Witness Name: Jason Xu
Statement No.:1
Exhibits:
Dated:

UK COVID-19 INQUIRY

WITNESS STATEMENT OF JASON XU
President
Innova Medical Group

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1. My name is Jason Xu. I am the President of Innova Medical Group ("Innova" or "the Company")). I have been in this position since December 2022. Although I was not involved with Innova's supply of Lateral Flow Tests to the UK government, this statement is based on information provided to me by others and my own reasonable investigation into these matters. Subject to the explanation I provide immediately below in paragraph 3, the contents of this Witness Statement made to the UK COVID-19 Public Inquiry (the "Inquiry") on behalf of Innova, are true and accurate to the best of my knowledge as of the date shown below. I reserve the right to supplement and revise this statement as additional information comes to my attention.

2. On January 23, 2025, I submitted a prior Witness Statement to the Inquiry in response to a Request for Evidence made by Module 5 of the Inquiry (the "Module 5 Witness Statement"). A true and correct copy of the Module 5 Witness Statement is attached hereto as Exhibit Xu 1, and, by its reference here, I am incorporating the entirety of that Module 5 Witness Statement into the present Witness Statement.

3. As I explained in the Module 5 Witness Statement, Innova's ability to provide certain information to the Inquiry is significantly hampered by the fact that two of the individuals who communicated extensively with the government of the United Kingdom (the "UK") about matters concerning its procurement of COVID Lateral Flow Tests from Innova—Innova's former Chief Executive Officer, Daniel Elliott ("Elliott"), and Innova's former Chief Legal Officer, Robert Kasprzak ("Kasprzak")—no longer work at Innova, and, in fact, have engaged in litigation with the company involving, among other things, accusations that they conspired together to misappropriate ove[I&S] from Innova through a fraudulent

scheme involving the theft of purported commission proceeds paid as a result of the contracts entered into between Innova and the UK government. Because Elliott and Kasprzak have been adverse to the company in this litigation, they are unavailable to provide the company with information that, in some cases, is necessary to fully answer some of the requests posed below. To the extent possible, due to the absence of the information Elliott and Kasprzak might be able to supply, the company has reviewed correspondence involving Elliott, Kasprzak, and others in an effort to fill in those gaps. However, for the reasons explained above, I do not have personal knowledge of all of the matters of fact addressed within this statement. Instead, a very large part of the information set out below is based on a review of documents held by Innova.

4. Despite these limitations, Innova remains willing to cooperate with the Inquiry to the greatest extent it can, and I am providing the following information to the Inquiry to the best of my ability despite the issues addressed above.

An Overview of Innova Medical Group and Its Relation to the Test, Trace, and Isolate System ("TTI") Developed by the UK Government in Response to the COVID-19 Pandemic

5. Innova was formed on March 20, 2020, under the laws of the state of Nevada, with its principal place of business located in Pasadena, California. Innova is a wholly owned subsidiary of Pasaca Capital, Inc. ("Pasaca"), a private equity fund that typically invests in start-up companies. Innova was an underutilized subsidiary of Pasaca at the start of the pandemic, and it was originally envisioned as a company that would acquire ongoing businesses that specialize in the innovation and use of advanced medical technology and roll them into a single entity that would have a focused presence in China. However, with the emergence of COVID-19, Pasaca's founder and Chairman, Dr. Charles Huang ("Huang"), made the decision to redirect Innova's focus to a business that concentrates on the direct management of pandemic-related medical projects, including the distribution of Lateral Flow Tests (or, as also described below, Rapid Antigen Tests) that could rapidly, reliably, and affordably detect the COVID-19 virus.

6. Innova did not manufacture the Lateral Flow Tests it supplied and distributed during the Covid-19 Pandemic. Instead, it entered into contracts with Biotime Biotechnology Co. Ltd. ("Biotime") that obligated Biotime to supply Lateral Flow Tests that Innova then arranged to distribute to others, including the UK government. When the Covid-19 Pandemic started in March 2020, Innova signed global supply agreements with a number of manufacturers of

Lateral Flow Tests, including Biotime. These supply agreements enabled Innova to have access to the largest Covid-19 Lateral Flow Test kit manufacturing capacity in the world, including the capacity of Biotime to manufacture such tests. From among its options, Innova selected Biotime to manufacture the COVID-19 test kits Innova made available to the market because Biotime had previously developed more than 60 rapid diagnostic reagents and tests and because Biotime had a robust quality control program. By way of background, Innova knew that Biotime specialized in the development, production, and sales of point of care testing ("POCT") in vitro diagnostic reagents and was thus a likely source that could develop and manufacture reliable COVID-19 rapid antigen tests.

7. On March 23, 2020, Innova entered into an agreement with Biotime to design and manufacture a COVID-19 test that Innova would then have the exclusive right to distribute overseas. At the start of Innova's relationship with Biotime, Biotime's focus was placed on the creation and production of COVID-19 antibody tests. In the summer of 2020, that focus shifted to efforts to create and manufacture COVID-19 Rapid Antigen Tests, with the belief such tests would be more marketable because they yielded faster results, were more affordable, and were much easier to administer because they tested saliva and did not involve the use of a lab or other medical equipment. By July 2020, Biotime had created a reliable COVID-19 Rapid Antigen Test, and Innova viewed this new test as a potential gamechanger that could facilitate mass testing for the COVID-19 virus.

8. By late July 2020, a number of businesses around the world, including businesses based in the UK, had expressed an interest in purchasing Innova's newly developed COVID-19 Rapid Antigen Test. A company named Disruptive Nanotech Ltd. ("DNL"), a UK business Innova contracted with to serve as the exclusive marketer of its products in the UK, used the development of this new test by Biotime as an opportunity to explore whether the UK government would be interested in contracting with Innova to purchase its COVID-19 Rapid Antigen Tests; and, on August 5, 2020, Innova and Biotime entered into a further agreement for Biotime to serve as the exclusive manufacture of the COVID-19 Lateral Flow Tests that Innova would subsequently distribute in the UK and elsewhere.

9. As detailed in the Module 5 Witness Statement, representatives of Innova made their initial approach to the UK government at the end of July 2020 to gauge the UK government's potential interest in contracting with Innova to acquire its new COVID-19 Rapid Antigen Tests. (*See* Module 5 Witness Statement at ¶ 18.) Subsequent to this initial outreach, representatives of Innova and representatives of the UK engaged in numerous discussions concerning Innova's new COVID-19 Rapid Antigen Test, and representatives of the UK

government arranged for samples of Innova's test to undergo a comprehensive review process that the UK government had put into place to determine the effectiveness and reliability of the viral antigen lateral flow tests that had been offered for consideration to the UK government by a pipeline of companies offering such tests for sale. (*Id.* at ¶¶ 9-29.) Following these discussions and scrutiny of Innova's test, the UK government proposed a contract whereby it would purchase 18 million COVID-19 Rapid Antigen Test kits from Innova at a price of I&S per test, and Innova and the UK government ultimately entered into an agreement to that effect on September 17, 2020. (*Id* at ¶¶ 9, 29.)

10. By September 2020, Biotime had a stockpile of nitrocellulose membrane to make COVID-19 Rapid Antigen Tests that was unmatched by any other manufacturer in the world at the time; and, as a result, Innova was in a position at that time to supply COVID-19 Rapid Antigen Tests as part of any contemplated mass testing program that was similarly unmatched. (*Id.* at ¶ 8.) After entering into the initial contract to supply the UK government with 18 million of its COVID-19 Rapid Antigen Test kits on 18 September 2020, the UK government subjected Innova's test to additional pre-clinical evaluation and the parties engaged in additional discussions to ramp up the number of COVID-19 Rapid Antigen Tests that Innova would supply to the UK government. In the aftermath of these discussions and the additional scrutiny that was applied to Innova's test, the UK government entered into 10 subsequent contracts obligating Innova to supply its COVID-19 Rapid Antigen Test to the UK government. (*Id.* at ¶ 15.) In total, between September 2020 and June 2022, Innova supplied the UK government with approximately I&S tests, and the total awarded value of the contract between Innova and the UK government for these tests was approximately £4.5 billion pounds.

11. As noted above, Innova had two partners that it worked with as part of the process of supplying its COVID-19 Rapid Antigen Test to the UK government: (1) Biotime, which was the entity that manufactured the tests sold by Innova; and (2) DNL, which assisted in brokering the sales of Innova's test to the UK government.

12. Innova's involvement with the TTI system began when it first contracted with the UK government to provide its COVID-19 antigen test in September 2020, and it continued through the 11th (and final contract) for the provision of these tests.

Innova's Role in the Design or Development of the UK's National Testing Regime

13. Innova played no role in the design or development of the UK's national testing regime during the pandemic, apart from supplying its COVID-19 Rapid Antigen Test to the UK government in the manner noted above. Throughout Innova's relationship with the UK government during this time period, the UK government determined the quantity of tests it required from Innova to fit the needs of the TTI system, and Innova entered into agreements with the UK government to provide that number of tests the UK government requested. Insofar as Innova's involvement in the distribution of those tests was concerned, Innova consulted with the UK government on issues regarding how Innova's tests needed to be stored to ensure their continued viability; it directed Biotime to produce tests that were labeled as directed by the UK government; it worked to ensure that the quantity of tests demanded by the UK government were available for delivery to the UK; and it worked in coordination with the UK government to address certain miscellaneous issues relating to the distribution of Innova's tests to the public, such as ensuring that its tests were packaged in such a manner that they would fit in standard mailboxes throughout the UK. In each of these respects, however, the role Innova played in the UK's TTI system revolved around issues concerning Innova's function as a supplier of its COVID-19 Rapid Antigen Tests and, to Innova's knowledge, it did not stray into a role in which it was involved in the development of the policies or strategies related to the UK government's testing regime.

Lessons Learned

14. Innova has not undertaken a retrospective review of the UK procurement and distribution process or how it administered Innova's Rapid Antigen Test through the TTI program the UK government crafted and oversaw. However, in preparing this Witness Statement, as well as the Module 5 Witness Statement, I was reminded that during the early stages of the pandemic there was significant uncertainty throughout the world, and governments everywhere were attempting to respond quickly. Innova, its representatives, and the people Innova interacted within the UK government were similarly moving quickly to address an unprecedented and not yet well understood worldwide pandemic, and any lessons learned should be viewed in the context of these extraordinary circumstances.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may

be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed: PD

Jason Xu

Dated: