



**IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION**

CAUSE NO: FSD OF 2024 ()

**IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)
AND IN THE MATTER OF LAKESHORE BIOPHARMA, CO., LTD (FORMERLY
KNOWN AS YS BIOPHARMA CO., LTD)**

BETWEEN:

YI ZHANG

Plaintiff

AND

(1) APEX PROSPECT LIMITED

(2) HUI SHAO

(3) BO TAN

(4) AJIT SHETTY

(5) VIREN MEHTA

(6) SHAOJING TONG

(7) RACHEL YU

(8) YUNTAO CUI

(9) JIN WANG

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

(10) HENRY CHEN

(11) HAITAO ZHAO

(12) PIERSON YUE PAN

(13) CHUNYAN (BRENDA) WU

(14) CHENN LIGUANG (DAVE)

(15) LAKESHORE BIOPHARMA, CO., LTD (FORMERLY KNOWN AS YS
BIOPHARMA CO., LTD)

Defendants

WRIT OF SUMMONS

TO: (1) **APEX PROSPECT LIMITED**, of Vistra (Cayman) Limited, P. O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1 -1205, Cayman Islands.

(2) **HUI SHAO**, of Room 503, Floor 5, Exchange Beijing, Jianguo Lu Yi 118, Beijing, China

(3) **BO TAN**, of Room 401, Unit 3, Floor 4, Building 2, No. 18, Yanjingli Middle Street, Chaoyang District, Beijing, China

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

(4) **AJIT SHETTY**, of Merr.Christine Clerinx, Zeedijk-Knokke 0643/0111, 8300 Knokke-Heist, Belgium

(5) **VIREN MEHTA**, of 61 Jane Street, Apt 12A New York, New York 10014-5158, United States of America

(6) **SHAOJING TONG**, of Flat C 18/F, Tower 5, The Visionary, 1 Ying Hong Road, Tung Chung, New Territories, Hong Kong

(7) **RACHEL YU**, of 21F, China Century Tower, No 9 Xiaoyunli South St., Beijing, 100026, China

(8) **YUNTAO CUI**, of Room 1804, ShuangQi Gang East Building 18, Western City District, Beijing, China

(9) **JIN WANG**, 658 Jianguo N Road, Haihua Plaza 22nd Floor, Hangzhou, China

(10) **HENRY CHEN**, 369 Bridgecreek Way, Hayward, CA 94544, United States of America

(11) **HAITAO ZHAO**, No. 2001, Building 17, Gongfu Yun, Jianchao District, Taiyuan, Shanxi Province, China

(12) **PEARSON YUE PAN**, of 238 Staircase Falls Common, Fremont CA 94539, United States of America

(13) **CHUNYUAN (BRENDA) WU**, No. 8 Baicao Hutong, Chaoyang District, Changchun City, Jilin Province, China

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

(14) **CHENN LIGUANG (DAVE)**, of c/o Lakeshore Biopharma Co., Ltd., Maples Corporate Services Limited, P.O. Box 309 Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands

(15) **LAKESHORE BIOPHARMA CO., LTD**, of Maples Corporate Services Limited, P. O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands

THIS WRIT OF SUMMONS has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within ___ days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, P.O. Box 495, George Town, Grand Cayman KY1-1106, the accompanying Acknowledgment of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment of Service within the time stated, or if you return the Acknowledgment of Service without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

ISSUED this 14th day of October 2024

NOTE - This Writ may not be served later than 4 calendar months (or, if leave is required to effect service out of the jurisdiction, 6 months) beginning with the date of issue unless renewed by order of the Court.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

IMPORTANT

Directions for Acknowledgment of Service are given with the accompanying form.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

STATEMENT OF CLAIM

A. THE COMPANY AND MR ZHANG

1. The Fifteenth Defendant, Lakeshore Biopharma Co., Ltd (but formerly and properly known as YS Biopharma Co., Ltd) is incorporated under the laws of the Cayman Islands with registration number 368187 (the "**Company**"). It is listed on NASDAQ and carries on business as a biopharmaceutical company dedicated to discovering, manufacturing and commercialising new generations of vaccines and therapeutic biologics for infectious diseases and cancer.
2. The Plaintiff, Yi Zhang ("**Mr Zhang**"):
 - (a) has over 40 years of experience in research, development and commercialisation of immunological biologics and vaccines; has received 15 scientific research achievement awards; has obtained over 20 patents; and has published several academic papers;
 - (b) founded Langsheng Biotech Co., Ltd ("**Langsheng Biotech**") and Yisheng Biopharma Co., Ltd ("**Yisheng Biopharma**");
 - (c) led the acquisition of Liaoning Yisheng Biotechnology Co., Ltd (formerly known as Liaoning Biotechnology Company), which became the largest rabies vaccine manufacturer in China under his leadership;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (d) served as the Chairman and Chief Executive Officer of YishengBio Co., Ltd (the Company, as it was until March 14, 2023) from its inception until 2018, during which time it grew to become an enterprise with more than 1,000 employees, before it became a subsidiary of the Company following a reorganisation that completed in 2021;
 - (e) was appointed on 31 December 2020 as an executive director and Chairman of the Company, the new holding company for a variety of companies including Yisheng Biopharma; and
 - (f) until the events of which Mr Zhang makes complaint below: (1) was responsible for the day-to-day running and management of the Company; and (2) had a controlling interest in the Company, holding directly or indirectly shares amounting to 52.75% of the total ordinary shares validly issued and outstanding.
3. Mr Zhang brings the claims set out herein in his personal capacity and/or, insofar as is necessary, on behalf of the Company by way of common law derivative action, permission to continue which he will seek from the Grand Court.

B. THE FIRST TO FOURTEENTH DEFENDANTS

4. The First Defendant, Apex Prospect Limited ("**Apex**"), is a company incorporated under the laws of the Cayman Islands. It purports to be the majority shareholder of the Company but for the reasons set out below is not, and never has been, a shareholder of the Company.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

5. The Second Defendant, Hui Shao ("**Dr Shao**"), is and has at all material times been a director of the Company and its Chief Executive Officer. Dr Shao was appointed to those roles by Mr Zhang with a view to listing the Company in the United States given Dr Shao's experience in dealing with the Securities and Exchange Commission (the "**SEC**"). Prior to the corporate reorganisation referred to above, Dr Shao was a director of Yisheng Biopharma and served as its Chief Financial Officer.
6. The Third Defendant, Bo Tan ("**Mr Tan**"), was appointed as a director of the Company on 16 March 2023 and served in that role until his resignation on 29 February 2024. In addition to his role at the Company, Mr Tan was the Chief Executive Officer, Co-Chief Investment Officer, and director of Summit Healthcare Acquisition Corp ("**SHAC**") and was appointed as a director of the Company following the merger of SHAC with the Company. Mr Tan has known Dr Shao for more than 20 years.
7. The Fourth Defendant, Ajit Shetty ("**Dr Shetty**"), was appointed as a director of the Company on 29 January 2021 and served in that role until his resignation on 31 May 2024. He was also nominated for that role by Dr Shao, who had been introduced to him by Viren Mehta ("**Dr Mehta**"), a former manager of Dr Shao.
8. The Fifth Defendant, Dr Mehta, was appointed as a director of the Company on 29 January 2021 and served in that role until his resignation on 31 May 2024. He was similarly nominated for that role by Dr Shao, who as set out above knew him as his former manager.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

9. The Sixth Defendant, Shaojing Tong ("**Mr Tong**"), was appointed as a director of the Company on 16 March 2023 and served in that role until his resignation on 29 February 2024. He was again nominated for that role by Dr Shao, one of his longstanding personal friends.
10. The Seventh Defendant, Rachel Yu ("**Ms Yu**"), was appointed as a director of the Company on 9 December 2023 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below as a representative of Oceanpine Capital ("**Oceanpine**"), one of the Company's shareholders and at which Ms Yu is a partner. Ms Yu remains a director and the interim Chief Financial Officer of the Company as at the date of this Statement of Claim.
11. The Eighth Defendant, Yuntao Cui ("**Dr Cui**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below. Dr Cui resigned a director on 31 May 2024.
12. The Ninth Defendant, Jin Wang ("**Dr Wang**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below. Dr Wang resigned a director on 31 May 2024.
13. The Tenth Defendant, Henry Chen ("**Mr Chen**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder,

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

Mr Zhang, in the circumstances set out more fully below. Mr Chen resigned a director on 31 May 2024.

14. The Eleventh Defendant, Haitao Zhao ("**Mr Zhao**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below. Mr Zhao resigned a director on 31 May 2024.
15. The Twelfth Defendant, Pierson Yue Pan ("**Mr Pan**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below. Mr Pan resigned a director on 31 May 2024.
16. The Thirteenth Defendant, Chunyan (Brenda) Wu ("**Ms Wu**"), was appointed as a director of the Company on 13 February 2024 against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more fully below. On 14 June 2024, Ms Wu resigned from the board of directors of the Company. Prior to her appointment as a director, Ms Wu served as the Chief Financial Officer of the Company.
17. The Fourteenth Defendant, Chenn Liguang (Dave Chenn) ("**Mr Chenn**"), is the Chief Executive Officer of Oceanpine. Mr Chenn served as the chairman and interim Chief Executive Officer of the Company following his appointment by the board of directors on or about 29 April 2024 until his purported formal appointment as the Company's chairperson on 1 June 2024. He was formally appointed as a director of the Company on 21 May 2024 at the Company's EGM, against the wishes of its majority shareholder, Mr Zhang, in the circumstances set out more

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

fully below. It is to be inferred and Mr Zhang believes that, following her appointment to the Company's Board as Oceanpine's representative, Ms Yu acted at Mr Chenn's direction.

18. The Second to Fourteenth Defendants are referred to collectively herein as the "**Director Defendants**".

C. THE DIRECTOR DEFENDANTS' DUTIES TO THE COMPANY

19. The Director Defendants all are or have been directors of the Company. In that capacity, they each owe or have owed fiduciary duties ("**Directors' Duties**") to the Company to, amongst other things:
- (a) act loyally, honestly and in good faith in what they consider to be the best interests of the Company;
 - (b) exercise their powers only for the purpose for which they were conferred and not for any personal or collateral purpose;
 - (c) act in a manner likely to promote the success of the Company for the benefit of its members as a whole;
 - (d) not act beyond their powers; and
 - (e) act in accordance with the Company's constitution and shareholder resolutions.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

D. THE COMPANY'S ARTICLES

20. The Company's current articles of association were adopted by a special resolution passed on 23 September 2022 and took effect from 16 March 2023 (the "**Articles**"). Mr Zhang will rely on the Articles for their full meaning and effect.

21. The Articles have at all material times included the following provisions:

(a) Under Article 8:

"Subject to these Articles, all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

(a) issue, allot and dispose of Shares (including without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

(b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

(c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto."

(b) Under Article 88:

"A Director may be removed from office by Ordinary Resolution (except with regard to the removal of the Chairperson, who may be removed from office by Special Resolution). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal."

(c) Under Article 90:

"The Board of Directors shall elect and appoint a Chairperson by a majority of the Directors then in office. The period for which the Chairperson will hold office will also be determined by a majority of the Directors then in office."

(d) Under Article 110:

"The office of Director shall be vacated, if the Director:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) is removed from office by notice addressed to them at their last known address and signed by all of their co-Directors (not being less than two in number); or

(e) is removed from office pursuant to any other provision of these Articles."

22. Without limitation to the Directors' Duties' set out above, the directors of the Company from time to time were, in particular, each obliged to exercise their powers to:

(a) allot shares in the Company under Article 8; and

(b) remove a fellow director from office under Article 110,

for the purposes for which each of those powers were conferred, and not for any improper or collateral purpose.

E. THE HOSTILE PARTY

23. Commencing in or around 2023, Mr Zhang has been the victim of a concerted campaign conducted by, at least, Dr Shao, Mr Tong, Dr Mehta, Dr Shetty, Mr Tan, Ms Yu and Mr Chenn (the "**Hostile Party**") to oust him from, and to seize control of, the Company for their own benefit and to the detriment of Mr Zhang, the Company and its other members (the "**Hostile Campaign**").

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

24. The steps taken by the Hostile Party pursuant to the Hostile Campaign are set out more fully below and have included:
- (a) the appointment to Ms Yu to the Board as a representative of Oceanpine on 9 December 2023;
 - (b) the purported removal without authority or proper basis of Mr Zhang as the Company's Chairman on 9 December 2023;
 - (c) obtaining an injunction on a basis they knew to be false in order to restrain Mr Zhang from exercising his lawful rights as majority shareholder of the Company to remove members of the Hostile Party as directors of the Company;
 - (d) the making of false allegations of wrongdoing against Mr Zhang;
 - (e) the deliberate dilution of Mr Zhang's shareholding in the Company; and
 - (f) the purported removal without authority or proper basis of Mr Zhang as a director of the Company on 12 February 2024.

F. THE DECEMBER BOARD MEETING

25. On 28 November 2023, Dr Shao emailed the Company's board of directors (the "**Board**") (then comprising Mr Zhang, Dr Shao, Mr Tan, Dr Shetty, Dr Mehta, Mr Tong and Dr Stanley Chang ("**Dr Chang**")) and proposed a management conference call in December 2023 to discuss: (1) the Company's six-month financial results ended 30 September 2023; and (2) prior to the call, to host the

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

quarterly Board meeting to review the Company's financial results (the "**December Board Meeting**").

26. On 6 December 2023, Dr Shao and Mr Zhang exchanged WeChat messages with regard to the proposed December Board Meeting. In the course of that exchange:
 - (a) Dr Shao proposed that Ms Yu (a partner at Oceanpine, which had requested representation on the Board) be appointed to the Company's Board at the December Board Meeting to replace Dr Chang, who had earlier that year indicated his intention to resign;
 - (b) Mr Zhang responded that he did not wish Ms Yu's candidacy to be an agenda item at the December Board Meeting because he had not had enough time to consider her suitability; and
 - (c) Dr Shao replied "*message received*".
27. On 7 December 2023, the December Board Meeting was fixed for 9 December 2023 and the materials for the meeting were circulated. The meeting materials did not suggest that Ms Yu's appointment was to be discussed at the December Board Meeting.
28. On 9 December 2023, Dr Shetty, the Chairman of the Company's Nominations and Governance Committee (the "**N&G Committee**"), nevertheless emailed the members of that committee proposing that it meet immediately before the December Board Meeting that same day to discuss Ms Yu as a candidate to be Dr Chang's replacement.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

29. For the avoidance of doubt, there was no legitimate reason for Dr Shetty to call a meeting of the N&G Committee in the time and manner he did in circumstances where:
- (a) Dr Chang had agreed not to resign as a director of the Company until a replacement could be found;
 - (b) Ms Yu's candidacy was not urgent: in fact, unbeknown to Mr Zhang, Ms Yu had proposed herself as a candidate on 26 October 2023;
 - (c) Mr Zhang had not had a proper opportunity to consider Ms Yu's candidacy; and
 - (d) Dr Shao had agreed with Mr Zhang that Ms Yu's candidacy would not be considered at the December Board Meeting.
30. Ms Yu's candidature was approved at the N&G Committee Meeting on 9 December 2023 in the face of Mr Zhang's objections.
31. The December Board Meeting followed the N&G Committee meeting. The Board proceeded immediately to discuss the appointment of Ms Yu. Mr Zhang was the only director to oppose her appointment with the result that she was appointed as a director of the Company and joined the meeting.
32. Following Ms Yu's appointment, and without prior warning, Mr Tan proposed that Mr Zhang be removed and replaced by Dr Shetty as Chairman of the Company for six months, ostensibly on the basis that he had been delaying the implementation of various compliance policies recommended by Ernst and Young

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

("EY") following a corporate governance review in April 2023 (the "**EY Recommendations**").

33. As Mr Tan either knew or ought to have known, Mr Zhang was not responsible for any delay in implementing the EY Recommendations. On the contrary:
- (a) the individuals with primary responsibility for implementing the EY Recommendations were Dr Shao as the Company's CEO and Ms Wu as the Company's CFO;
 - (b) after the EY Recommendations had been made, Mr Zhang had repeatedly sought a meeting with Dr Shao in China in order to discuss their implementation, but Dr Shao would not meet with him;
 - (c) based on the Company's record of meetings with EY, from the period commencing 17 April 2023 to 20 December 2023, Dr Shao only attended two initial meetings with EY on 17 April 2023 and 12 May 2023;
 - (d) concerned as to the lack of progress, Mr Zhang had of his own initiative convened compliance meetings with EY and with the Company's office automation supplier in an attempt to push forward the issue in or around September 2023; and
 - (e) final draft compliance policies had only been supplied to Mr Zhang for approval in December 2023.
34. It was in any case not open to the Board to remove Mr Zhang as the Company's Chairman as Mr Tan had proposed:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (a) Mr Zhang was appointed as the Company's Chairman on 31 December 2020 pursuant to a resolution of the Company's Board in accordance with Article 90 of the Company's Articles (the "**Appointment Resolution**"); and
 - (b) so appointed, Mr Zhang could only be removed from office by special resolution pursuant to Article 88 of the Company's Articles.
35. The Board nevertheless purported to pass an immediate resolution as proposed by Mr Tan to remove Mr Zhang as the Company's Chairman and to replace him with Dr Shetty (the "**9 December Resolution**").
36. The purpose of Mr Tan in proposing the 9 December Resolution and of the Board in passing the same was to facilitate Mr Zhang's ultimate removal as a director of the Company in circumstances where:
- (a) the grounds on which Mr Tan had proposed Mr Zhang's removal were baseless, as set out above;
 - (b) neither Mr Tan nor any other member of the Board had alleged that Mr Zhang was delaying the implementation of the EY Recommendations prior to the December Board Meeting;
 - (c) neither Mr Tan nor any other member of the Board was sufficiently concerned as to the progress of the implementation of the EY Recommendations to raise it as an agenda item in advance of the December Board Meeting;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (d) the Company had complied with the requirements to be listed on the NASDAQ and it in any case had ample time to comply with the requirements of the Sarbanes-Oxley Act;
- (e) Mr Tan gave no advance notice to Mr Zhang of his intention to propose the 9 December Resolution at the December Meeting such that he might have an opportunity to address the same;
- (f) for so long as he remained the Company's Chairman, the effect of Article 88 of the Company's Articles was that Mr Zhang could only be removed as a director of the Company by special resolution;
- (g) the Board ultimately purported to remove Mr Zhang as a director of the Company pursuant to Article 110(d) of the Company's Articles as set out below, which procedure would not have been open to it had Mr Zhang remained as Chairman; and
- (h) accordingly, the 9 December Resolution was null and void and of no effect as the majority that purported to pass the same acted (1) ultra vires; and/or (2) for an improper purpose. Mr Zhang is entitled to and claims a declaration to that effect.

G. THE DECEMBER MEETINGS AND THE INVESTIGATION REPORT

37. On 11 December 2023, an executive meeting of the Company was held, during the course of which (and without prior warning) Dr Shao purported unilaterally and verbally to appoint (1) Ms Wu as general manager of Beijing Yisheng Biotechnology Co., Ltd ("**Beijing Yisheng**"); and (2) Gang Li ("**Mr Li**") as general

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

manager of Liaoning Yisheng ("**Liaoning**") (where Beijing Yisheng and Liaoning were each wholly owned subsidiaries of the Company) (the "**Purported Appointments**").

38. There was no legitimate justification for Dr Shao to make the Purported Appointments in the time and manner that he did in circumstances where:
- (a) they were not made in accordance with the Company's applicable human resources policies, which required (amongst other things) that the promotion of personnel within the Company be carried out by open competition requiring no less than 3 applicants; and
 - (b) neither Ms Wu nor Mr Li were qualified for the roles for which Dr Shao had proposed that they be appointed.
39. Mr Zhang:
- (a) was now deeply concerned by this combination of: (1) the Board's purported decision to remove him as the Company's Chairman without authority or legitimate justification; (2) the failure on the part of the rest of the Board to prevent Dr Shao from so acting; and (3) (2 days later) Dr Shao's conduct in making the Purported Appointments; and
 - (b) acting in good faith in the best interests of the Company, sent notices to the other members of the Board in his capacity as Chairman of the Company (the "**17 December Notices**");

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (i) stating his intention to convene an extraordinary general meeting on 28 December 2023 for the purposes of their removal as directors (the "**December EGM**");
 - (ii) pursuant to article 57(a) of the Company's Articles (in circumstances where, for the reasons set out above, he had not been validly removed as the Company's Chairman).
- 40. Mr Zhang's concerns as to Dr Shao's conduct were exacerbated (and his decision to send the December Notices further justified) when, on 22 December 2023, he was provided with an internal investigation report (the "**Investigation Report**") issued by the Company's Group Supervision and Audit Centre (the "**GSAC**").
- 41. The context for the Investigation Report was as follows:
 - (a) Beijing Yisheng had entered into three agreements dated 10 September 2021 with Xinfu (Beijing) Pharmaceutical Technology Co., Ltd ("**Xinfu**") for the acquisition of patents for RMB 20,000,000 (approximately USD 3,100,000) (the "**Patent Transfer Agreements**");
 - (b) the patents the subject of the Patent Transfer Agreement were acquired for the purposes of a project researching the application of a vaccine adjuvant called Pamica in stimulating immune responses in the human body (the "**Pamica Project**");
 - (c) Mr Zhang was sceptical as to the prospects of the Pamica Project in circumstances where a preliminary evaluation conducted by Dr Yuan Liu ("Dr Liu"), General Manager of the R&D centre of the Group (comprising

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

the Company, its subsidiaries and other affiliated entities), suggested that successful development of a vaccine would be very challenging. Mr Zhang was, however, convinced to proceed with the Pamica Project and the Patent Transfer Agreements by Dr Shao, who urged him to do so on the basis it would assist the Company in becoming publicly listed;

- (d) moreover when, in or around June 2023, it was discovered that the various overseas patents held by Xinfu required for the Pamica Project had been omitted from the patent Transfer Agreements, Beijing Yisheng was required to enter into two supplemental agreements to obtain the omitted overseas patents;
- (e) however, and just as Mr Zhang and Dr Liu had feared, the Pamica Project was unsuccessful; and
- (f) on 15 December 2023, the GSAC received a whistleblower report concerning Dr Shao and the transactions with Xinfu. These were duly investigated by GSAC and the Investigation Report was the result.

42. The Investigation Report revealed that:

- (a) Dr Shao had personally lent RMB 400,000 (approximately USD 63,000) to Xinfu on an interest-free basis for the purposes of the Pamica Project pursuant to the terms of a loan agreement dated 1 February 2018 (the "**Shao Loan**");
- (b) in 2019, and in order to procure the Company to sign the Patent Transfer Agreements, one of Xinfu's shareholders, Mr Liu Fang ("**Mr Fang**"), had

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

agreed to pay Dr Shao RMB 400,000 of interest on the Shao Loan, i.e. at a rate of 100% (the "**Shao Loan Interest Agreement**");

- (c) Dr Shao had not declared his interest in the Shao Loan or the Shao Loan Interest Agreement at the time of the Patent Transfer Agreements; and
- (d) in or around February 2023, Dr Shao had acquired approximately 320,000 shares in the Company that had been held by Mr Haixiang Lin ("**Mr Lin**"), an individual with whom Dr Shao had previously worked for and who had first sought to interest Beijing Yisheng in the Pamica Project, at (1) a substantial discount to their then market price; and (2) a fraction of their estimated value upon a successful listing of the Company, then anticipated to take place the following month (the "**Shao Share Agreement**"). From Mr Lin's perspective, the agreement was without any legitimate commercial rationale.

43. In the premises:

- (a) It is to be inferred and Mr Zhang believes that the Shao Loan Interest Agreement and the Shao Share Agreement were offered to Dr Shao and accepted by him as a bribe and/or reward for causing Beijing Yisheng to enter into the Patent Transfer Agreements.
- (b) Dr Shao's conduct in (1) causing the Company's wholly-owned subsidiary Beijing Yisheng to enter into the Patent Transfer Agreements without declaring his interest in the Shao Loan and the Shao Interest Agreement; and (2) acquiring Mr Lin's shares pursuant to the Shao Share Agreement,

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

amounted to serious breaches of his fiduciary duties to the Company and warranted his removal as a director of the Company.

- (c) The Investigation Report was shared with the board of directors of the Company at the material time. Despite the revelations as to Dr Shao's breaches of his fiduciary duties to the Company, no action has been taken by the Company or the board of directors to date.

H. THE SPECIAL COMMITTEE AND THE WRONGDOING ALLEGATIONS

- 44. At a Company Board meeting on 21 December 2023, the Board (with the exception of Mr Zhang) purported to pass a resolution appointing a special committee consisting of Dr Shetty, Dr Mehta and Dr Shao to investigate allegations of wrongdoing against Mr Zhang (the "**Special Committee**" and the "**21 December Resolution**").
- 45. The allegations of wrongdoing made against Mr Zhang which are the subject of the Special Committee's investigation are set out in an Amended Statement of Claim subsequently filed by the Company against, amongst others, Mr Zhang, in proceedings before this Court under FSD 400 of 2023 (the "**FSD 400 Claim**"). They comprise:
 - (a) allegations that Mr Zhang has misappropriated Company assets (the "**Misappropriation Allegations**"); and
 - (b) vague and unparticularised allegations in connection with the sale of an experimental drug (the "**Experimental Drug Allegations**" and, together with the Misappropriation Allegations, the "**Wrongdoing Allegations**").

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

46. It is to be inferred and Mr Zhang believes that (consistent with the Hostile Campaign) the Wrongdoing Allegations were a pretext on the part of the remainder of the Board to justify their attempts to oust Mr Zhang from the management of the Company and that they had no honest belief in the truth of the same in circumstances where:
- (a) the allegations are without merit and denied by Mr Zhang for the reasons set out in paragraphs 33 and 34 of the Statement of Defence filed by Mr Zhang to the FSD 400 Claim (the "**Mr Zhang's FSD 400 Defence**"), the contents of which Mr Zhang relies on herein;
 - (b) the Board had, on the Company's own case, been aware of the allegations well before December 2023 yet had taken no steps to investigate the same prior to late December 2023;
 - (c) no reference was made to, or reliance placed on, the Misappropriation Allegations and the Experimental Drug Allegations when the Board purported to remove Mr Zhang as Chairman pursuant to the 9 December Resolution;
 - (d) the Company only purported to form the Special Committee to investigate the same on 21 December 2023 at a time when the Board knew that (1) Mr Zhang intended to remove them as directors at the December EGM; and (2) were that meeting to go ahead, would be able to do so; and
 - (e) no equivalent committee was formed to investigate the allegations of wrongdoing against Dr Shao as set out in the Investigation Report.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

47. In the premises, the decision to form the Special Committee pursuant to the 21 December Resolution was one taken for an improper purpose. Accordingly, the decision to create it, and by necessary implication any decisions purportedly taken by the Special Committee, are null and void and of no effect. Mr Zhang is entitled to and claims a declaration to that effect.

I. THE DECEMBER INJUNCTION

48. On 22 December 2023, the Company obtained *ex parte* an injunction restraining Mr Zhang from, amongst other things, convening the December EGM or from voting to cause any of the Company's directors to be removed (the "**December Injunction**").

49. The December Injunction was sought and obtained by the Company on the false basis that the 17 December Notices and the December EGM constituted an attempt by Mr Zhang to prevent an investigation by the Company into allegations of wrongdoing against him.

50. The true position was that, as at 17 December 2023, no investigation had been commenced by the Company into allegations of wrongdoing against Mr Zhang (the Special Committee was not convened until 21 December 2023, the day before the injunction application was made). Accordingly, the 17 December Notices and the December EGM were not and could not have been an attempt to prevent or otherwise obstruct an investigation by the Company.

51. The December Injunction was subsequently discharged on 6 February 2024 on the grounds that the Company had committed a material breach of its duty of full

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

and frank disclosure in failing to inform the Court that no investigation was underway as at 17 December 2023.

52. But for the Company having obtained the December Injunction on this false basis, the December EGM would have proceeded and the other members of the Board would have been removed. This would have thwarted the Hostile Party and the Hostile Campaign.

J. THE R-BRIDGE FACILITY

53. On 16 March 2022, a facility agreement was entered into between, among others, YishengBio (Hong Kong) Holdings Limited as borrower ("**Yisheng HK**" or the "**Borrower**"), R-Bridge Investment Three Pte Ltd as lender (the "**Lender**"), R-Bridge Healthcare Fund, LP as agent (the "**Agent**" or "**R-Bridge**") and the Company as guarantor and obligor (the "**Facility Agreement**"). Mr Zhang will rely on the Facility Agreement for its full terms and effect.
54. R-Bridge is a fund run by CBC Group ("**CBC**"), an institutional investor in the Company. CBC's Founder and CEO, Wei Fu ("**Mr Wei**"), is also the founder of two other substantial shareholders in the Company, Summit Healthcare Acquisition Sponsor LLC ("**Summit**") and the Valliance Fund ("**Valliance**"). As of December 2023, CBC Summit and Valliance together held a 4.33% shareholding in the Company.
55. On 27 December 2023, R-Bridge sent a letter to the Borrower in which R-Bridge indicated that certain events could constitute an Event of Default within the meaning of that term as defined in the Facility Agreement (the "**R-Bridge Notice**").

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

56. On the same day as the R-Bridge Notice was sent, however, Lawrence Tao ("**Mr Tao**"), a representative of R-Bridge, approached Mr Zhang to discuss the Facility Agreement. Hongman Jia ("**Mr Jia**"), the former Chief Financial Officer of certain of the Company's PRC subsidiaries, and Mr Zhang were invited to attend a meeting at R-Bridge's office to discuss potential repayment plans on 17 January 2024 (the "**R-Bridge Meeting**").
57. The obligations of the Company were discussed at a meeting of the Company's Board on 7 January 2024. Financial information was presented at that meeting which showed that R-Bridge might be able to declare an Event of Default under the Facility Agreement. Mr Zhang makes no admissions as to whether R-Bridge could in fact have declared an Event of Default as at January, February or March 2024.
58. In any case, the R-Bridge Meeting on 17 January 2024 was amicable and constructive. In particular:
- (a) the parties discussed the Facility Agreement and agreed in principle to the partial repayment of the sums due from the Borrower thereunder and, in return, to an extension of the repayment deadline for the balance due (the "In Principle Agreement"); and
 - (b) it was not suggested during the course of the meeting that R-Bridge intended to enforce the Facility Agreement.
59. On 24 January 2024, R-Bridge nevertheless sent a second letter to the Borrower in which it requested full repayment under the Facility Agreement immediately but

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

in any event by no later than 31 January 2024 in the amount of USD 44,654,444 (the "**Formal Request for Payment Letter**").

60. The Formal Request for Repayment Letter was markedly at odds with the amical and constructive tone and content of the discussion between Mr Tao (of R-Bridge) and Mr Jia and Mr Zhang of the Company at the R-Bridge Meeting. There had been no further meetings with R-Bridge following the R-Bridge Meeting involving Mr Zhang. To the extent that any such meetings did take place, they were meetings from which Mr Zhang was excluded (it is to be inferred and Mr Zhang believes, deliberately).
61. In the premises, it is to be inferred and Mr Zhang believes that:
- (a) the Formal Request for Repayment Letter was sent by R-Bridge at the instigation of some or all of the other Board members in order to precipitate circumstances whereby the Board might be able to dilute Mr Zhang's shareholding and thereby:
 - (i) oust Mr Zhang from the management of the Company in favour of their own control; and
 - (ii) prevent their own removal by Mr Zhang who, absent such dilution, held sufficient shares to be able to requisition an EGM and secure their removal; and
 - (b) R-Bridge did not in fact have any serious intention to declare an Event of Default and to demand repayment of the sums due under the Facility

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

Agreement in the event that the Request for Payment was not complied with.

62. In support of the above inference, Mr Zhang relies on the following facts and matters:
- (a) R-Bridge had not indicated at the R-Bridge Meeting (the week prior) that it intended to request the Borrower to make repayment under the Facility Agreement. On the contrary, the attendees had reached the In Principle Agreement;
 - (b) there had been no material change in the Company's financial circumstances between the R-Bridge Meeting and the date of the Request for Repayment Letter;
 - (c) the insolvent liquidation of the Company (as the likely consequence of R-Bridge declaring an Event of Default and enforcing the Facility Agreement) would have been contrary to R-Bridge's own commercial interests and those of the entities controlled by Mr Wei, for it would have destroyed the value of their shareholding as set out above;
 - (d) the Board did not cause the Company to make repayment in accordance with the Request for Payment Letter and based on the Company's public announcements, the Facility was understood to have been repaid by the Company on or around 3 April 2024;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (e) the presentation by Mr Zhang of a petition for the winding up of the Company on 13 February 2024 entitled R-Bridge to declare an Event of Default under the Facility Agreement but it did not do so;
 - (f) as set out below, the R-Bridge Request for Repayment was in fact used by Dr Shao and the Board as a justification for the issue of shares as a result of which, subject to challenge in these proceedings: (1) Mr Zhang's shareholding in the Company has been very substantially diluted; (2) the Board has been able to secure Mr Zhang's removal as a director and prevent his reappointment; and (3) the Board has prevented its own removal by Mr Zhang;
 - (g) as set out below, the Group could have raised debt finance to repay the sums due under the R-Bridge Facility Agreement had the Board wished to but it did not do so; and
 - (h) the Company in the FSD 400 Claim makes complaint of the fact that Mr Zhang caused a partial repayment to be made to R-Bridge in respect of the sums due from the Borrower under the Facility Agreement.
63. In any case, at the time of the delivery of the Formal Request for Payment Letter, the Company was in a position from its own resources and the funds that it could raise to make payment of the sum demanded by the due date had it so wished.
64. On 25 January 2024, a meeting of the Company's Board was held to discuss the Formal Request for Repayment Letter attended by Dr Shao, Dr Mehta, Dr Shetty Ms Yu and Mr Zhang (the "**25 January Board Meeting**"). Dr Shetty, purporting to act as Chairman, proposed that the Board discuss the options available to the

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

Company to repay the sums requested by the Formal Request for Repayment Letter, including (i) to renegotiate the payment plan with the Agent; (ii) debt financing; and (iii) equity financing.

65. During the 25 January Board Meeting, it was the stated view of all the directors other than Mr Zhang that debt financing was not a realistic option for the Company. This was not in fact the case, as those attending knew in circumstances where:
- (a) by the 25 January 2024 Board meeting, the Borrower had received favourable expressions of interest from three lenders willing in principle to provide loan facilities to it, namely (1) Zhongguancun Science and Technology Leasing Company Limited; (2) Pingan Dianchuang International Financing and Leasing Limited and (3) Far East International Financing and Leasing Limited (the "**Proposed Lenders**");
 - (b) the Proposed Lenders were willing to advance approximately USD 29.1 million before the end of March 2024, repayable after 3 years and at interest rates of between 7 and 9%, which the Plaintiff believes is at a lower rate than the borrowing costs pursuant to the R-Bridge Facility Agreement;
 - (c) the Group's improved financial performance as projected meant that it would be able to service this debt; and
 - (d) in addition to the funds it could raise by debt finance, the Borrower had USD 19.83 million in available cash, of which only USD 4.83 million was

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

required as operating capital, leaving a balance of USD 15 million available to be applied in respect of the Facility Agreement.

66. The stated preference of the Company's directors other than Mr Zhang at the 25 January Board Meeting was instead that the Company pursue equity financing. As those directors knew, equity financing was:

- (a) highly disadvantageous to the Company's members in that its shares were substantially undervalued, with a market capitalisation of approximately USD 35 million as opposed to a balance sheet net asset value as at 30 September 2023 of USD 78 million;
- (b) in any case unnecessary in circumstances where, as set out above, there was a viable alternative to equity financing in the form of debt finance; and
- (c) would have put the Company and each of its directors in breach of the Company's Undertaking (defined below).

67. Nevertheless, the Board purported to pass a resolution (the "**25 January Resolution**") at the 25 January Board Meeting (with only Mr Zhang dissenting) that:

"The Company is hereby authorized and approved to take all steps that are necessary to ensure that the Company and its directors comply with their respective obligations under Cayman Islands law, including pursuant to the terms of the order of the Grand Court of the Cayman Islands dated 22 December 2023 and the undertakings thereto. Subject to and conditional upon such steps being taken to ensure compliance with its

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

obligations under Cayman Islands law, the Company is hereby authorized and approved to raise, in one or more private financings up to US\$40 million in the aggregate through the sale and issuance of ordinary shares, par value \$0.00002 per share, of the Company, provided that each of the following conditions be satisfied:

(a) The purchase price per ordinary share shall be no less than the average closing market price of the ten trading days preceding to the date of the closing of the equity financings, as reported by Nasdaq;

(b) The private financing shall be consummated by such time as is necessary to deal with the demands of R-Bridge, including as set out in the Second R-Bridge Letter.

(c) The Company shall offer certain major existing shareholders, including Mr Yi Zhang, the opportunity to participate in the private financings on a pro rata basis."

68. For the reasons set out below, it is to be inferred and Mr Zhang believes that the majority on the Board's above stated preference and their approval of the 25 January Resolution was driven by their desire to achieve the Improper Purpose (as defined at [77] below) and not by any honest belief that it was in the best interests of the Company and its members as a whole.
69. In the premises, the 25 January Resolution was null and void and of no effect as the majority that purported to pass the same acted (1) ultra vires; and/or (2) for an improper purpose. Mr Zhang is entitled to and claims a declaration to that effect.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

K. THE APEX SHARE PURCHASE AGREEMENT

70. As a condition for the grant of the December Injunction, the Company had provided an undertaking to the Court that, during the period of the injunction, "it and each of its Board of Directors will not take any steps to either directly or indirectly issue share capital in the Company or cause the Respondent's shareholding to be diluted" (the "**Company's Undertaking**"). The effect of the discharge of the December Injunction on 6 February 2024 was that the Company was released from the Company's Undertaking.
71. The very next day after it was released from the Company's Undertaking by reason of the discharge of the December Injunction, the Company has asserted it entered into a share purchase agreement with Apex on 7 February 2024 for the offer and sale of 95,269,762 ordinary shares in the Company (the "**Apex Shares**") in a private placement of USD 40 million at a purchase price of USD 0.41986 per ordinary share (the "**Apex SPA**"). Pending full disclosure, Mr Zhang makes no admission as to when the Company in fact entered into the Apex SPA.
72. No prior notice of the Board's intention to enter into the Apex SPA was given to Mr Zhang and he did not learn of the same until the Board meeting on 8 February 2024 described below.
73. It is to be inferred and Mr Zhang believes that the Company took steps preparatory to the Apex SPA on or before the discharge of the December Injunction in circumstances where: (1) the Apex SPA was a substantial and high-value transaction; (2) that would have taken in excess of a day to negotiate and agree. On the true and proper construction of the Company's Undertaking, such

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

steps amounted to a breach of the same in respect of which all of Mr Zhang's rights are reserved.

74. A meeting of the Company's Board took place on 8 February 2024 (the "**8 February Board Meeting**"). The directors present at that meeting consisted of Dr Shetty, Dr Shao, Mr Tong (represented by Dr Shao as proxy) Dr Mehta, Ms Yu, Mr Tan (represented by Ms Yu as proxy) and Mr Zhang.
75. The agenda for the 8 February Board Meeting made no mention of the Apex SPA and a copy of the same was not provided to Mr Zhang in advance of the meeting.
76. At the 8 February Board Meeting, amongst other things:
 - (a) Mr Zhang presented debt finance proposals by which the sums due under the Facility Agreement might be repaid. The Board, however, refused to engage with these proposals;
 - (b) it was instead announced that the Company had entered into the Apex SPA on 7 February on the basis of the 25 January Resolution and had received the consideration due thereunder from Apex and had allotted and issued the Apex Shares;
 - (c) a copy of the Apex SPA was not made available during the course of the Board Meeting and its terms were only outlined orally by Mr Will Cai ("**Mr Cai**"), a lawyer at Cooley LLP;
 - (d) no substantive discussion of the merits of the Apex SPA was permitted and the Board instead proceeded to pass a resolution purporting to agree,

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

authorise and confirm the Apex SPA and the issue of the Apex Shares on the basis that it had been duly authorised pursuant to resolution passed by the Board on 25 January 2024; and

- (e) in the premises, it is to be inferred and Mr Zhang believes that all of the other members of the Board had been provided with the Apex SPA prior to the 8 February Board meeting in particular in circumstances where:
 - (i) only an oral outline of its contents had been provided during the course of the meeting yet; and
 - (ii) the Board had nevertheless been prepared to approve the same.

77. In causing the Company to enter into the Apex SPA and to issue and allot the Apex Shares, the aforesaid members of the Board other than Mr Zhang acted for the purpose, or substantially for the purpose, of diluting Mr Zhang's shareholding in the Company so as to be able to (1) remove the Company from Mr Zhang's control and place it under the control of the Hostile Party; and (2) prevent their own removal as directors of the Company by Mr Zhang (the "**Improper Purpose**"). In particular (and prior to full disclosure herein) Mr Zhang relies upon the following facts and matters:

- (a) the fact that the effect of the Apex SPA and the issue and allotment of the Apex Shares was to give Apex a controlling interest of 50.59% of the Company and to dilute the shareholdings controlled by Mr Zhang from 52.75% to 26.07%;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (b) the fact that the circumstances on which the Board relied as requiring the Company to enter into the Apex SPA had been brought about by their own actions as set out above, which circumstances they would not have brought about but to achieve some form of other advantage;
- (c) the fact that it was not necessary for the Company to raise equity finance in order to satisfy R-Bridge's Request for Payment Letter and could instead have done so by means of a combination of debt finance and the Group's own resources as set out above;
- (d) the fact that satisfying R-Bridge's Request for Payment by means of debt finance and the Group's own resources as Mr Zhang had proposed was advantageous to the Company's members as a whole whereas equity finance was markedly disadvantageous for the reason given above;
- (e) the otherwise inexplicable failure by the other members of the Board to take serious steps to consider alternatives to equity finance, or to engage with Mr Zhang's own proposals in this regard;
- (f) the failure immediately to immediately repay R-Bridge with the monies purportedly raised pursuant to the Apex SPA in accordance with the Request for Repayment Letter, notwithstanding the fact that repayment was the justification for the transaction;
- (g) the failure to inform Mr Zhang, then still a director of the Company, that the Company intended to enter into the Apex SPA or to provide a copy of the same to him in order that he might consider its terms;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (h) the fact that, but for Mr Zhang's dilution below 50%, the other members of the Board knew that they would be removed as directors;
 - (i) the improper steps taken to remove Mr Zhang as the Company's Chairman as set out above;
 - (j) the failure to comply with rule 5635(b) of the Nasdaq Listing Rules in connection with the Apex SPA, the Company being obliged to obtain shareholder approval before the Apex Shares were issued in circumstances where their issuance would result in a change of control of the Company; and
 - (k) the breach by the Company of its duty of full and frank disclosure in obtaining the December Injunction as a result of which the other members of the Board had been able to prevent their own removal.
78. By acting for the Improper Purpose, the members of the Board present other than Mr Zhang breached their fiduciary duties to the Company in that they:
- (a) exercised their powers under Article 8 other than for the purposes for which that power was conferred, and instead exercised their powers for an improper and/or collateral purpose; and/or
 - (b) by acting for the Improper Purpose, breached their duty to exercise their powers as directors for a proper purpose;
 - (c) failed to act honestly and in good faith and in what they believed to be in the best interests of the Company, in that:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (d) the Apex SPA and the allotment of the Apex Shares was for the Improper Purpose; and
- (e) it was not in the interests of the Company's members as a whole that the Apex SPA be entered into and the Apex Shares allotted nor was it in fact necessary that the Company enter into the Apex SPA and allot the Apex Shares for the reasons set out above.

79. In the premises:

- (a) the Apex SPA and the issue and allotment of the Apex Shares was in breach of Mr Zhang's rights as a member of the Company;
- (b) the purported issue and allotment of shares by the Company to Apex pursuant to the Apex SPA was null and void and of no effect and/or should be set aside;
- (c) Apex was not entitled to be, and should not have been, entered as a member in respect of the Apex Shares in the Company's Register of Members,

and Mr Zhang is entitled to and claims a declaration to that effect.

80. Consequent upon that declaration and the matters set out above, the Company's register of members should be rectified by the deletion of any entries in respect of the said purported allotment of shares by the Company to Apex. Mr Zhang is entitled to and claims an order from the Court to that effect.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

L. MR ZHANG'S PURPORTED REMOVAL PURUSANT TO ARTICLE 110(D)

81. On 12 February 2024, Mr Zhang was purportedly removed as a director of the Company pursuant to an Article 110(d) notice on 12 February 2024 (the "**Purported Article 110 Notice**"). Pending full disclosure, Mr Zhang makes no admissions as to whether it was in fact signed by all of the Company's other directors as required by Article 110(d).

82. The Purported Article 110 Notice could not be and was not effective to remove Mr Zhang as a director of the Company in circumstances where:

(a) it is to be inferred and Mr Zhang believes that, insofar as it was signed by all of the other members of the Board, it was signed in order to further the Improper Purpose and not because they considered it in good faith to be in the best interests of the Company; and/or

(b) for the reasons set out above, Mr Zhang had not been validly removed as the Company's Chairman and, as such, could only be removed as a director of the Company by special resolution,

and Mr Zhang is entitled to and claims a declaration to that effect.

83. In the premises, Mr Zhang is and remains a director of the Company. He is entitled to and claims a declaration to that effect.

M. NOTICE OF THE SEATTLE EGM

84. On 8 February 2024, a Notice of Extraordinary General Meeting of the Company to be held in Seattle on 16 February 2024 was delivered to the Company's

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

registered office by various shareholders in the Company (the "**Notice of the Seattle EGM**", the "**Seattle EGM**" and the "**Convening Shareholders**"). The Notice of the Seattle EGM was issued pursuant to a shareholders' requisition dated 21 December 2023 for an extraordinary general meeting to be convened pursuant to Article 57 of the Articles.

85. The purpose of the Seattle EGM was to approve ordinary resolutions to remove Dr Shao, Dr Shetty, Dr Mehta, Ms Yu, Mr Tan, and Mr Tong as directors of the Company and to appoint six new directors (the "**Proposed Replacement Directors**").

N. THE 13 FEBRUARY RESOLUTIONS

86. At a Company Board meeting held on or around 13 February 2024 attended by Dr Shetty, Dr Shao, Mr Tong, Mr Mehta, Ms Yu, Mr Tan (who was represented by Ms Yu as proxy), Ms Wu and Ms Jiaying Feng as representatives of the Company and Mr Michael Poplin and Ms Lisa Yun of Maurant Ozannes, the Board purported to pass resolutions (1) appointing Dr Shetty as Chairman; and (2) appointing Dr Cui, Mr Chen, Mr Zhao, Mr Pan., Dr Jin Wang and Ms Wu as directors (the "**February Directors**" and the "**13 February Resolutions**").
87. It is to be inferred and Mr Zhang believes that the 13 February Resolutions were approved by the Board in order to further the Improper Purpose and not by any honest belief that they were in the best interests of the Company and its members as a whole in circumstances where:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (a) Mr Zhang remained the Chairman of the Company for the reasons set out above and it was not open to the Board to purport to appoint Dr Shetty to that role;
 - (b) as all members of the Board knew, they were subject to removal at the forthcoming Seattle EGM to be held just 3 days later, the resolution for which would be supported by a majority of the Company's true shareholders;
 - (c) the appointment of the Proposed Replacement Directors would be supported by a majority of the Company's true shareholders at the Seattle EGM;
 - (d) the appointment of the February Directors would ensure that, even were the resolutions proposed by the Convening Shareholders to pass, Mr Zhang would not have a majority on the Company's Board.
88. In the premises, the 13 February Resolutions were null and void and of no effect as the directors that purported to pass the same acted (1) *ultra vires*; and/or (2) for an improper purpose. Mr Zhang is entitled to and claims a declaration to that effect.
89. On 15 February 2024, the Convening Shareholders sent a Notice of Removal of Director for each of the February Directors to be voted on at the Seattle EGM (the "**Notices to Remove the Newly Appointed Directors**").

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

O. THE SEATTLE EGM

90. The Seattle EGM took place on 16 February 2024. At the Seattle EGM, the Company's members in attendance validly passed resolutions (1) removing Dr Shao, Dr Shetty, Dr Mehta, Ms Yu, Mr Tan, Mr Tong, Dr Cui, Mr Chen, Mr Zhao, Mr Pan and Ms Wu as directors of the Company (the "**Removed Directors**") and (2) appointing the Proposed Replacement Directors (the "**Seattle EGM Resolutions**"). Mr Zhang is entitled to and claims a declaration to that effect.
91. Immediately following the Seattle EGM, a meeting of the Company's Board was held and attended by Mr Zhang and the now appointed Replacement Directors (the "**16 February Board Meeting**"). At that meeting, the Board validly passed resolutions to inter alia approve, confirm and/or ratify with immediate effect: (1) the appointment of Mr Zhang as chairperson of the Board; (2) the removal of Dr Shao, Mr Tan, Dr Shetty, Dr Mehta, Mr Tong and Ms Yu from all the relevant committees of the Board of the Company; (3) the appointment of various individuals to relevant committees of the Board of the Company; and (4) the removal of Dr Shao and Ms Wu from all positions with the Company and its subsidiaries and the appointment of replacements in their stead (the "**16 February Resolutions**"). Mr Zhang is entitled to and claims a declaration to that effect.
92. Notwithstanding the fact of the Seattle EGM Resolutions and that the February Directors were never in fact validly appointed, the Removed Directors have continued to hold themselves out and purport to act as directors of the Company. Mr Zhang is entitled to and claims a final injunction restraining them from so acting.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

P. THE RIVAL EGM

93. On 16 February 2024, and at or around the same time as the Seattle EGM, Dr Shao and Ms Mandy Lai ("**Ms Lai**"), a representative of Apex, purported to hold a rival EGM in the lobby of the building in which the actual Seattle EGM took place (the "**Rival EGM**").

94. At the Rival EGM, Dr Shao and Ms Lai purported to pass resolutions defeating the resolutions contained in the Notice of the Seattle EGM and the Notices to Remove the Newly Appointed Directors (the "**Rival EGM Purported Resolutions**").

95. The Rival EGM Purported Resolutions were null and void and of no effect in circumstances where:

- (a) no valid notice of the Rival EGM had been given;
- (b) the Rival EGM was not quorate, Apex not being a shareholder of the Company entitled to vote; and
- (c) they were passed with votes of Apex,

and Mr Zhang is entitled to and claims a declaration to that effect.

Q. THE 22 FEBRUARY EGM

96. On 14 February 2024, the Company's Board announced that it was convening an EGM on 22 February 2024 following a requisition it had received from Apex (the "**Apex Requisition**") to vote on resolutions amongst other things:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (a) affirming the appointment of the February Directors;
 - (b) that the Company conduct an investigation into "*any misconduct and/or illegal activities of the Company caused by or under the control of [Mr Zhang]*"; and
 - (c) removing Mr Zhang from all positions with any subsidiaries of the Company, including without limitation "*at director and/or legal representative [sic]*" ("**Apex's Proposed Resolutions**" and the "**Notice of the 22 February EGM**").
97. As the Company's Board knew, Apex was not entitled to requisition an EGM as it was not in fact a shareholder of the Company.
98. The EGM convened by the Board following the Apex Requisition took place on 22 February 2024 (the "**22 February EGM**").
99. Mr Zhang was entitled to attend the 22 February EGM as a shareholder. He was also and in any event entitled as the Company's Chairman to attend and preside over that meeting pursuant to Articles 63 and 65 of the Company's Articles. Yet further, he was also in any event entitled to attend that meeting as a director facing removal pursuant to the Apex Resolutions and thus entitled to attend in any case pursuant to Article 88 of the Company's Articles.
100. Mr Zhang was unable to attend the 22 February EGM because the Company failed to respond to his request for dial-in details for the meeting.

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

101. At the 22 February EGM, Apex's Proposed Resolutions were purportedly passed. These purported resolutions were null and void and of no effect in circumstances where:

- (a) Mr Zhang as a director subject to a resolution for his removal was not served with notice of the meeting of at least 10 calendar days before the meeting as required by Article 88 of the Company's Articles; and
- (b) the resolutions were passed with the votes of Apex which was not a shareholder of the Company was not entitled to vote thereon,

and Mr Zhang is entitled to and claims a declaration to that effect.

R. THE 21 MAY EGM

102. On 7 May 2024, the Company's Board caused notice to be given of an EGM to be held on 21 May 2024 to vote on resolutions:

- (a) changing the name of the Company from YS Biopharma Co., Ltd to LakeShore Biopharma Co., Ltd; ("**Notice of the 21 May 2024 EGM**");
- (b) appointing Dave Chenn ("**Mr Chenn**"), Chunyang Shao ("**Mr Shao**"), Zengjun Xu ("**Mr Xu**"), Thomas Xue ("**Mr Xue**") and Adam Zhao ("**Mr Zhao**") as directors of the Company;
- (c) approving a share incentive plan (the "**Share Incentive Plan**") as approved by the Board on 2 May 2024;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (d) reaffirming, ratifying and confirming the resolutions purportedly passed at the 22 February EGM; and
- (e) authorising each director or officer of the Company to take any and every action that might be "*necessary, appropriate or desirable to effect the foregoing resolutions as such director or officer, in his or her absolute discretion, thinks fit*"

(the "**Board's Proposed Resolutions**" and the "**Notice of the 21 May EGM**").

103. The EGM convened by the Board pursuant to the Notice of the 21 May EGM took place on 21 May (the "**21 May EGM**"). Mr Zhang will rely on the transcript of the 21 May EGM appended to this Statement of Claim as an accurate record of the proceedings at that meeting (the "**21 May EGM Transcript**").

104. At the 21 May EGM, amongst other things:

- (a) the Company's attorneys, Mourant, wrongly attempted to prevent Mr Zhang's duly appointed representatives, Walkers, from speaking on the basis that they did not have a proxy. It is to be inferred and Mr Zhang believes that Mourant did so on the instructions of the Company's Board, and thus at least some or all of the Company's Board as then purportedly comprised. Walkers responded that (1) the Notice of the 21 EGM provided for two forms of voting, namely by electronic voting and by proxy, but made clear that if voting electronically the proxy should not be submitted; (2) there was no facility in the electronic format to appoint a proxy; (3) Mr Zhang, as the Company knew, did not speak English; and (4) the

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

Company had not sought to challenge Walkers' appointment or attendance in correspondence. In the face of this opposition, the Company dropped its objection;

- (b) the purported Chairman of the 21 May EGM, Dr Shetty, complained that it was 'late in the day' and sought to proceed to a vote in respect of the Board's Proposed Resolutions without allowing Walkers to speak to any of the resolutions. They were only permitted to do so after Walkers objected and the Company's attorneys, Mourant, conceded that Walkers should be permitted to speak to the resolutions;
- (c) the Board was unable to offer any coherent rationale or justification for its Proposed Resolutions, variously asserting when challenged that the Board's deliberations were not for dissemination, the information given in the Notice of the 21 May EGM was sufficient or that a statement would be prepared;
- (d) Dr Shetty was unable to cogently explain why it was necessary or appropriate that the Company should have 15 directors, merely asserting that it was necessary for a company in 'transition' (the meaning of which expression was not adequately explained, and which Dr Shetty had declared was self-explanatory);
- (e) Dr Shetty and Dr Shao would not provide any further rationale for the Board's decision on 2 May 2024 to approve the Share Incentive Plan nor would they disclose the minutes of the Board's discussion in that regard;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (f) the only justification offered for the need to pass a resolution ratifying and reaffirming the resolutions purportedly passed at the 22 February EGM was that they had been challenged by Mr Zhang. The Board would not explain what, on its position, in fact needed to be ratified; and
 - (g) when asked why an investigation into Mr Zhang was being conducted and at what cost in circumstances where a report produced in 2023 by Ernst & Young (the "**EY Report**") had found no misfeasance, Dr Shao asserted that this had been discussed with Mr Zhang and statement released publicly. This was false as no such statement had been, or has since been, released by the Company.
105. It is to be inferred and Mr Zhang believes that the Board proposed its Resolutions not in the honest and good faith belief that they were in the best interests of the Company but rather for the Improper Purpose and the furtherance of the Hostile Campaign in circumstances where:
- (a) the Company made a form S-8 filing with the Securities and Exchange Commission to register 15,224,462 ordinary shares which were issuable pursuant to the Share Incentive Plan *before* the 21 May EGM had taken place and the Share Incentive Plan approved by shareholders;
 - (b) Mourant on behalf of the Company initially attempted to prevent Mr Zhang's representatives from speaking at the 21 May EGM and only relented under pressure from Walkers;
 - (c) as set out above, the Board was unable and/or unwilling to offer a cogent rationale for the Board's Proposed Resolutions;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (d) the Share Incentive Plan would offer a means by which Mr Zhang's ownership of the Company might be further diluted in advance of any determination of his challenge to the allotment of the Apex Shares;
 - (e) the Share Incentive Plan will enrich at least some members of the Hostile Party to the detriment of its existing members, including Mr Zhang;
 - (f) there are no legitimate reasons to think that Mr Zhang has committed misfeasance in view of the conclusions in the EY Report and the matters set out above such that any investigation would be warranted or an appropriate use of Company funds;
 - (g) as set out above, Dr Shao falsely told the meeting that a justification for the investigation had been given in a public statement when in fact, as it is to be inferred he knew, it had not been; and
 - (h) there were no good reasons to ratify, reaffirm and approve the resolutions purportedly passed at the 22 February EGM.
106. The Board's Proposed Resolutions were purportedly passed at the 21 May EGM but only in reliance on the votes of Apex which, as set out above, was not entitled to vote thereat. Had Apex not voted, the Board's Proposed Resolutions would have been defeated. In the premises, the resolutions as purportedly passed at the 21 May EGM are null, void and of no effect. Mr Zhang is entitled to and claims a declaration to that effect.
107. In the premises, the purported issue and allotment of any shares pursuant to the Share Incentive Plan will be null, void and of no effect. Mr Zhang is entitled to and

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

claims a declaration to that effect and a final injunction preventing the same. In the event that any shares are purportedly issued, Mr Zhang will seek an order setting aside the allotment of the same and an order for the rectification of the Company's register of members to remove any entries in respect of the same.

S. UNLAWFUL MEANS CONSPIRACY

108. In the circumstances set out above, it is to be inferred and Mr Zhang believes that in or around 2023, at least Dr Shao, Mr Tong, Dr Mehta, Dr Shetty, Mr Tan, Ms Rachel Yu and Mr Chenn (i.e., the Hostile Party) combined together and/or acted in concert with one another pursuant to an agreement or common understanding with an intention to injure or cause financial loss to Mr Zhang by the use of unlawful means. Pursuant to that conspiracy, the Hostile Party have:

- (a) purported to remove without authority or proper basis Mr Zhang as the Company's Chairman;
- (b) obtained an injunction on a basis they knew to be false in order to restrain Mr Zhang from exercising his lawful rights as majority shareholder of the Company to remove members of the Hostile Party as directors of the Company;
- (c) made false allegations of wrongdoing against Mr Zhang;
- (d) deliberately diluted of Mr Zhang's shareholding in the Company;
- (e) purported to remove without authority or proper basis of Mr Zhang as a director of the Company on 12 February 2024;

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (f) purported to pass the Rival EGM Purported Resolutions;
 - (g) proposed and caused to be approved the Share Incentive Plan; and
 - (h) caused to be proposed and passed the Board's Proposed Resolutions at the 21 May EGM.
109. Pending disclosure, the agreement or common understanding and intention to injure is to be inferred from the facts and matters pleaded above, including as follows:
- (a) the concerted and sustained steps to weaken Mr Zhang's position and then secure his removal taken by a large combination of individuals;
 - (b) the benefit to the members of the Hostile Party in the preservation of their positions as directors of the Company when, but for their actions, they would have been removed by Mr Zhang;
 - (c) the benefit to the members of the Hostile Party in the form of the Share Incentive Plan;
 - (d) the entering into of the Apex SPA and the allotment of the Apex Shares in the circumstances set out above; and
 - (e) the inevitability of financial harm to Mr Zhang inherent in the Hostile Campaign, namely his loss of control of the Company and his exclusion from its management.
110. The unlawful means used pursuant to the conspiracy included:

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (a) the breach by the Hostile Party of their fiduciary duties to the Company;
- (b) the Hostile Party causing the Company to obtain the December Injunction on a basis they knew to be false, thereby causing the Company to breach its duty of full and frank disclosure to the Court;
- (c) the making of knowingly false allegations of wrongdoing against Mr Zhang; and
- (d) the Company's breach of the Company's Undertaking as set out above.

111. As a result of this conspiracy, Mr Zhang has suffered loss and damage Mr Zhang is presently unable to particularise the quantum of the damages he has suffered but he will seek to have his damages assessed at trial. Mr Zhang claims damages in conspiracy as against the First to Seventh and Fourteenth Defendants.

AND THE PLAINTIFF claims:

- (1) Declarations that:
 - (a) the resolution passed at the board meeting on 9 December 2023 to remove the Plaintiff as the chairman of the Fifteenth Defendant was null and void and of no effect, as the majority of the board of directors of the Fifteenth Defendant that purported to pass the same acted (1) *ultra vires*; and/or (2) for an improper purpose;
 - (b) the creation of a special committee to allegedly investigate allegations of wrongdoing against the Plaintiff consisting of the Second, Fourth and Fifth Defendants (the "**Special Committee**") pursuant to the resolution passed

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

at the board meeting of the Fifteenth Defendant on 21 December 2023 was one taken for an improper purpose and accordingly, the resolution to create the Special Committee and any decisions purportedly taken by it are null and void and of no effect;

- (c) the resolution passed by the board of directors of the Fifteenth Defendant at the board meeting on 25 January 2024 was null and void and of no effect as the majority that purported to pass the same acted (1) ultra vires; and/or (2) for an improper purpose;
- (d) the Fifteenth Defendant's entering into a share purchase agreement with the First Defendant on 7 February 2024 for the offer and sale of 95,269,762 ordinary shares in the Fifteenth Defendant (the "**Apex Shares**") in a private placement of USD 40 million at a purchase price of USD 0.41986 per ordinary share (the "**Apex SPA**") and the issue and allotment of the Apex Shares was in breach of the Plaintiff's rights as a member of the Fifteenth Defendant;
- (e) the purported issue and allotment by the Fifteenth Defendant of the Apex Shares to the First Defendant was null and void and of no effect and/or should be set aside;
- (f) Apex was not entitled to be, and should not have been, entered as a member in respect of the Apex Shares in the Fifteenth Defendant's Register of Members;
- (g) the purported notice to remove the Plaintiff as a director of the Fifteenth Defendant pursuant to Article 110(d) of the Fifteenth Defendant's

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

memorandum and articles of association (the "**Purported Article 110 Notice**") could not be and was not effective to remove the Plaintiff as a director of the Fifteenth Defendant;

- (h) the Plaintiff remains a director of the Fifteenth Defendant;
- (i) the board resolutions passed at a board meeting of the Fifteenth Defendant on 13 February 2024 were null and void and of no effect as the directors that purported to pass those resolutions (the Second, Third, Fourth, Sixth and Seventh Defendants) acted (i) *ultra vires*; and/or (ii) for an improper purpose;
- (j) the resolutions passed at an extraordinary general meeting of the Fifteenth Defendant held on 16 February 2024 in Seattle (the "**Seattle EGM**") to approve ordinary resolutions to remove the Second to Thirteen Defendants as directors of the Fifteenth Defendant and to appoint six new directors were valid and effective;
- (k) the resolutions passed at the meeting of the Fifteenth Defendant's Board of Directors on 16 February 2024 immediately following the Seattle EGM were validly passed;
- (l) the resolutions purportedly passed at (i) the extraordinary general meeting on 16 February 2024 at the lobby of the building in which the Seattle EGM took place by the First and Second Defendants; (ii) the extraordinary general meeting on the 22 February 2024; and (iii) the extraordinary general meeting on the 21 May 2024 (the "**21 May EGM**"), are null and void and of no effect; and

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

- (m) the purported issue and allotment of any shares pursuant to the share incentive plan, as purportedly approved at the 21 May EGM (the "**Share Incentive Plan**") will be null, void and of no effect and the allotment of any shares pursuant to the Share Incentive Plan should be set aside.
- (2) An order to effect the setting aside of the Apex Shares to the First Defendant and the allotment of any shares pursuant to the Share Incentive Plan.
- (3) Further or alternatively, a declaration that the Share Issue and allotment were approved by the Second to Seventh Defendants for an improper purpose and in breach of fiduciary duty and an order that the Share Issue and allotment be set aside.
- (4) An order that the Fifteenth Defendant's register of members be rectified to delete any entries in respect of the purported allotments of shares by the Fifteenth Defendant to the First Defendant or to any beneficiaries under the Share Incentive Plan.
- (4) A final injunction restraining the First Defendant from exercising any voting or other rights attaching to the Apex Shares or holding itself out as a shareholder of the Fifteenth Defendant.
- (5) A final injunction restraining the Fifteenth Defendant, including the board of directors of the Fifteenth Defendant which includes the Second, Seventh and

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545

Fourteenth Defendants from holding themselves out to be directors and from taking any steps to exercise any powers as though they were directors.

- (6) A final injunction restraining the Fifteenth Defendant, including the board of directors of the Fifteenth Defendant which includes the Second, Seventh and Fourteenth Defendants, from taking any steps either directly or indirectly to allot any further shares pursuant to the Share Incentive Plan or take any actions which may result in further dilution of the Plaintiff's shareholding and/or would negatively affect the asset value and/or the share price of the Fifteenth Defendant.
- (7) Further, damages and/or equitable compensation.
- (8) As against the First to Seventh and Fourteenth Defendants, damages to be assessed for unlawful means conspiracy.
- (6) Costs.
- (7) Interest on any and all sums as are found to be due to the Plaintiff and/or the Fifteenth Defendant.
- (8) Such further or other relief as the Court thinks fit.

Walkers (Cayman) LLP

WALKERS (CAYMAN) LLP

Attorneys-at-Law for the Plaintiff

This **WRIT OF SUMMONS** was issued by Walkers (Cayman) LLP, Attorneys-at-Law, of 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Plaintiff, whose address for service is care of their said Attorneys-at-Law.

14943205.1.Z0617.H26545