



IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD ²⁹⁵ OF 2023 (IKJ)

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)
AND IN THE MATTER OF CHINA MEDONLINE INC.

WINDING UP PETITION

To the Grand Court

The humble petition of CTS Hermitage Healthcare Fund LP of Hermes Corporate Services Ltd., PO Box 31493, 5th Floor, Zephyr House, 122 Mary Street, Grand Cayman, the Cayman Islands (the "**Petitioner**") shows that: -

Introduction

1 The Petitioner presents this petition for:

- (a) The winding up of ChinaMedonline Inc (the "**Company**") pursuant to sections 92(d) and 93 of the Companies Act (2023 Revision) (the "**Companies Act**")

This Petition is filed by Ogier (Cayman) LLP, Attorneys-at-Law for CTS Hermitage Healthcare Fund LP (the Petitioner), whose address for service is: 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands (GEL/NKQ/506829.00001)

on the grounds that the Company is insolvent and unable to pay its debts;
and

- (b) The appointment of Mitchell Mansfield of Kroll (Cayman) Ltd of Strathvale, House, 3rd floor, 90 North Church Street, PO Box KY1-1204, Grand Cayman and Kuan Song of Kroll Consulting (Shenzhen) Limited of 802, 8/F, Tower 2 China Central Place, No.79 Jian Guo Road, Chaoyang District Beijing, People's Republic of China as joint official liquidators of the Company.

The Company

- 2 The Company was incorporated as an exempted company in the Cayman Islands on 20 July 2007, with registration number 191597.
- 3 The registered office of the Company is situated at Vistra (Cayman) Limited, Grand Pavillion, Hibiscus Way, P.O. Box 31119, Grand Cayman, Cayman Islands.
- 4 The objects for which the Company was established are unrestricted and at all material times the Company has had full powers to carry out any object not prohibited by act as provided by section 7(4) of the Companies Act or any other law of the Cayman Islands.
- 5 According to the Eleventh Amended and Restated Memorandum and Articles of Association of the Company (Adopted by Special Resolution on 27 March 2020) (the "**Articles**"), the authorised share capital of the Company is US\$50,000 divided into:
- (a) 137,493,014 redeemable Ordinary Shares of a nominal or par value of US\$0.0002 each ("**Ordinary Shares**");
- (b) 112,506,986 redeemable preferred shares of a nominal or par value of US\$0.0002 each (the "**Preferred Shares**"), of which:

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- i. 659,208 are designated as Series A1 Shares;
- ii. 432,825 are designated as Series A2 Shares;
- iii. 2,763,767 are designated as Series A3 Shares;
- iv. 4,387,286 are designated as Series B Preferred Shares;
- v. 9,462,615 are designated as Series B1 Preferred Shares;
- vi. 13,141,202 are designated as Series C Shares;
- vii. 9,855,269 are designated as Series D Shares;
- viii. 28,380,601 are designated as Series E Shares;
- ix. 13,068,742 are designated as Series F Shares;
- x. 17,669,767 are designated as Series F1 Shares; and
- xi. 12,685,704 are designated as Series F2 Shares.

6 The Company was founded by Wang Hang, Hu Shaoyu, Luo Dan and Lu Yonggyan (the "**Founders**"). The Founders hold their shares in the Company through Kongfutech Inc. (referred to in the Articles as the "Founder Holding Entity"), a company incorporated in the British Virgin Islands who holds 20,272,962 ordinary shares in the Company.

7 The Company engages in the provision of online medical services and products across Hong Kong SAR and the People's Republic of China (the "**PRC**") through its operating subsidiaries. China Medonline (HK) Limited is a wholly owned subsidiary of the Company, who holds all of the shares issued in Hudong Dianfeng (Beijing)

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Technologies Co., Ltd. ("**Hudong**") and who in turn controls HDF Technology (Beijing) Co., Ltd (each incorporated under the laws of the PRC) ("**HDF**") through the agreements referred to in paragraph 9 below (together, the "**PCR Subsidiaries**").

- 8 Hudong is engaged in the research and development of Internet and medical application software, technologies transfer, technological services and consultation, and computer software training and HDF is engaged in the business of providing value-added telecommunication services and other online services in the field of medical treatment and health.
- 9 The business of the PRC Subsidiaries is purportedly carried out pursuant to (a) a Business Cooperation Agreement entered into between them and, among others, the Founders on 10 February 2017; (b) an Option Agreement dated 10 February 2017; (c) a Voting Proxy Agreement dated 10 February 2017; (d) a Pledge Agreement entered into between Hudong and, among others, the Founders. Pursuant to those agreements, Hudong controls HDF.

The Petitioner

- 10 The Petitioner was incorporated as an exempted limited partnership in the Cayman Islands on 23 November 2017 (registration number 93601). The registered office of the Petitioner is situated at Hermes Corporate Services Ltd, PO Box 31493, 5th Floor, Zephyr House, 122 Mary Street.
- 11 The general partners of the Petitioner are CTS Capital Co. Ltd and Hermitage Capital Group Limited (both incorporated in the Cayman Islands), which are in the business of private equity investments in growth capital companies. The Petitioner was established for the sole purpose of investing in and holding the Series E and F1 Preferred Shares of the Company.

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- 12 In December 2017, the Petitioner entered into a Series E Preferred Share Purchase Agreement with the Company and Shiny Prospect Limited pursuant to which the Petitioner purchased and subscribed for 1,152,663 Series E Preferred Shares in the Company for US\$5,909,400 (representing approximately 0.72% of the Company's issued share capital and 4.0614% of all issued Series E Preferred Shares).
- 13 On 2 May 2018, the Petitioner entered into a Series F1 Preferred Share Purchase Agreement with the Company, its operating subsidiaries, the Founders and various other investors through which the Company agreed to issue and sell to the "Investors" 17,669,767 Series F1 Preferred Shares in the Company. Pursuant to that agreement, the Petitioner subscribed for 1,950,559 Series F1 Preferred Shares in the Company at a price of US\$5.1267 per share (for a total sum of US\$10,000,000), representing approximately 1.23% of the Company's issued share capital and approximately 11.0390% of all issued Series F1 Preferred Shares.
- 14 On 6 August 2019, CTS Hermitage China Fund SPC – CTS Hermitage Fund One SP ("**CTSSP**") (a segregated portfolio company incorporated in the Cayman Islands) and CTS China Fund III Partnership LP ("**CTS China**") (an exempted limited partnership established in the Cayman Islands (together with CTS SP, the "**CTS Funds**") entered into a Series F2 Preferred Share Purchase Agreement ("**Series F2 Purchase Agreement**") with the Company, its operating subsidiaries, the Founders and various other investors through which the Company agreed to issue and sell to the "Investors" 13,495,245 Series F2 Preferred Shares in the Company. Pursuant to the Series F2 Purchase Agreement and a subsequent amendment agreement entered into or about 27 March 2020:
- (a) CTS SP subscribed for 3,875,470 Series F2 Preferred Shares in the Company at a price of US\$5.8057 per share (representing approximately

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2.44% of the Company's issued share capital and 30.5499% of all issued Series F2 Preferred Shares); and

- (b) CTS China subscribed for 482,281 Series F2 Preferred Shares in the Company price of US\$5.8057 per share (representing approximately 0.30% of the Company's issued share capital and approximately 3.8018% of all issued Series F2 Preferred Shares).

- 15 The Petitioner and the CTS Funds together held approximately 4.69% of the total issued share capital in the Company. The Petitioner, one of the general partners of the Petitioner, Hermitage Capital Group Limited, and CTS SP are affiliates of the same group, ultimately controlled by Mr. Yuqiu Xiang. CTS China and one of the general partners of the Petitioner, CTS Capital Co. Ltd, are all affiliates of the same group, ultimately controlled by Mr. Song Zhang.
- 16 Also on 6 August 2019, the Company and its shareholders (including the Petitioner and the CTS Funds) entered into an Amended and Restated Shareholders Agreement (the "**Shareholders Agreement**") which governed the obligations and rights of the shareholders of the Company and which (in light of the issuance of the Series F2 Preferred Shares in the Company) superseded a prior Amended and Restated Shareholders Agreement dated 2 May 2018.
- 17 It had been the intention of the Company to complete a "Qualified Public Offering" of its Ordinary Shares (defined in Schedule C to the Shareholders Agreement and in the Articles) in the United States or in another jurisdiction which would have resulted in its Ordinary Shares trading publicly on an internationally recognised securities exchange such as Hong Kong or London. The Shareholders Agreement and the Articles accordingly set out the rights and obligations of shareholders (and termination thereof), in the event of a Qualified Public Offering.

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Ground for winding up

The Articles

- 18 Article 11(a) of the Articles provides that (emphasis added): "*Subject to the provisions of the Statute and in accordance with these Articles, the Company may issue shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such shares shall be effected in accordance with these Articles or in such manner as the Company may, by Special Resolution, determine before the issuance of such shares*".
- 19 Article 18(a) contemplated that shareholders of the Company would be entitled to redeem their shares in the event the Company failed to achieve an Qualified Public Offering within a 5 year period from the issue date of each class of Preferred Shares, providing as follows with respect to each of the Preferred Shares held by the Petitioner and the CTS Funds:
- (a) For each holder of the Series F2 Preferred Shares, at any time where the Company has not completed a Qualified Public Offering prior to the fifth (5th) anniversary of the Series F2 Issue Date:
 - i. The Series F2 Issue Date means 6 August 2019;
 - ii. The fifth anniversary of the Series F2 Issue Date is accordingly 6 August 2024;
 - (b) For each holder of the Series F1 Shares, at any time where the Company has not completed a Qualified Public Offering prior to the fifth (5th) anniversary of the Series F1 Issue Date:

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- i. Series F1 Issue Date means 2 May 2018;
 - ii. The fifth anniversary of the Series F1 Issue Date was accordingly 2 May 2023.
- (c) For each holder of the Series E Shares, at any time where the Company has not completed a Qualified Public Offering prior to the fifth (5th) anniversary of the Series E Original Issue Date:
- i. Series E Issue Date means 15 May 2015;
 - ii. The fifth anniversary of the Series E Issue Date is accordingly 15 May 2020.
- 20 The fifth anniversary of the issue date of each series of Preferred Shares is defined in Article 18(a) as the "Redemption Start Date". Article 18(a) goes on to state that (emphasis added): "each holder of such Preferred Shares shall be entitled to require the Company redeem all or any portion of the outstanding Preferred Shares held by the requesting holder out of funds legally available therefor including capital, at a redemption price (the "Redemption Price") per Share equal to

IPx (1.10)^N, where

IP = the applicable Original Issue Price of such Preferred Shares;

and

N = a fraction the numerator of which is the number of calendar days between the applicable Original Issue Date of such Preferred Share and the Redemption Date (as defined below) and the denominator of which is 365,

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plus all declared but unpaid dividends thereon up to the date of redemption, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers".

- 21 The manner in which a request for redemption is to be sent to the Company is defined by Article 18(b) which states that (emphasis added):

"A notice of redemption by the holders of the Preferred Shares to be redeemed shall be given by hand or by mail to the registered office of the Company at any time on or after the date falling thirty (30) days before the Redemption Start Date, stating the date on or after the Redemption Start Date on which the Preferred Shares are to be redeemed (the "Redemption Date"), PROVIDED, HOWEVER, that the Redemption Date shall be no earlier than the Redemption Start Date or the date thirty (30) days after such notice of redemption is given, whichever is later".

- 22 Accordingly and on the basis of Article 18(b), a notice of redemption is required to: (a) be delivered to the registered office of the Company by hand or mail; and (b) state the Redemption Date (which is in turn used to calculate the Redemption Price).

- 23 Article 18(d) of the Articles states (emphasis added):

"Before any holder of Preferred Shares shall be entitled for redemption under the provisions of this Article 18, such holder shall surrender its certificate or certificates representing such Preferred Shares to be redeemed to the Company in the manner and at the place designated by the Company for that purpose, and thereupon the applicable Redemption Price shall be payable to the order of the person whose name appears on such certificate or

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certificates as the owner of such shares and each such certificate shall be cancelled

...

Unless there has been a default in payment of the applicable Redemption Price, upon cancellation of the certificate representing such Preferred Shares to be redeemed, all dividends on such Preferred Shares designated for redemption on the Redemption Date shall cease to accrue and all rights of the holders thereof, except the right to receive the Redemption Price thereof (including all accrued and unpaid dividend up to the Redemption Date), without interest, shall cease and terminate and such Preferred Shares shall cease to be issued shares of the Company".

Redemption of Series E and F1 Shares

- 24 The Company did not complete a Qualified Public Offering prior to the fifth anniversary of either the Series E Issue Date or the Series F1 Issue Date.
- 25 Accordingly, on 14 August 2023, the Petitioner hand delivered redemption notices to the registered office of the Company seeking to redeem all of its Series E and F1 Preferred Shares for the Redemption Price of US\$11,070,711.44 and US\$16,687,199.17 respectively (together, the "**Redemption Proceeds**") in accordance with Article 18 of the Articles (the "**Redemption Notices**").
- 26 The Redemption Date on each of the Redemption Notices was 13 September 2023, being the 30th day after notice was given to the Company in accordance with Article 18(b).

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- 27 On 23 August 2023, the Petitioner hand delivered its original share certificates in respect of the Series E and F1 Preferred Shares to the registered office of the Company (the "**Share Certificates**").
- 28 On 18 September 2023, the Company sent a letter to the Petitioner in which it confirmed that:
- (a) It received valid redemption notices hand delivered to the Company by the Petitioner;
 - (b) It received the Share Certificates representing all Preferred Shares to be redeemed;
 - (c) The Share Certificates had been surrendered and thereupon the applicable Redemption Price became payable; and
 - (d) The Share Certificates had been cancelled and the Petitioner would be promptly removed from the register of members in respect of its Series E and F1 Preferred Shares.
- 29 The Petitioner is accordingly no longer a shareholder of the Company and is rather a creditor in the sum of the Redemption Proceeds (US\$27,757,910.61). Notwithstanding this and despite cancelling the Share Certificates and removing the Petitioner from the register of members, the Company has failed and/or refused to make payment of the Redemption Proceeds upon taking such action.
- 30 The Company has also failed and/or refused to make payment of the Redemption Proceeds on the Redemption Date (being 13 September 2023).

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- 31 Accordingly, the Petitioner sent a written demand to the Company on 27 September 2023 demanding the immediate payment of the Redemption Proceeds by no later than 5pm, 28 September 2023 ("**Demand**").
- 32 The Company has failed and/or refused to make payment of the Redemption Proceeds on or before 28 September 2023.

Financial Position

- 33 The Petitioner asserts that the Company is unable to pay its debts as:
- (a) The Company has failed to pay the Redemption Proceeds on time or at all;
 - (b) The Company failed to satisfy the Demand;
 - (c) The Company has also allegedly failed to redeem Tencent Mobility Limited (leading to the commencement of arbitration HKIAC/PA23138); and
 - (d) The Company has allegedly admitted to Trustbridge Partners III L.P, Trustbridge Partners V, LP and Baidu Holdings Limited that it does not have sufficient legally available funds to redeem their shares.

B. Relief Sought

- 35 In the premises, the Company is insolvent and should be wound up in accordance with sections 92(d) and 93 of the Companies Act.

Your Petitioner therefore humbly prays that:-

- (1) The Company be wound up in accordance with section 92(d) of the Companies Act.
- (2) Mitchell Mansfield of Kroll Advisory (Cayman) Ltd of Strathvale, House, 3rd floor 90 North Church Street, PO Box KY1-1204, Grand Cayman and Kuan Song of Kroll

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Consulting (Shenzhen) Limited of 802, 8/F, Tower 2 China Central Place, No.79 Jian Guo Road, Chaoyang District Beijing, PRC be appointed as official liquidator of the Company (the "JOLs").

- (3) The registered office of the Company be moved to Strathvale House, 3rd Floor, 90 North Church Street, PO Box KY1-1204, Grand Cayman.
- (4) The JOLs be authorised to act jointly and severally in their capacity as liquidators of the Company.
- (5) The JOLs shall not be required to give security for their appointment.
- (6) The JOLs be authorised to exercise within and outside the Cayman Islands any of the powers conferred on them by the Court pursuant to Section 110(2) and Part II of the Third Schedule of the Companies Act without further sanction or intervention of the Court.
- (7) The JOLs be authorised to carry out any act or exercise any power considered by them to be necessary or desirable in connection with the liquidation of the Company and the winding-up of its affairs and to prevent the dissipation of the assets of the Company and its subsidiaries in any jurisdiction.
- (8) The JOLs be authorised to take any such action as may be necessary or desirable to obtain recognition of the Official Liquidators and/or their appointment in any other relevant jurisdiction and to make applications to the courts of such purpose.
- (9) For the avoidance of doubt, no disposition of the Company's property by or with the authority of the JOLs in carrying out their duties and functions and the exercise of their powers under this Order shall be void by virtue of section 99 of the Companies Act.

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- (10) The JOLs have the power to appoint agents in the Cayman Islands, Hong Kong SAR and the People's Republic of China and elsewhere to do any business contemplated by this order which they are unable to do themselves or which can more conveniently be done by an agent.
- (11) The JOLs be at liberty to appoint counsel, attorneys, and/or any other professional advisors, whether in the Cayman Islands or elsewhere as they may consider necessary to advise and assist them in the performance of their duties and on such terms as they may think fit and to remunerate them out of the assets of the Company.
- (12) The remuneration and expenses of the JOLs shall be paid out of the assets of the Company.
- (13) The JOLs be at liberty to apply generally to the Court to make such orders for regulating the future conduct of the affairs of the Company as the Court shall see fit.
- (14) Such further or other relief be granted as the Court deems appropriate.
- (15) The Petitioner's costs of and incidental to the Petition shall be paid forthwith out of the assets of the Company on indemnity basis.

AND your Petitioner will ever pray etc.

Dated the 29th day of September 2023



Ogier (Cayman) LLP
Attorneys for the Petitioner

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NOTE: This petition is intended to be served on the Company.

This Petition was presented by Ogier (Cayman) LLP, whose address for service is 89 Nexus Way, Camana Bay, Grand Cayman KY1-9009, Cayman Islands.

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this petition will take place at the Law Courts, George Town, Grand Cayman, on 15 December 2023 at 10:00am.

Any correspondence or communication with the Court relating to the hearing of his petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, Grand Cayman, KY1-1106, telephone 345 959 4296.

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