, approved, signed and/or disseminated documents that contained untrue statements of material fact and/or omitted facts necessary to make the statements therein not misleading. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Global Cord's financial condition.

129. By virtue of their actions, positions, and associations with Global Cord, these Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, these Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to Defendants. Said acts and omissions of Defendants were committed willfully or with reckless

disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

130. During the Class Period, Global Cord securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying upon the price of the Global Cord securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, purchased or acquired Global Cord securities at artificially inflated prices and were damaged thereby. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or acquired said securities at those prices.

131. By purchasing or acquiring their Global Cord securities at these artificially inflated prices, Plaintiff and the Class members suffered economic losses, which losses were a direct and proximate result of Defendants Global Cord, the Individual Defendants, and KPMG's fraudulent conduct.

132. By virtue of the foregoing, these Defendants are liable to Plaintiff and members of the proposed Class for violations of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

COUNT II

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) Promulgated Thereunder Against All Defendants)

133. This Count is brought solely and exclusively under the provisions of Rule 10b-5(a) and (c), pursuant to Section 10(b). Accordingly, Plaintiff need not allege or prove in this Count that each of the Defendants made any misrepresentations or omissions of material fact for which they may also be liable under Rule 10b-5(b) and/or any other provisions of law. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs prior to Count I above as if fully set forth herein.

134. During the Class Period, Defendants carried out a common plan, scheme, conspiracy, and unlawful course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Global Cord securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Global Cord securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

135. In furtherance of this unlawful plan, scheme and course of conduct, Defendants employed devices, schemes and artifices to defraud, and knowingly and/or recklessly engaged in acts, transactions, practices, and courses of business that operated as a fraud and deceit upon Plaintiff and the Class in connection with their purchases of Global Cord securities, in violation of Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder.

136. Defendants' fraudulent devices, schemes, artifices and deceptive acts, practices, and course of business included their siphoning off Global Cord's substantial assets by improperly transferring them to Golden Meditech and engaging in the Transaction to cover up that misconduct.

137. During the Class Period, Global Cord securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying upon the price of the Global Cord securities, the integrity of the market for the securities and/or upon statements disseminated by Defendants, purchased or acquired Global Cord securities at artificially inflated prices and were

damaged thereby. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or acquired said securities at those prices.

138. During the Class Period, Plaintiff and the Class were unaware of Defendants' fraudulent scheme and unlawful course of conduct. Had Plaintiffs and the Class known of Defendants' unlawful scheme and unlawful course of conduct, they would not have purchased or acquired Global Cord securities, or if they had, would not have done so at the value at which they did.

139. As a direct and proximate result of the Defendants' scheme to defraud and such unlawful course of conduct, Plaintiff and the Class suffered damages in connection with their purchases of Global Cord securities during the Class Period.

140. By reason of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder, and are liable to Plaintiff and the Class for damages suffered in connection with their purchases of Global Cord securities during the Class Period.

COUNT III

(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)

141. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

142. During the Class Period, the Individual Defendants participated in the operation and management of Global Cord and/or the Golden Meditech Defendants, and conducted and participated, directly and indirectly, in the conduct of Global Cord's and/or the Golden Meditech Defendants' business affairs. Because of their senior positions, they knew the adverse non-public

information about Global Cord's and/or the Golden Meditech Defendants' misconduct described above.

143. As officers and/or directors, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to Global Cord's financial condition and results of operations, to correct promptly any public statements issued by Global Cord which had become materially false or misleading, and not to engage in the common plan, scheme, and unlawful course of conduct described above.

144. Because of their positions of control and authority, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Global Cord disseminated in the marketplace during the Class Period concerning Global Cord's results of operations. Throughout the Class Period, the Individual Defendants also exercised their power and authority to cause Global Cord and/or the Golden Meditech Defendants to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Global Cord and/or the Golden Meditech Defendants within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Global Cord securities.

145. Each of the Individual Defendants, therefore, acted as a controlling person of Global Cord and/or the Golden Meditech Defendants. By reason of their senior management positions and/or being directors of Global Cord and/or the Golden Meditech Defendants, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Global Cord and/or the Golden Meditech Defendants to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Global Cord and/or the Golden Meditech Defendants and possessed the power to

control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

146. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Global Cord and the Golden Meditech Defendants.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

- A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;
- B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;
- C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and
- D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.