



NEUTRAL CITATION NUMBER: [2026] CIGC (FSD) 83

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO: FSD 117 of 2026 (DDJ)

BETWEEN:

(1) TB MGMT LLC

(2) TB EXECUTIVES UNITY HOLDING LIMITED

Plaintiffs

-and-

TAIBANG BIOLOGICAL LTD

Defendant

Before: The Hon. Justice David Doyle

Appearances: Andrew Ayres KC instructed by Andrew Jackson and Zuhair Farouki of Appleby (Cayman) Ltd on behalf of the Defendant
No appearances on behalf of the Plaintiffs

Heard: 25 September 2026

Date of decisions: 25 September 2026

**Draft judgment
circulated:**

5 October 2026

Judgment delivered:

8 October 2026

Determination of an application for a stay pursuant to section 4 of the Foreign Arbitral Awards Enforcement Act (1997 Revision) and/or the court's inherent jurisdiction – failure of the Plaintiffs to appear at the hearing - reasons for the decision to proceed in their absence – reasons for the granting of a stay of legal proceedings in the Cayman Islands in favour of an arbitration in Hong Kong and costs orders in favour of the successful Defendant

JUDGMENT

Introduction

1. The main issue in these legal proceedings in the Cayman Islands and indeed in the arbitration proceedings in Hong Kong (the “Hong Kong Arbitration”), presided over by the formidable and well-respected trio of David Neuberger (former President of the Supreme Court of the United Kingdom and present NPJ of the Hong Kong Court of Final Appeal), Geoffrey Ma (former Chief Justice of Hong Kong) and Neil Kaplan CBE KC (often described as the “father of Hong Kong arbitration”), is whether certain redemption rights have been triggered. Put another way, the dispute is whether or not a redemption event has occurred and the right to redeem certain shares has arisen. Deciding whether a redemption event has occurred will necessitate a determination as to whether Joseph Chow (“Mr Chow”) was removed as chairman of the Defendant with or without cause.
2. By Writ of Summons dated 27 March 2026 TB MGMT LLC and TB Executives Unity Holding Limited (the “Plaintiffs”) commenced proceedings against Taibang Biological Ltd (the “Defendant”) in cause number FSD 117 of 2026 (DDJ) (the “117 Proceedings”). The Statement of Claim in the 117 Proceedings is dated 9 April 2026.
3. The Statement of Claim in cause number FSD 303 of 2025 (DDJ) (the “303 Proceedings”) was originally dated 24 October 2025 and amended on 27 May 2026. Taibang Biological Ltd was the Plaintiff and Mr Chow was the Defendant.

4. By Summons dated 23 April 2026 (and sealed on 19 May 2026) the Defendant in the 117 Proceedings applied for an order that the action in the Cayman Islands in the 117 Proceedings be stayed pursuant to section 4 of the Foreign Arbitral Awards Enforcement Act (1997 Revision) (the “Act”) and/or the court’s inherent jurisdiction with costs against the Plaintiffs (the “117 Summons”).
5. Separately Taibang Biological Ltd had commenced the 303 Proceedings against Mr Chow for a declaration that Mr Chow as a director of Taibang Biological Ltd (a company incorporated in the British Virgin Islands on 16 January 2006 and continued in the Cayman Islands from 31 August 2023) breached his fiduciary duties as a director of Taibang Biological Ltd, an account and the payment of equitable compensation amongst other relief. Mr Chow in his counterclaim in those proceedings referred to the 117 Proceedings and initially sought to rely on them.
6. By Summons dated 27 April 2026 (and sealed on 30 April 2026) in the 303 Proceedings Taibang Biological Ltd sought an order that the counterclaim be stayed pursuant to the Act and/or the court’s inherent jurisdiction and costs against Mr Chow (the “303 Summons”).
7. Mr Chow eventually abandoned his counterclaim in the 303 Proceedings.
8. Notice of the hearing of the 117 Summons was duly given to all parties and it was listed to be heard at 10am on Friday 25 September 2026 with one day allocated.
9. At that hearing the Defendant was represented by Andrew Ayres KC instructed by Andrew Jackson and Zuhair Farouki of Appleby (Cayman) Ltd. No appearances were entered on behalf of the Plaintiffs and there was no application for an adjournment whether on paper or in person.
10. Having considered the evidence and the arguments and satisfying myself that the Plaintiffs had been duly notified of the hearing and that there were no grounds to adjourn I decided to proceed to hear the long outstanding 117 Summons in the absence of the Plaintiffs.
11. After considering the evidence and the arguments (and noting the points that had previously been made and could potentially have been made by the Plaintiffs if they had appeared) I granted an order staying the action. I did that primarily on the basis that the court was obliged to impose a mandatory statutory stay. I added that if I was wrong on that point I would have also ordered a discretionary case management stay pending the outcome of the Hong Kong Arbitration. I also made an order for costs against the Plaintiffs.

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12. I now provide my reasons for making those orders.

The decision to proceed in the absence of the Plaintiffs

13. I was satisfied that the Plaintiffs had notice of the hearing and that it was appropriate to proceed in their absence. There was ample evidence to justify that satisfaction. I simply refer below to a limited selection of emails. The emails were sent to an email address used by Mr Chow.
14. By email dated 17 July 2026 11:10am counsel were informed that the 117 Summons would be heard at 10am on 24 September 2026 with a time estimate of ½ day followed by the 303 Summons at 10am on 25 September 2026 with a time estimate of 1 day. The hearing materials were required to be filed no later than 2pm on 16 September 2026. At this time the Plaintiffs were represented by attorneys.
15. By letter dated 21 August 2026 Claritas, the attorneys acting for Mr Chow in the 303 Proceedings, and for the Plaintiffs in the 117 Proceedings gave notice to Appleby, the attorneys acting for Taibang Biological Ltd, “pursuant to Grand Court Rules Order 21 rule 2(2)(b), that Mr Chow is discontinuing his counterclaim” and suggested that the most sensible course would be “for the hearing on 24 September to be vacated, and for the stay application in FSD 117 of 2026 to be listed on Friday, 25 September, with a time estimate of one day”.
16. By email dated 9 September 2026 Appleby, for the Defendant, informed the court (with a copy to Claritas Legal, for the Plaintiffs and to Mr Chow) that the parties had agreed that the 303 Summons no longer required a hearing as Mr Chow had withdrawn his counterclaim. Appleby further informed the court that the parties had also agreed that it would be desirable for the 117 Summons to be moved to 10am on 25 September 2026. It was also proposed that the issue of costs in FSD 303 of 2025 (DDJ) be dealt with briefly at the hearing on 25 September 2026.
17. By email dated 14 September 2026 9:30am my PA informed the attorneys and Mr Chow that I was content with the revised hearing proposals, including those in respect of costs, and confirmed that the hearing in respect of the 117 Summons (and the costs in the 303 Proceedings) would be heard at 10am on 25 September 2026 (with 1 day allocated). It was further indicated that the “hearing materials (including skeleton arguments) and complete attendance list should be provided by 2pm on 17 September 2026”.

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18. By email dated 14 September 2026 12:13pm Appleby informed Mr Chow that he could not personally represent the Plaintiffs in the 117 Proceedings and that its client had proposed to deal with the question of costs of the application in the 303 Proceedings at the hearing on 25 September 2026.
19. By email dated 17 September 2026 12:28pm Appleby (with a copy to Mr Chow) attached the Defendant's skeleton argument and provided an electronic link to the bundles. Hard copies had been provided to court administration on 17 September 2026 at 12:20pm.
20. By letter dated 17 September 2026 from Appleby to the Plaintiffs and Mr Chow, reference was made to an order dated 10 September 2026 made by Asif J pursuant to which Claritas Legal Limited ceased to be attorneys of record acting for the Plaintiffs. Reference was made to Order 5 rule 6(2) of the GCR and the need for a body corporate to be represented by an attorney.
21. By email dated 18 September 2026, 6:28am, Appleby forwarded Mr Chow the Defendant's skeleton argument and a link to the bundles and confirmed the hearing on 25 September 2026 and that was reiterated by email dated 23 September 2026, 8:57am which also noted that Justice Doyle was content for remote attendances, if need be.
22. By email dated 18 September 2026 2:41pm my PA communicated with Appleby and Mr Chow stating:

“We await the skeleton argument of the Plaintiffs by return.”

23. The court did not receive any skeleton argument from the Plaintiffs.
24. In such circumstances, I was satisfied that the Plaintiffs had been properly notified of the hearing. No application for an adjournment had been placed before the court.
25. For the sake of completeness I should add that Mr Chow appears to be the sole director and member of the First Plaintiff. Mr Chow is also a director and member of the Second Plaintiff but there are other directors and members of the Second Plaintiff.

26. I record that I considered Mr Chow's first affidavit sworn on 22 May 2026 in the 117 Proceedings. Mr Chow gives an address in Florida, United States of America, a short plane ride from the Cayman

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Islands. At paragraph 8 Mr Chow comments that to “litigate the same issues in parallel forums would impose a disproportionate burden, particularly in light of my age and the health issues from which I suffer (of which the Company [Taibang Biological Ltd] is aware), including a significant stroke I suffered in August 2024 and the risk I will suffer another stroke in the future.”

27. I also record that I considered a one page document dated 8 September 2026 from Dr Brian Moss (“Dr Moss”) of the Bay Area Heart Center in Florida, United States of America. Dr Moss says that he has been managing Mr Chow’s “care since March 2025 following a significant cerebrovascular event (stroke) and ongoing management of atrial fibrillation ...”. Dr Moss gave Mr Chow’s date of birth as 10 July 1963. I note the very brief comments under three headings: Cognitive and Physical Strain, Health Risk from Stress, and Inability to Participate.
28. There was nothing in Mr Chow’s evidence or in the one page document from Dr Moss that led me to conclude that it would be unjust or unfair to proceed to hear and determine the 117 Summons and the costs in respect of the 303 Proceedings.
29. Mr Chow had plainly been able to engage in both sets of proceedings when it suited him. Moreover both Plaintiff companies could have instructed attorneys to appear on their behalf. In particular the Second Plaintiff had other directors who could have caused an appearance to have been entered. Non-engagement, burying your head in the sand and failing to turn up for court hearings is rarely, if ever, a good litigation tactic.
30. For the sake of completeness I should refer to the relevant law and procedure on the representation of body corporates in the Cayman Islands.
31. Order 5 rule 6 (2) of the Grand Court Rules (2023 Revision) (“GCR”) provides that except as expressly provided by or under any Act “a body corporate may not begin or carry on or defend any such proceedings otherwise than by an attorney”.
32. GCR Order 12 rule 1(2) provides that the defendant to an action who is a body corporate may acknowledge service of the writ and give notice of intention to defend the action either by an attorney or by a person duly authorised to act on the defendant’s behalf but, except as aforesaid or as expressly provided by any Act, such a defendant may not take steps in the action otherwise than by an attorney.

33. Deborah Barker Roye concisely summarises the position under the GCR in *Civil Litigation in the Cayman Islands* (Third edition) at 3.6 on page 60 as follows:

“Except for acknowledgement of service, a company must act at all times in litigation through an attorney-at-law in accordance with GCR Order 5 r6.”

34. Kawaley J touched upon GCR Order 5 rule 6 in *Xingxuan Life Technology Ltd* (FSD unreported judgment delivered on 9 January 2024) and *Navigator Global Fund Manager Platform SPC* [2025] CIGC (FSD) 5.

35. In *Xingxuan* Kawaley J at [13] stated:

“GCR Order 5 rule 6 does not confer an express discretionary power to permit a company to appear in person although this cannot exclude the Court’s power, having regard to the umbrella fair hearing rights in section 7 of the Constitution and the common law rules of natural justice, to allow a non-lawyer to speak on behalf of a company to some extent.”

36. At [15] Kawaley J, amongst other judgments which he included in his basket of “judicial authority seriously considering the relevant rules” ([15]), referred to the judgment of Smellie CJ (as he then was) in *Telesystem International Wireless Incorporated v CVC/Opportunity Equity Partners LP* 2002 CILR 96.

37. At [19] Kawaley J referred to an English authority, *Bank of Baroda v GVK* [2023] EWHC 2560 (Comm), where Kawaley J said Dame Clare Moulder (sitting as a Deputy Judge of the High Court) “declined to hear a representative of an unrepresented company on an application for an adjournment.”

38. Kawaley J at [20] referred to the position “under the Cayman Islands procedural framework” and noted that “particularly in the context of a complex commercial case, the requirement for legal representation ought generally to be regarded as a principle which will be strictly adhered to.”

39. Kawaley J at [21] left the door open, depending on the circumstances of each case, to hear a corporate representative on the question of an adjournment to obtain legal representation. With his usual refreshing openness he accepted that he may in previous cases have “adopted an overly liberal approach to hearing non-lawyer representatives of legally unrepresented companies”. There was

however a powerful sting in the tail of that judicial confession as in the penultimate paragraph of the judgment Kawaley J added:

“... the fair hearing rights protected by section 7 of the Constitution and the Overriding Objective combine to require priority to be given to substantial justice rather than over slavish adherence to the formal requirements of this Court’s Rules”.

40. Even with that noble sentiment in mind Kawaley J felt it appropriate to direct that the proceedings before him “would proceed on an unopposed basis unless the Company was legally represented”.
41. In the case before me there was no request for the companies to be represented by a non-attorney or for an adjournment to enable new legal representation to be arranged.
42. In the 303 Proceedings, but not in the 117 Proceedings, Mr Chow had filed a 7 page document dated 1 September 2026 and entitled “Application for Stay on medical grounds and notice to D&O insurer; notice of indemnity, abuse of process, and insurance obligations”. It was not in proper format and there was no evidence that the requisite court fee had been paid but I had regard to it nevertheless. In that document, Mr Chow at paragraph 1 on page 1 stated that he was “a stroke survivor and remains medically and physically unfit to withstand the severe stress and demands of a trial or active litigation of this magnitude”. On page 2 it is added “For all these reasons, the Defendant respectfully requests that these proceedings be stayed on medical grounds” and later on page 2 it is stated “The Defendant has no current legal representation and, given his medical condition, is unable to secure replacement counsel.” On the last page Mr Chow says that he “will not participate further in these proceedings unless and until his medical condition improves and he is able to secure counsel”. I gave directions including the filing and serving of evidence and concise written submissions for that “application” to be dealt with on the papers in the 303 Proceedings. Nothing in those 7 pages in the 303 Proceedings persuaded me that the court should not proceed with the hearing on 25 September 2026 in respect of the 117 Summons, or indeed in respect of the costs determinations in the 303 Proceedings.
43. I should add that it is a matter of court record that in the 117 Proceedings and the 303 Proceedings Claritas Legal Limited (the Plaintiffs’ third set of Cayman lawyers) sought by summonses filed on 3 September 2026 a declaration that it had ceased to act as attorneys at law for the Plaintiffs in the 117 Proceedings and for the Defendant, Mr Chow, in the 303 Proceedings. Asif J granted such

declarations pursuant to GCR Order 67 rule 6 on 10 September 2026 and ordered Claritas to promptly serve a copy of the Orders on every party to the proceedings.

44. In all the circumstances I concluded that it was fair and just to proceed in the absence of the corporate Plaintiffs. They were aware of the hearing and of the need to be legally represented but they had deliberately chosen not to attend and were adopting an unhelpful and potentially abusive strategy of non-engagement. It would have been unfair and unjust to Taibang Biological Ltd not to proceed on 25 September 2026.

The position of the Plaintiffs

45. The Plaintiffs failed to appear but in fairness to them I considered their position and the points raised in their Statement of Claim and in Mr Chow's first affidavit in the 117 Proceedings. Mr Ayres also, very properly, brought to the court's attention potential arguments that may have been put before the court by the Plaintiffs if they had appeared. I considered those and other potential arguments in favour of the Plaintiffs. None of them led me to the conclusion that I should dismiss the 117 Summons.
46. I considered the Statement of Claim in the 117 Proceedings and in particular noted the references to what the Plaintiffs defined as the Chow Redemption Shares and the removal of Mr Chow as Chairman. I also noted what was pleaded in respect of the exercise of the management redemption rights. The Plaintiffs' pleading refers to orders for specific performance requiring the Defendant to redeem the Chow Redemption Shares at "fair market value". The Plaintiffs plead that such equitable relief is necessary and appropriate to give effect to the Chow Redemption Rights, which are stated to exist under both the Second Amended and Restated Memorandum and Articles of Association of the Defendant (the "M&AA") and the Shareholders Agreement of 27 November 2023 (the "SHA"). At paragraph 41 of the Statement of Claim the Plaintiffs say that they will explain "in due course" why the Defendant's position that the present claims should be arbitrated is "unsustainable". I noted the reasons briefly stated at paragraphs 41.1 – 41.4 of the Statement of Claim.
47. In paragraph 41.1 it is stated that the M&AA does not contain any provisions requiring disputes under the M&AA to be submitted to arbitration. It is stated that what are described as the Chow

Redemption Rights exist in the M&AA and the allegations are stated to be in respect of breaches of the Defendant's obligations under the M&AA.

48. In paragraph 41.2 it is stated that under section 10.3 of the SHA the Plaintiffs are entitled to seek equitable relief in the Grand Court.
49. In paragraph 41.3 the point is made that the alternative dispute resolution and arbitration agreement in section 10.2 does not preclude a party to the SHA from seeking an order of specific performance from the Grand Court.
50. In paragraph 41.4 the additional point is made that the Defendant by commencing 303 Proceedings against Mr Chow has waived any right under the SHA (if it otherwise existed) to require arbitration of the claims in the 117 Proceedings.
51. I also carefully considered all that Mr Chow had written in his first affidavit sworn on 22 May 2026 in the 117 Proceedings. In that affidavit, Mr Chow briefly touched upon the Hong Kong Arbitration and presented his arguments in respect of section 10.2 and 10.3 of the SHA.

The real dispute between the parties

Evidence and pleadings in the 117 Proceedings

52. Looking at the evidence and the pleadings before the court it is clear that the real dispute in this case is whether or not Mr Chow was removed as chairman of the Defendant without cause. If he was removed without cause certain redemption rights would be triggered.
53. The Plaintiffs in their pleading say that they are members of the Defendant and that Mr Chow is the "ultimate beneficial owner" of the shares. It is pleaded that Mr Chow could be removed as Chairman for "Cause" (as defined in Article 1.1 of the M&AA and Section 1.1 of the SHA). It is further pleaded that upon Mr Chow's appointment as Chairman being terminated or removed without "Cause" the Plaintiffs (pursuant to Article 11.1(a) of the M&AA and Section 6.1(a) of the SHA) have the rights to require the Defendant to redeem the shares at "Fair Market Value".
54. The Plaintiffs in Section D of their Statement of Claim deal in detail with "The Removal of Mr Chow as Chairman" on 12 December 2024 and plead at paragraph 17 that it was without "Cause".

At paragraph 22 it is pleaded that “the Management Redemption Rights became exercisable upon the Company’s decision at the 12 December Meeting to remove Mr Chow at (sic) Chairman without “cause”.”

55. At Section E the Plaintiffs deal with the “Exercise of the Management Redemption Rights”. It is plain that the Plaintiffs’ case is that these rights were exercised on the basis that Mr Chow had been removed as Chairman without “Cause”. Their whole case depends on such issue being decided in their favour. The Plaintiffs say that the requests they sent to the Defendant for the redemption of all the shares constituted redemption notices “for the purposes of Clause 11.2 of the M&AA and Section 6.2 of the SHA, delivered to the Company [the Defendant] within 30 days of the relevant “Redemption Event”, namely Mr Chow’s removal as Chairman at the 12 December Meeting”.
56. Section G is entitled “Claim for Specific Performance” and at paragraph 36 it is stated that the Defendant “is in breach of its obligations under Article 11.1(a) of the M&AA and Section 6.1(b) of the SHA to give effect to the Plaintiffs’ Management Redemption Rights by redeeming the Chow shares for “Fair Market Value”.” At paragraph 37 it is pleaded that damages would not be an adequate remedy.

The Arbitration Notice in the Hong Kong Arbitration

57. The notice of arbitration dated 30 March 2026 (the “Arbitration Notice”) is between Taibang Biological Ltd as Claimant and TB MGMT LLC and TB Executives Unity Holding Limited as 1st and 2nd Respondents.
58. The Arbitration Notice is stated to be issued pursuant to Section 10.2 of the SHA and reference is made to Section 6.1(a) of the SHA and Section 1.1 of the SHA and the definition of “Cause”. It is stated that unless the Management Redemption Rights are triggered redemption of any shares requires the prior written approval of shareholders holding 75% or more of Taibang Biological Ltd’s issued and outstanding shares pursuant to Section 3.1(h) of the SHA and Article 25.8(h) of the M&AA.
59. Section H “d. Mr Chow was Removed as Chairman on 12 December 2024 for Cause” contains 15 paragraphs (35-49).

60. Section H “f. The Parties’ Disputes” at paragraph 57 sets out the dispute being “as to whether the MRR Provisions have been triggered”. Section 6.1(a) of the SHA is defined at paragraph 31 of the Arbitration Notice as the “MRR Provisions”. The position of Taibang Biological Ltd is that the MRR Provisions have not been triggered and the Respondents are not entitled to request redemption of their shares.
61. Section I of the Arbitration Notice sets out the relief sought. The main relief being specified at paragraph 60 a as “a declaration that the Management Redemption Rights have not been triggered”.

The relevant provisions in this case

62. Section 10.2 of the SHA provides:

“Section 10.2. Dispute Resolution. The Parties agree to use reasonable efforts to resolve any disputes arising out of or relating to this Agreement through consultation. In the event that the Parties are unable to resolve a dispute arising hereunder within thirty (30) days of commencing such consultation, such dispute (including any dispute relating to the existence, validity, interpretation, performance, breach or termination of this Agreement) shall be submitted to the Hong Kong International Arbitration Center (“HKIAC”) for arbitration under the HKIAC Administered Arbitration Rules in effect at the time of the application for arbitration (the “HKIAC Rules”). The arbitration shall be conducted by three (3) arbitrators. For the arbitration tribunal, the claimant(s) shall jointly appoint one (1) member of the arbitration tribunal and the respondent(s) shall jointly appoint one (1) member of the arbitration tribunal. The appointment of the third (3rd) member of the arbitration tribunal shall be agreed by the claimant(s) and the respondent(s). If they fail to reach such an agreement within thirty (30) days after the appointment of the first (1 st) member of the arbitration tribunal, the HKIAC shall appoint the third (3 rd) member of the arbitration tribunal. The third (3 rd) member of the arbitration tribunal shall act as chair of the tribunal. The arbitral award shall be final and binding upon all Parties. The seat of arbitration shall be in Hong Kong. The language of arbitration shall be English. The Parties agree that any award rendered by the arbitral tribunal may be enforced by any court having jurisdiction over the Parties or over the Parties’ assets wherever the same may be located. All fees, costs and expenses (including attorney’s fees and expenses) incurred by any party in connection with the arbitration shall be borne by the losing party. Nothing in

this Section 10.2 shall be construed as preventing any Party from seeking an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction pursuant to Section 10.3.”

63. Sections 10.3 and 10.4 of the SHA provides:

“Section 10.3. Specific Performance. Each Party acknowledges that money damages would not be an adequate remedy in the event that any of the covenants or agreements in this Agreement are not performed in accordance with its terms, and it is therefore agreed that in addition to and without limitation to any other remedy or right it may have, a non-breaching Party will have the right to seek an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.

Section 10.4. Entire Agreement. The Agreement, the schedules and exhibits hereto, and any other documents referred to herein or therein, constitute the entire understanding and agreement between the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, representatives and warranties, whether written or oral, among the Parties with respect to the subject matter hereof (collectively, “Prior Agreements”). In the event of any conflict or inconsistency between any of the terms of this Agreement and Prior Agreements, the terms of this Agreement shall prevail in all respects.”

64. I considered section 6.1 of the SHA. Section 6.1 (a) refers to the Management Redemption Rights and provides:

“ARTICLE VI
MANAGEMENT REDEMPTION RIGHTS

Section 6.1. Management Redemption Rights.

(a) Without limiting the generality of the provisions contained in Section 2.4(c), upon receipt of written request by Mr. Chow or any Select Key Management Member (each such Person, a “Requesting Holder”), TB MGMT or TB Executives (each

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such Party, a “Requesting Platform”), as applicable, may request that the Company redeem all or a portion of the Shares held by such Requesting Platform corresponding to such Requesting Holder’s beneficial ownership of Equity Securities of the Company indirectly held through the applicable Requesting Platform (the “Redemption Shares”) for the Redemption Price in accordance with the terms of this ARTICLE VI (the “Management Redemption Rights”), if (i) with respect to Mr. Chow, (x) he is incapable of performing his duties as the Chairman as a result of his death, disability or other incapacity, (y) his appointment as the Chairman has been terminated or removed without Cause or (z) his rights (as a beneficial owner of Equity Securities of the Company indirectly held through the applicable Management Rollover Platforms) have been disproportionately and adversely impacted in connection with the consummation of a Major Transaction (including a Trade Sale) duly approved by the Shareholders in accordance with this Agreement, compared to the impact on other beneficial owners of Equity Securities of the Company; and (ii) with respect to a Select Key Management Member, (A) his or her employment with any Group Company has been terminated or removed by such Group Company without Cause or (B) his or her rights (as a beneficial owner of Equity Securities of the Company indirectly held through the applicable Management Rollover Platforms) have been disproportionately and adversely impacted in connection with the consummation of a Major Transaction (including a Trade Sale) duly approved by the Shareholders in accordance with this Agreement, compared to the impact on other beneficial owners of Equity Securities of the Company (each such event specified in clauses (i) and (ii), a “Redemption Event”); provided that the aggregate number of Redemption Shares that a Requesting Platform is entitled to redeem for a Requesting Holder pursuant to this ARTICLE VI shall under no circumstances exceed such number of Shares corresponding to such Requesting Holder’s beneficial ownership of Equity Securities of the Company indirectly held through such Requesting Platform as of April 20, 2021.

(b) The “Redemption Price” shall mean, with respect to any Redemption Shares, an amount corresponding to the Fair Market Value of such Redemption Shares. The “Fair Market Value” means (i) the value of any specified interest or property, which shall not in any event be less than zero, that would be obtained in an arm’s length transaction for cash between an informed and willing buyer and an informed and willing seller, neither of whom is under any compulsion to purchase or sell, respectively, and without regard to the particular circumstances of the buyer or seller, as determined in good

faith by the Board, or (ii) in any event that the redemption right is exercised in connection with a Major Transaction, the value imposed by the Trade Sale Price that is actually paid to the other Shareholders under Section 4.6(b) upon consummation of such Trade Sale.

(c) The Management Redemption Rights in this ARTICLE VI shall terminate upon the consummation of an IPO.”

65. Article 11.1 of the M&AA provides:

“11 Management Redemption Rights

11.1 Management Redemption Rights.

- (a) Without limiting the generality of the provisions contained in Article 29.7(c), upon receipt of written request by Mr. Chow or any Select Key Management Member (each such Person a “Requesting Holder”), TB MGMT or TB Executives (each such Shareholder, a “Requesting Platform”), as applicable, may request that the Company redeem all or a portion of the Shares held by such Requesting Platform corresponding to such Requesting Holder’s beneficial ownership of Equity Securities of the Company indirectly held through the applicable Requesting Platform (the “Redemption Shares”) for the Redemption Price in accordance with the terms of this Article 11 (the “Management Redemption Rights”), if (i) with respect to Mr. Chow, (x) he is incapable of performing his duties as the Chairman as a result of his death, disability or other incapacity, (y) his appointment as the Chairman has been terminated or removed without Cause or (z) his rights (as a beneficial owner of Equity Securities of the Company indirectly held through the applicable Management Rollover Platforms) have been disproportionately and adversely impacted in connection with the consummation of a Major Transaction (including a Trade Sale) duly approved by the Shareholders in accordance with the Articles, compared to the impact on other beneficial owners of Equity Securities of the Company; and (ii) with respect to a Select Key Management Member, (A) his or her employment with any Group

Company has been terminated or removed by such Group Company without Cause or (B) his or her rights (as a beneficial owner of Equity Securities of the Company indirectly held through the applicable Management Rollover Platforms) have been disproportionately and adversely impacted in connection with the consummation of a Major Transaction (including a Trade Sale) duly approved by the Shareholders in accordance with the Articles, compared to the impact on other beneficial owners of Equity Securities of the Company (each such event specified in clauses (i) and (ii), a “Redemption Event”); provided that the aggregate number of Redemption Shares that a Requesting Platform is entitled to redeem for a Requesting Holder pursuant to this Article 11 shall under no circumstances exceed such number of Shares corresponding to such Requesting Holder’s beneficial ownership of Equity Securities of the Company indirectly held through such Requesting Platform as of April 20, 2021.

- (b) The “Redemption Price” shall mean, with respect to any Redemption Shares, an amount corresponding to the Fair Market Value of such Redemption Shares. The “Fair Market Value” means (i) the value of any specified interest or property, which shall not in any event be less than zero, that would be obtained in an arm’s length transaction for cash between an informed and willing buyer and an informed and willing seller, neither of whom is under any compulsion to purchase or sell, respectively and without regard to the particular circumstances of the buyer or seller, as determined in good faith by the Board, or (ii) in event that the redemption right is exercised in connection with a Major Transaction, the value imposed by the Trade Sale Price that is actually paid to the other Shareholders under Article 9.6(b) upon consummation of such Trade Sale.
- (c) The Management Redemption Rights in this Article 11 shall terminate upon the consummation of an IPO.”

66. Section 1.1 of the SHA provides:

““Cause”, with respect to Mr. Chow or any Select Key Management Member, means any of the following:

- (a) any act or omission that constitutes a breach by such Person of any of his or her (or his or her Affiliate’s) obligations under this Agreement (if applicable), Charter Documents of the applicable Group Company, any Group policy or procedure or his or her employment agreement with the applicable Group Company and failure to cure such breach after notice of, and a reasonable opportunity to cure, such breach;
- (b) the continued willful failure or refusal by such Person to substantially perform the duties reasonably required of him or her as an employee of the applicable Group Company;
- (c) an alleged act (with credible substantiated evidence) of moral turpitude, dishonesty, fraud or violation of law (whether or not connected to the Group) by, or criminal conviction of, such Person which in the determination of the Board (in its sole discretion and by a simple majority of the Directors then in office excluding such Person) would render his or her continued employment by the applicable Group Company damaging or detrimental to the Group; or
- (d) any misappropriation of the Group property by such Person.”

67. Article 1.1 of the M&AA provides:

““Cause” with respect to Mr. Chow or any Select Key Management Member, means any of the following:

- (a) any act or omission that constitutes a breach by such Person of any of his or her (or his or her Affiliate’s) obligations under the Shareholders Agreement (if applicable), Charter Documents of the applicable Group Company, any Group policy or procedure or his or her employment agreement with the applicable Group Company and failure to cure such breach after notice of, and a reasonable opportunity to cure, such breach;

- (b) the continued willful failure or refusal by such Person to substantially perform the duties reasonably required of him or her as an employee of the applicable Group Company;
- (c) an alleged act (with credible substantiated evidence) of moral turpitude, dishonesty, fraud or violation of law (whether or not connected to the Group) by, or criminal conviction of, such Person which in the determination of the Board (in its sole discretion and by a simple majority of the Directors then in office excluding such Person) would render his or her continued employment by the applicable Group Company damaging or detrimental to the Group; or
- (d) any misappropriation of the Group property by such Person.”

The decision to impose the mandatory statutory stay - reasons

68. Section 4 of the Act provides as follows:

“Staying of certain court proceedings

- 4. If any party to an arbitration agreement, or any person claiming through or under him, commences any legal proceedings in any court against any other party to the agreement, or any person claiming through or under him, in respect of any matter agreed to be referred, any party to the proceedings may at any time after appearance, and before delivering any pleadings or taking any other steps in the proceedings, apply to the court to stay the proceedings; and the court, unless satisfied that the arbitration agreement is null and void, inoperative or incapable of being performed or that there is not in fact any dispute between the parties with regard to the matter agreed to be referred, shall make an order staying the proceedings.”

69. In my judgment the 117 Proceedings are in respect of a matter agreed to be referred to arbitration. Furthermore I was not satisfied that the arbitration agreement was null and void, inoperative or incapable of being performed or that there was not in fact any dispute between the parties with

regard to the matter agreed to be referred. In such circumstances the court was obliged to impose the mandatory statutory stay.

70. In my judgment the reality of the core substantial dispute between the Plaintiffs and the Defendant is whether Mr Chow was removed as chairman without cause and redemption rights triggered. That issue falls squarely within the arbitration agreement. The Plaintiffs have artificially contrived to present a claim for specific performance in an endeavour to carve the dispute out of arbitration. In reality all the Plaintiffs want are their shares redeemed and money paid to them. There was considerable force in the submission of Mr Ayres that despite the expressed claim for “specific performance” the claim is no more than a monetary claim (debt or damages) for alleged contractual redemption of shares.
71. This is apparent from the last page of the 10 page Statement of Claim in paragraph 1 where the Plaintiffs refer to redemption at “a total price of US\$52,549,499.09 to be paid by the Company to the First Plaintiff and a total price of US\$34,709,466.00 to be paid by the Company to the Second Plaintiff, or such other amounts as the Court shall determine to be “Fair Market Value” of the shares”.
72. It is also apparent from the claim in paragraph 1 on page 2 of the general indorsement on the Writ of Summons. It is true that an order for specific performance is prayed for but the following is added:
- “translating to a total price of US\$52,549,499.09 to be paid to the First Plaintiff and US\$33,965,426.00 to be paid to the Second Plaintiff (or a price at such Fair Market Value as the Court may determine).”
73. I accepted Mr Ayres’ submission that it was evident from the drafting of the pleadings that the claim for “specific performance” was entirely artificial and a mere device to try to come within section 10.3 of the SHA and thus argue that the claim was outside the arbitration agreement.
74. In support of his submissions on this point Mr Ayres brought the court’s attention to *PT Thiess Contractors Indonesia v PT Kaltim Prima Coal and another* [2011] EWHC 1842 (Comm). This was a judgment of Blair J and Mr Ayres relied in particular on [35] which read:

“35. In both written and oral argument, there was little controversy as regards the legal principles, the issue between the parties being as to how they are to be applied to the present facts. A stay must be granted under s.9 Arbitration Act 1996 if these proceedings are “in respect of a matter which under the [arbitration] agreement is to be referred to arbitration”. A discussion of how that question is to be determined appears from *Tanning Research Laboratories Inc v. O’Brien* (1990) 169 CLR 332 (HCA), where the court was concerned to construe the term “matter” in the equivalent Australian legislation. At pp 352-3, Deane and Gaudron JJ refer to the importance of identifying the “substance of the controversy”, rather than the formal nature of the proceedings. Accordingly, as KPC puts it in its submissions, the court must consider the substance of the controversy as it appears from the circumstances in evidence on the application (and not just the particular terms in which the claimant has sought to formulate its claim in court). A similar approach is suggested in Joseph, *Jurisdiction and Arbitration Agreements and their Enforcement*, 2nd edn 2010, paras 11.13-11.16, and I would adopt it.”

75. The substance of the controversy in this case is whether Mr Chow was removed as chairman without cause and consequently whether a redemption event has occurred which has triggered a redemption right. The substance is not whether specific performance should be granted or not. The substance is whether a redemption right has been triggered. If so the Plaintiffs would, *prima facie*, be entitled to money for their shares. That does not appear to be in dispute between the parties. Whether a redemption event has occurred is hotly disputed.
76. In my judgment the substance of the controversy plainly came within the terms of the arbitration agreement.
77. The Plaintiffs’ reliance on specific performance was misconceived and ill-founded for two principal reasons. Firstly the substance of the dispute was not genuinely a dispute as to whether the Plaintiffs were entitled to specific performance or not. The real genuine dispute was whether Mr Chow was removed as chairman with or without cause. If without cause then redemption rights would be triggered and money would, *prima facie*, have to be paid.
78. Secondly, even if the substance of the dispute was specific performance the Plaintiffs’ Statement of Claim did not fall within the “carve outs” in sections 10.2 and 10.3 of the SHA. Initially I confess

I found it difficult to follow this argument when I first read the Defendant's skeleton argument but Mr Ayres in his oral submissions injected some further clarity and I was grateful to him for that.

79. Section 10.2 of the SHA includes the following carve out:

“Nothing in this Section 10.2 shall be construed as preventing any Party from seeking an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction pursuant to Section 10.3.”

Section 10.2 of the SHA incorporates reference to 10.3 and is subject to it.

80. Section 10.3 of the SHA includes the following carve out:

“... a non-breaching Party will have the right to seek an injunction, temporary restraining order or other equitable relief in any court of competent jurisdiction enjoining any such breach and enforcing specifically the terms and provisions hereof.”

81. I should record that Mr Ayres accepted that a genuine claim for specific performance would be a claim for equitable relief. Specific performance falls within the definition of “equitable relief”.

82. It is also right to note that the title to section 10.3 is “Specific Performance” but it does not provide for a general carve out for all claims for specific performance. Firstly they must be genuine claims and not contrivances. Secondly, as is clear from the express wording of Section 10.3 of the SHA the carve out is limited to interlocutory relief “enjoining” any breaches rather than a main claim in substantive proceedings for specific performance.

83. When questioned about the significance of the title “Specific Performance”, Mr Ayres, with the prompting of the ever attentive to detail Mr Jackson, referred the court to section 10.11 of the SHA:

“The titles of the sections and sub-sections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.”

84. I agreed with Mr Ayres that the relevant carve out provisions were concerned only with interlocutory “enjoining” relief before the courts and did not provide an exception to the mandatory

requirement to refer “any disputes arising out of or relating to” the SHA to consultation and, if still unresolved, to arbitration. I also accepted Mr Ayres’ submission that the purpose of Section 10.3 of the SHA was to ensure that the parties to the SHA were able to have the provisions of the SHA complied with according to their terms. Where compliance involved the payment of money (i.e. with respect to redemption of shares) Section 10.3 and the limited protection it offers can have no application or relevance. Furthermore any disputes relating to the interpretation of the limited carve out provisions would fall within the arbitration agreement and would have to be referred to the arbitral tribunal for consideration and determination.

85. I was also satisfied that there was nothing in the Plaintiffs’ argument (see paragraph 41.4 of the Plaintiffs’ Statement of Claim) that the Defendant by commencing the 303 Proceedings against Mr Chow had waived any right under the SHA to require arbitration of the claims in the 117 Proceedings. That argument only needs to be stated and section 4 of the Act read to appreciate that it is devoid of any merit.
86. Put simply, under section 4 of the Act an application for a mandatory statutory stay must be made “before delivering any pleadings or taking any other steps in the proceedings”. The 117 Summons was dated 23 April 2026. The Defendant has delivered no pleadings nor taken any other steps in the 117 Proceedings. The proceedings are the 117 Proceedings. The writ of summons is dated 27 March 2026 and the Statement of Claim is dated 9 April 2026.
87. I noted what Mr Chow had to write under a heading “The Company’s submission to the jurisdiction of the Cayman Court” at paragraphs 32-34 of his first affidavit filed in the 117 Proceedings. It is a somewhat curious heading. The “Company” (Taibang Biological Ltd) is already within the jurisdiction of the Cayman courts as a Cayman company. Insofar as I understand his argument, Mr Chow says in effect that by filing an application to serve the Statement of Claim against him in the 303 Proceedings out of the jurisdiction, together with evidence in support, Taibang Biological Ltd (the Defendant in the 117 Proceedings) has agreed that the “Cause Issue” amongst other issues will be resolved by the Cayman court in the 303 Proceedings and not by way of arbitration in Hong Kong. For the sake of completeness I should add that in the amended Statement of Claim in the 303 Proceedings the references to “for Cause” have been deleted.
88. The fact that at one stage in other proceedings (the 303 Proceedings) Taibang Biological Ltd made reference to the “Cause” issue plainly does not amount to taking a step in the 117 Proceedings. Neither does it somehow amount to an estoppel or waiver preventing the Defendant in the 117

Proceedings from relying on the arbitration agreement. I should also add that Mr Chow was not in any event a party to the arbitration agreement or the 117 Proceedings. Mr Chow and the companies are separate legal entities.

89. I also noted the Plaintiffs' arguments in effect on fragmentation of proceedings. The mere fact that the 303 Proceedings were pending determination did not in my mind justify the court refusing to grant a mandatory stay in respect of the 117 Proceedings. In substance the 117 Proceedings were in respect of matters agreed to be referred to arbitration. An application for a stay had been made by the Defendant before delivering any pleadings or taking any other steps in the relevant proceedings. The court was not satisfied that the arbitration agreement was null and void, inoperative or incapable of being performed. There was plainly a dispute between the parties with regard to matters agreed to be referred to the arbitration. This court was, in the circumstances of this case, obliged to grant a mandatory statutory arbitration stay.

The decision to impose a discretionary case management stay - reasons

90. I also directed my mind to the application for a discretionary case management stay, in case it transpired that I was wrong to grant the mandatory statutory arbitration stay. In my judgment in this case a discretionary case management stay was also justified.
91. In my judgment in *Re TFKT True Holdings* (FSD unreported judgment 3 October 2024) I referred to the relevant law on discretionary case management stays from [53] to [59]. That case related to an application to stay proceedings begun in the Cayman Islands by a petition, pending the determination of court proceedings in Hong Kong. Mr Ayres submitted that the same principles applied in respect of foreign arbitrations, including the Hong Kong Arbitration.
92. In my judgment the issues raised in the Hong Kong Arbitration are broadly the same factually and legally to the real genuine issues in the Cayman legal proceedings. The findings within and the determination of the Hong Kong Arbitration may in fact avoid the need for the determination of the real issues in the 117 Proceedings. The outcome of the Hong Kong Arbitration may well resolve the real issues in the Cayman legal proceedings or at the very least have an important effect on the conduct of the Cayman legal proceedings. The avoidance of conflicting determinations and the saving of costs were also relevant factors.

93. I accepted that the burden on an applicant for a discretionary case management stay, which prevents the other parties from an immediate fundamental right of access to the court, was a high one. In my judgment however a case management stay of the Cayman legal proceedings (the 117 Proceedings) pending the determination of the Hong Kong Arbitration would best serve the interests of justice.

The decision to grant costs against the Plaintiffs - reasons

94. I can deal with the reasons for my decision to grant costs against the Plaintiffs concisely. The Defendant was wholly successful in respect of its 117 Summons. The court has a wide discretion in respect of costs but such discretion must be exercised judicially and on well established principles. Costs normally follow the event i.e. the successful party normally gets its costs. There were no reasons that caused me to make an exception to that well established principle. I therefore made an order that the Plaintiffs pay the Defendant's costs of and incidental to the 117 Summons, to be taxed if not agreed.

Orders

95. It was for these reasons that I made the following orders:
- (1) The action commenced in the 117 Proceedings by the Plaintiffs by way of Writ dated 27 March 2026 is stayed pursuant to section 4 of the Act and/or the court's inherent jurisdiction; and
 - (2) The Plaintiffs to pay the Defendant's costs of and incidental to the 117 Summons, to be taxed if not agreed.

David Doyle

THE HON. JUSTICE DAVID DOYLE
JUDGE OF THE GRAND COURT