

China Medical Technologies

China Medical Technologies, Inc. (CMED) was a Cayman Islands corporation based in China, currently in liquidation following fraud allegations. It purported to develop, manufacture, and market advanced in vitro diagnostic ("IVD") products using enhanced chemiluminescence ("ECLIA") technology, fluorescent in-situ hybridization ("FISH") technology, and surface plasmon resonance ("SPR") technology to detect and monitor various diseases and disorders.^{[2][3]}


CMED ceased operating in early 2012, leaving investors unpaid on \$426 million worth of bond debt as a result of a suspected fraud by CMED's former Chairman & CEO. The company is in default due to failure to pay interest to its bondholders.^[4] CMED filed for bankruptcy in 2012, and its liquidator is probing an alleged \$355 million insider fraud, and alleges that "CMED's creditors and equity holders may have been the victims of a massive multi-year fraud."

In February 2012, the company's shares in the United States moved from the NASDAQ to the pink sheets.^[5] In March 2012, the CMED American Depositary Shares (ADSs) were delisted from NASDAQ, and in June 2012 the CMED ordinary shares were deregistered. Since July 2012, pursuant to an Order by the Grand Court of the Cayman Islands, CMED has been under the control of Joint Official Liquidators. In August 2012, the company filed for bankruptcy under the U.S. Bankruptcy Code. In November 2012, the US Securities and Exchange Commission revoked the registration of the CMED registered securities.

In 2009, an anonymous letter alleging possible illegal and fraudulent activities by management since 2007 was sent to KPMG Hong Kong, then CMED's auditor. The CMED Audit Committee retained law firm Paul Weiss Rifkind Wharton & Garrison, which in 2009 investigated the allegations and advised the committee as to any appropriate further measures. In September 2015, U.S. District Judge Ronnie Abrams of the US District Court for the Southern District of New York held that Paul Weiss-despite its refusal-must give CMED's liquidator, who was scrutinizing the alleged \$355 million fraud, otherwise-privileged information concerning Paul Weiss's internal investigation.

In January 2012, a class action fraud lawsuit was filed by CMED investors against CMED and its CEO and CFO in the US District Court for the Southern District of New York. In July 2012, original purchasers of the CMED bonds sued the CEO in a civil case in California, alleging he stripped assets from CMED. In November 2012, the liquidator filed a complaint with the Hong Kong Police Force and the US Federal Bureau of Investigation (FBI),

China Medical Technologies Inc.

	
Type	Public
Industry	Medical technology
Predecessor	Beijing Yuande Bio-Medical Engineering Co., Ltd., or YDME Beijing ^[1]
Founded	July 2004 in Cayman Islands ^[1]
Headquarters	No. 24 Yong Chang North Road, Beijing Economic and Technological Development Area, Beijing, People's Republic of China
Key people	Wu Xiaodong, Chairman & CEO; Tak Yung Samson Tsang, CFO
Products	Medical devices
Revenue	CNY 842 million ▲ ^[1] (FY 2011)
Operating income	CNY 249 million ^[1] (FY 2011)
Net income	CNY 82 million ^[1] (FY 2011)
Total assets	CNY 4.948 billion ^[1] (FY 2011)
Number of employees	971 (31 March 2011) ^[1]
Website	www.chinameditech.com (https://web.archive.org/web/20070522110731/http://www.chinameditech.com/) (Archived)