

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

PLAINTIFF, Individually and  
on behalf of all others similarly  
situated,

Plaintiff,

v.

GOLDEN HEAVEN GROUP  
HOLDINGS LTD., QIONG JIN, and  
JINGUANG GONG,

Defendants.

No.

**CLASS ACTION COMPLAINT  
FOR VIOLATIONS OF THE  
FEDERAL SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

Plaintiff, individually and on behalf of all others similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, public filings, wire and press releases published by and regarding Golden Heaven Group Holdings Ltd. ("Golden Heaven" or the "Company"), and information readily obtainable on the Internet. Plaintiff believes that substantial, additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

### **NATURE OF THE ACTION**

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded Golden Heaven securities between April 13, 2023 and December 8, 2023, inclusive (the "Class Period"). Plaintiff seeks to recover compensable damages caused by Defendants' violations of the federal securities laws under the Securities Exchange Act of 1934 (the "Exchange Act").

### **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b), 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

### **PARTIES**

6. Plaintiff, as set forth in the accompanying Certification, incorporated by reference herein, purchased Golden Heaven securities during the Class Period and was economically damaged thereby.

7. Golden Heaven is an offshore holding company incorporated in the Cayman Islands with principal executive offices located at No. 8 Banhouhaichuan Road, Xiqin Town, Yanping District, Nanping City, Fujian Province, the People's Republic of China ("China") 353001. Golden Heaven's shares trade in an efficient market on the Nasdaq Capital Market ("NASDAQ") under the ticker symbol "GDHG".

8. Defendant Qiong Jin (“Jin”) has served as Golden Heaven’s Chief Executive Officer (“CEO”) and as Chairman of the Company’s Board of Directors at all relevant times.

9. Defendant Jinguang Gong (“Gong”) has served as Golden Heaven’s Chief Financial Officer at all relevant times.

10. Defendants Jin and Gong are collectively referred to herein as the “Individual Defendants”.

11. Each of the Individual Defendants directly participated in the management of the Company; was directly involved in the day-to-day operations of the Company at the highest levels; was privy to confidential proprietary information concerning the Company and its business and operations; was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein; was directly or indirectly involved in the oversight or implementation of the Company’s internal controls; was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or approved or ratified these statements in violation of the federal securities laws.

12. The Company is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of

agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

13. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to Golden Heaven under *respondeat superior* and agency principles.

14. Defendant Golden Heaven and the Individual Defendants are collectively referred to herein as “Defendants”.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

15. Golden Heaven has stated that it “manages and operates six properties consisting of amusement parks, water parks, and complementary recreational facilities” and that “[t]he parks provide a wide range of exciting and entertaining experiences, including thrilling rides, family-friendly attractions, water attractions, gourmet festivals, circus performances, and high-tech facilities.” The Company conducts its operations through operating entities in China.

### **Materially False and Misleading Statements Issued During the Class Period**

16. The Class Period begins on April 13, 2023, when Golden Heaven filed with the U.S. Securities and Exchange Commission (“SEC”) a prospectus pursuant to Rule 424(b)(4) (the “April 13 Prospectus”). In the April 13 Prospectus, the Company stated

that it believed the “following strengths contribute to our growth and differentiate us from our competitors”:

- easily accessible amusement park locations;
- continued *guest commitment*;
- experienced senior management teams; and
- the *quality* and variety of cost-effective entertainment offerings.

(Emphases added.)

17. This statement was materially false and misleading because many of the Company’s parks are in generally poor condition and do not attract high levels of attendance.

18. The Company noted the following risk in the April 13 Prospectus:

***Declines in discretionary guest spending and guest confidence, or changes in guest tastes and preferences, could affect the profitability of the operating entities’ business.***

The operating entities’ success depends to a significant extent on (i) ***their ability to provide quality entertainment products***, (ii) their ability to satisfy changing guest preferences, and (iii) the availability of discretionary guest spending. ***If the operating entities are unable to meet the changing preferences of the markets or the entertainment products that they offer do not achieve sufficient guest acceptance, they may not be able to maintain the existing guest patronage or attract new guests.*** In addition, severe economic downturns coupled with high volatility and uncertainty as to the future economic landscape could have an adverse effect on guests’ discretionary income and guest confidence. ***If the operating entities are unable to meet the changing guest demands, or if discretionary guest spending decreases, the***

***operating entities' business, and our financial condition and results of operations could be materially and adversely affected.***

(First emphasis in original.)

19. This statement was materially false and misleading because, due to the poor condition of many of the amusement parks, the Company's operating entities were at a heightened risk of being unable to attract guests.

20. The April 13 Prospectus contained the following risk disclosure on reputational risk:

***Incidents or adverse publicity concerning the parks or the amusement park industry in general could harm the brand, reputation or profitability of the operating entities.***

The park operation involves the risk of accidents, illnesses, environmental issues, and other incidents which may cause a loss of guest confidence, reduce guest attendance, and harm the operating entities' brand, reputation or profitability. ***In addition, other types of adverse publicity concerning the operating entities' business, their management teams, or the amusement park industry in general could harm the business of the operating entities.*** The considerable expansion in the use of social media over recent years has compounded the impact of negative publicity. There may be perception issues and negative media attention that could materially adversely affect the business of the operating entities, and, in turn, our financial condition, and results of operations.

(First emphasis in original.)

21. This statement was materially false and misleading because it omitted that the Company was at a heightened risk of negative publicity due to the poor condition of many of its amusement parks.

22. The April 13 Prospectus contained the following regarding key factors that affect operating results and, in particular, investment in new amusement facilities:

***We believe that innovative amusement facilities will enable us to maintain the existing guest patronage, attract new guests, and provide guests with better experiences.*** In the past 9 years, we have kept introducing new facilities in our amusement parks. We have built one virtual reality science lab and one virtual reality experience hall and will build additional similar facilities in the future. We will introduce other new amusement facilities in the future, which may require significant commitments of capital investment and will likely cause short-term decrease in revenue.

(Emphasis added.)

23. This statement was materially false and misleading because it omitted that the Company's facilities have been poorly maintained and sparsely visited, even on weekends.

24. The April 13 Prospectus contained the following about Yueyang Amusement World ("Yueyang Park"):

Yueyang Amusement World features a double-decker carousel, pirate ship, pendulum ride, sky-high swing ride, ice rink, bumper cars, boat rides, and the Dongting Eye Ferris wheel. As of the date of this prospectus, its management team consists of approximately 135 members and it can accommodate approximately 1,100 guests at the full operating capacity. In the fiscal years ended September 30, 2021 and 2022, it attracted approximately 930,000 and 890,000 guests, respectively, representing a decrease of 4.3%. It is managed by Yueyang Jinsheng Amusement Development Co., Ltd., one of the operating entities.

25. This statement was materially false and misleading because it omitted that Yueyang Park is not a well-maintained facility. In relevant part, Yueyang Park contained a “large pond full of trash” as of November 13, 2023.

26. The April 13 Prospectus contained the following about the Tongling West Lake Amusement World (“Tongling West Lake”):

Tongling West Lake Amusement World features a double-decker carousel, roller coaster, pirate ship, pendulum ride, sky-high swing ride, water coaster, children’s park, and bumper cars. As of the date of this prospectus, its management team consists of approximately 115 members and it can accommodate approximately 700 guests at full operating capacity. In the fiscal years ended September 30, 2021 and 2022, it attracted approximately 350,000 and 350,000 guests, respectively, representing a growth rate of nil. It is managed by Tongling Jinsheng Amusement Investment Co., Ltd., one of the operating entities.

27. This statement was materially false and misleading because it omitted that Tongling West Lake is not a well-maintained facility. In particular, as of November 13, 2023, Tongling West Lake had a large empty swimming pool that had a blow-up swimming pool within it, which contained visibly dirty water.

28. The April 13 Prospectus contained the following about the Mangshi Jinsheng Amusement Park (“Mangshi Jenshing Park”):

Mangshi Jinsheng Amusement Park features a Ferris wheel, luxury carousel, pirate ship, and pendulum ride. As of the date of this prospectus, its management team consists of approximately 60 members and it can accommodate approximately 740 guests at full operating capacity. In the fiscal years ended September 30, 2021 and 2022, it attracted approximately 120,000 and 110,000 guests, respectively, representing a decrease of 8.3%. It

is managed by Mangshi Jinsheng Amusement Park Co., Ltd., one of the operating entities.

29. This statement was materially false and misleading because it omitted that the Mangshi Jenshing Park is in generally poor condition.

30. The April 13 Prospectus contained the following statement about the Company's business model:

Each of our six operating entities manages one amusement park in their respective locations. Under our current business model, the operating entities conduct their business in progressive steps. They begin by selecting and leasing the real property appropriate for amusement park development, and then construct the park infrastructure in coordination with various support from the local governments in China. In the course of park construction and development, the operating entities plan the rides and attractions to be installed, assess amusement facility suppliers, and source quality rides and attractions from select suppliers. Such suppliers assemble, deliver, install, and test-run the rides and attractions in accordance with the applicable national and industrial safety standards, as well as the operating entities' requirements. After the park infrastructure are constructed and the amusement facilities are installed, the operating entities then open the parks for guest visits. ***In the ordinary course of business, the operating entities inspect the rides and attractions according to regular schedules and seek ways to upgrade their entertainment offerings and improve their business operations.***

(Emphasis added.)

31. This statement was materially false and misleading because the operating entities have, in actuality, allowed many of the Company's facilities to fall into poor condition.

32. On June 6, 2023, Golden Heaven posted a press release on its website, entitled "Golden Heaven Group Holdings Ltd. Achieves an Approximately 30% Year-

over-Year Traffic Growth During China’s Labor Day Holiday”, which stated, in relevant part:

Since China has eased its COVID-19 pandemic control measures, *the Company believes that demand for travel has increased, and amusement parks have become attractive destinations for local families.* To seize the business opportunity of China’s Labor Day holiday, *the Company adopted various measures to improve tourist experience and promote consumption, such as holding food festivals, circus performances and other activities. Pendulum rides, sky-high swing rides, and bumper cars remain the most popular rides in the Company’s parks.* The Company strives to provide visitors with immersive experiences integrating entertainment, catering, and shopping in a variety of forms.

[Defendant] Jin . . . commented, “We are excited to see excellent growth during the Labor Day holiday. *The recovery of the domestic tourism market and its potential are expected to lay a solid foundation for growing our business.* Looking forward, we will speed up equipment upgrades and continue to innovate services to better meet the consumers’ demand for entertainment.”

(Emphases added.)

33. This statement was materially false and misleading because it omitted that Golden Heaven’s theme parks are in generally poor condition, hindering the Company’s growth prospects.

34. On July 5, 2023, Golden Heaven posted a press release on its website, entitled “Golden Heaven Group Holdings Ltd. Holds Summer Carnival with Free Entry in One of its Amusement Parks from July 1 to August 12, 2023”, which stated, in relevant part:

Golden Heaven Group Holdings Ltd. (the “Company” or “Golden Heaven”) (Nasdaq: GDHG), an amusement park operator in China, announced today that the Company is holding a summer carnival (the “Summer Carnival”) from July 1 to August 12, 2023 in one of its amusement parks, Tongling West Lake Amusement World (the “Park”). ***The Park features a double-decker carousel, roller coaster, pirate ship, pendulum ride, sky-high swing ride, water coaster, children’s park, and bumper cars.*** The Park can accommodate approximately 700 guests at full operating capacity and attracted approximately 350,000 guests in 2021 and 2022.

The Summer Carnival features four events, including the Adorable Sea Lion Show, Starry Galaxy Light Show, Clown Carnival, and Amusement Carnival. All the events provide a highly immersive and interactive experience, with distinct themes and technologies catering to the diverse needs of visitors. The Summer Carnival mainly targets local residents, especially teenagers and children. The Company waives the entry fee for the Summer Carnival. ***As part of the Company’s strategic initiative, the Company believes that the Summer Carnival will attract more visitors to the Park and increase the Company’s brand awareness in China’s amusement park market.***

[Defendant] Jin . . . commented, “We are thrilled to unveil our plan for the Summer Carnival to the public this year. The Summer Carnival will last approximately one month and a half and offer free entry to the visitors. We expect that the Summer Carnival will not only contribute to the local community, but also attract more visitors to the Park during the peak season of summer vacation. We welcome adults, teenagers and children to join us in this fun event. We believe that the Summer Carnival will spur our growth by encouraging word-of-mouth referrals and attracting more guests, which is expected to eventually turn into long-term value for our shareholders.”

(Emphases added.)

35. This statement was materially false and misleading because it omitted that Tongling West Lake has a water feature that is simply a large blow-up pool within an empty swimming pool, which at times is filled with dirty water.

36. On August 3, 2023, before the market opened, the Individual Defendants participated in the Company's First Half of Fiscal Year 2023 Earnings Conference Call. On this call, Defendant Jin stated the following about the Company's prospects in light of industry recovery from the effects of the COVID-19 pandemic: "As the tourism and entertainment industries are recovering, *we expect an increasing number of tourists*. Especially during the summer holiday, we look forward to seeing more young people and their friends and families visit our amusements and water parks. We will make every effort to ensure they enjoy their visit." (Emphasis added.)

37. This statement was materially false and misleading because it overstated the extent to which the Company could reasonably expect increasing numbers of tourists, given the poor conditions at many of the Company's parks.

38. Defendant Jin further stated that "[w]e are *mapping our strategy initiatives to improve the environment and facilities of our amusement parks*, leveraging our parks good geographic locations and fun rides attractions, *we are well positioned for even stronger business growth*, which we believe will translate into greater shareholder value." (Emphases added.)

39. This statement was materially false and misleading because it omitted that many of the Company's parks were in poor condition and as such attracted little attendance, resulting in limited prospects for business growth.

40. On the earnings call, Defendant Jin stated the following regarding how the Company would use the proceeds from its April 2023 initial public offering: “We have started *a comprehensive upgrade of our six parks since June 11, 2023*, and this upgrade *is expected to be completed by the end of September this year*[.]” (Emphases added.)

41. This statement was materially false and misleading because the Company did not, as of November 2023, complete or otherwise meaningfully conduct a “comprehensive upgrade” of its six parks.

42. On October 23, 2023, the Company released a press release, entitled “Golden Heaven Group Holdings Ltd. Announces Approximately 10% Year-on-Year Traffic Growth during China’s 2023 Mid-Autumn Festival and National Day Holidays”, wherein the Company stated that, “[s]ince September 30, 2023, Mangshi Jinsheng Amusement Park, which is one of the six parks, has been temporarily closed.” Further, the Company announced that the temporary closure of Mangshi Jenshing Park was a “strategic decision to explore the future business development of such park[.]”

43. These statements were materially false and misleading because, on information and belief, the Mangshi Jenshing Park had likely been closed for a longer period of time than September 30, 2023, as discussed below.

44. The statements contained in ¶¶ 16, 18, 20, 22, 24, 26, 28, 30, 32, 34, 36, 38, 40, and 42 were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company’s business,

operations and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Golden Heaven’s amusement parks are in generally poor condition; (ii) Golden Heaven materially overstated the number of visitors to its amusement parks and overall growth prospects, and (iii) as a result, Defendants’ statements about the Company’s business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

### **The Truth Emerges**

45. On November 13, 2023, during market hours, Hindenburg Research (“Hindenburg”) posted on X.com (formerly known as Twitter) a series of posts under the heading “NEW FROM US: We Are Short Golden Heaven Group, Another Classic ‘China Hustle’”.

46. Hindenburg first noted that Golden Heaven purportedly operates six properties in southern China, including amusement parks, water parks and recreational facilities. Hindenburg then noted that Golden Heaven’s share price has dramatically gone up in value since the Company’s April 2023 initial public offering, despite little news to justify the gains. Hindenburg posted, in relevant part, the following:



Hindenburg Research  @HindenburgRes · Nov 13

...

[\\$GDHG](#) IPO'd on NASDAQ in April 2023 at \$4/share.

Its stock has mysteriously rocketed ~493% in 7 months despite little news to justify such a move.

(3/n)

- [August 03, 2023](#) - the company reported 10% year over year growth in traffic during China's mid-autumn and national day holiday.
- [August 09, 2023](#) - the company announced it had "partnered" with a construction company to help it build new parks.
- [October 06, 2023](#) - the company announced that its underwriters agreed to provide a waiver for unlocking insider shares early.
- [October 23, 2023](#) - the company announces lackluster results, with total revenue declines of 3.3% year over year and net income increasing by 2%.



2



11



135



49K



47. Hindenburg then noted how Golden Heaven had claimed that, in 2022, it had hosted 2.41 million guests across its six parks, driving over \$41.8 million in revenue for the 2022 fiscal year. Hindenburg stated that these were “hardly levels” that would justify the Company’s \$1.2 billion market capitalization as of November 12, 2023.

48. Hindenburg then stated that its research showed that Golden Heaven’s CEO, Defendant Jin, has “a history of undisclosed fraud allegations and asset freezes in China”, that “[t]he company was taken public by securities firms with multiple FINRA infractions” and that Golden Heaven’s “*claimed high-tech parks appear to be dystopian hellscapes.*” (Emphasis added.)

49. Hindenburg then referenced how Defendant Jin and her husband were accused of defrauding Chinese investors in Fujian Haichuan Pharmaceutical Technology Development Co., Ltd. (“Fujian”), a company that they controlled. According to Hindenburg, “[u]npaid judgments from the alleged fraud resulted in Jin Qiong being restricted from travel[.]”

50. Hindenburg then stated “[w]e visited each [Golden Heaven] park on the weekend, typically when amusement parks are busiest, expecting to find vibrant and heavily trafficked parks as suggested in the company’s investor materials.”

51. In particular, Hindenburg noted that Golden Heaven’s largest park (by number of guests), Yueyang Park, accounted for 36% of total guests. As seen below, Hindenburg stated that, “[a]ccording to the company, [Yueyang Park] had 890,000 guests in 2022, or 2,400/day, despite having just a 1,100 guest capacity”:



52. In contrast to Golden Heaven’s claims about Yueyang Park, Hindenburg stated that its investigator visited the property on a Saturday and observed only “*about 10 cars in the lot around noon*”, and that the amusement park was nearly empty. (Emphasis added.)

53. Hindenburg noted that, as seen below, a “water attraction” was a “large pond full of trash”:



54. Hindenburg then discussed Golden Heaven’s second largest park by number of guests, the Changde Jinsheng Amusement Park, which Hindenburg stated had accounted for 21% of guests across all parks. Hindenburg stated that “[w]e visited [the Changde Jinsheng Amusement Park] on a Sunday at around 10am. ***There were about 20 cars in the lot and slightly more visitors.***” (Emphasis added.) Hindenburg then showed

images of the park with very few guests on rides, calling into question Golden Heaven’s claims about its visitor numbers:



55. Hindenburg then noted that Golden Heaven’s third largest park, the Yunnan Yuxi Jinsheng Amusement Park (“Yunnan Yuxi Park”), which purportedly accounted for 16% of total guests in 2022, had a reported 370,000 guests in 2022, an average of a little over 1,000 guests per day.

56. Hindenburg revealed that its investigator arrived at Yunnan Yuxi Park “around 9am on a Saturday, and stayed for around 7 hours.” Further, “[t]he investigator

checked the parking lot roughly every hour. The checks show activity peaked at around 63 cars in the afternoon.” Hindenburg then included the below image in its posts, showing that Yunnan Yuxi Park was uncrowded on a Saturday:



(Source: Hindenburg Investigator)

57. Hindenburg then noted that Tongling West Lake, Golden Heaven’s fourth largest park, which purportedly accounted for 15% of Golden Heaven’s total guests in 2022, had a “**‘water feature’ [that] was a small blow-up pool with dirty water in what seemed to be a far larger, otherwise empty pool structure.**” (Emphasis added). Below is an image of the blow-up pool:



Hindenburg Research  @HindenburgRes · Nov 13

...

The company's 4th Largest Park, Tongling West Lake, accounted for 15% Of Golden Heaven's total guests in 2022.

Its 'water feature' was a small blow-up pool with dirty water in what seemed to be a far larger, otherwise empty pool structure.

(20/n)



(Source: Hindenburg Investigator)

 3

 13

 135

 45K

 

58. According to Hindenburg, Golden Heaven's next-largest amusement park is the Qujing Jinsheng Amusement Park. Hindenburg stated that it "*counted a maximum of 44 cars in the parking lot during late morning and early afternoon*" and that "[a]n attendant told our investigator *that the park was as 'busy as it normally was.'*" (Emphases added.)

59. Golden Heaven's sixth largest park by attendance, the Mangshi Jenshing Park, is temporarily closed as of September 30, 2023. However, while Hindenburg noted

that Golden Heaven disclosed that the park has been closed since September 30, 2023, Hindenburg found evidence that this particular park has been closed for a longer-than-disclosed period of time. In particular, Hindenburg found that the park had been “overgrown with mature weeds and other signs of long-term deterioration”, and provided the following images of the park:



(Source: Hindenburg Investigator)



60. On this news, Golden Heaven's share price declined by \$6.63 per share, or 27.9%, on high trading volume, to close at \$17.12 per share on November 13, 2023.

61. On November 16, 2023, during pre-market hours, Golden Heaven issued a response to Hindenburg's allegations in a press release (the "November 16 Press Release"), entitled "Golden Heaven Group Holdings Ltd. Offers Response to Deceptive, Fabricated Postings", which largely failed to address, much less rebut, Hindenburg's allegations, merely stating, in relevant part:

Golden Heaven Group Holdings Ltd. (the "Company" or "Golden Heaven") (Nasdaq: GDHG), an amusement park operator in China, issued the following statement in response to baseless allegations that appeared on certain websites believed to be supported and working in concert with short sellers. Golden Heaven strongly believes that the carelessly assembled report contains numerous errors of facts, misleading speculations and malicious interpretations of events surrounding the Company's operations.

The report presents both an array of factual errors and numerous inflammatory and misleading statements demonstrating a fundamental lack of understanding of the Company financial statements and our business. Moreover the report was designed to encourage market fear by taking unsubstantiated and uncorroborated pictures and assertions that are designed to cause fear and panicked selling in a global capital market that is already precarious.

Golden Heaven's Board of Directors has been informed of the allegations and will consider and decide on the necessary and appropriate course of action in response to the allegations. ***Golden Heaven will release additional, detailed information concerning the allegations in due course.*** The Company is committed to providing full and accurate disclosure to investors and to rebutting any false claims that attempt to undermine confidence in its business, management, operations and prospects. The Company is planning on launching a full investigation and holding those behind these baseless attacks responsible.

The Company's management and Board of Directors wishes to thank its loyal shareholders who were able to tell the truth from the baseless scare tactics that has kept the stock price stable.

(Emphasis added.)

62. Following publication of the November 16 Press Release, in apparent response to the Company's lack of a detailed rebuttal, Golden Heaven's stock price fell \$1.35 per share, or 6.83%, to close at \$18.43 per share on November 16, 2023.

63. On December 6, 2023, during after-market hours, and still without having issued a more detailed response to Hindenburg's allegations—despite the Company stating it would do so nearly two months earlier in the November 16 Press Release—Golden Heaven issued another press release (the “December 6 Press Release”), entitled “Golden Heaven Group Holdings Ltd. Intends to Enter into an Operating Lease Framework Agreement with a Top-tier Chinese Amusement Group”, the contents of which signaled to investors that Golden Heaven could not rely on its own amusement parks to fuel the Company's desired business growth and market position in China. Specifically, the December 6 Press Release stated, in relevant part:

Golden Heaven Group Holdings Ltd. (the “Company” or “Golden Heaven”) (Nasdaq: GDHG), an amusement park operator in China, today announced that it intends to enter into an operating lease framework agreement (the “Agreement”) with a top-tier Chinese amusement group (the “Group”). The Group is a subsidiary of a prominent Chinese tourism group, ranking among China's top 30 national cultural enterprises and top 20 tourism groups. This Agreement is expected to mark a significant step in Golden Heaven's strategic business expansion efforts, and is aimed at enhancing Golden

Heaven's market position by leveraging the Group's strong presence in the Chinese amusement park industry.

Pursuant to the Agreement, that is presently under negotiation, the Group's theme park in Wuhan, Hubei Province in central China is expected to become the pilot leased park to the Company. The finalized operating lease rights, lease schedules and other terms of the Agreement will be settled with the ongoing negotiation.

[Defendant] Jin . . . commented, "We are thrilled to collaborate with an established player in the amusement park business. We anticipate that the proposed Agreement we are negotiating will assist us in our journey for market expansion in China and believe it may pave the way for more strategic partnerships in the near future. By drawing on the strengths of our partner, who we understand has a market base in many large cities in China, we hope to accelerate our expansion and elevate our guest experiences. We believe that the cooperation is in our long-term interests for building brand recognition, sustaining our competitiveness, and creating value for our shareholders."

64. Following publication of the December 6 Press Release, Golden Heaven's stock price fell \$18.76 per share, or **88.99%**, to close at \$2.32 per share on December 7, 2023.

65. Then, on December 8, 2023, during market hours, *Bloomberg* published an article (the "Bloomberg Article"), entitled "Chinese Amusement Park Falls 90% a Month After Hindenburg Short" (subsequently updated to "Chinese Park Owner Falls 93% a Month After Hindenburg Short"), which, in addition to commenting on Golden Heaven's recent sharp share price decline on December 7, 2023, quoted an email from Hindenburg's founder, stating, *inter alia*:

*“Unfortunately, the Nasdaq exchange is littered with dozens of obvious China-based scams. These companies commonly lure in unsuspecting U.S. retail investors through Telegram, Discord, or WhatsApp chat groups then exit through the kind of ‘rug pull’ decline we are seeing with Golden Heaven,” Anderson, founder of Hindenburg Research, said in an email, adding that he has raised the issue with Nasdaq.*

Golden Heaven Group did not respond to a Bloomberg News request for comment outside of its normal business hours.

Earlier this week, Golden Heaven Group announced strategic initiatives to expand its business, and said it intends to enter into an operating lease framework agreement with an unnamed top-tier Chinese amusement group.

(Emphasis added.)

66. Following publication of the Bloomberg Article, Golden Heaven’s stock price fell \$0.96 per share, or 41.38%, to close at \$1.36 per share on Friday, December 8, 2023. The Company’s stock price continued to fall the following trading session by \$0.05 per share, or 3.68%, to close at \$1.31 per share on Monday, December 11, 2023.

67. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s common shares, Plaintiff and other Class members have suffered significant losses and damages.

### **SCIENTER ALLEGATIONS**

68. During the Class Period, Defendants had both the motive and opportunity to commit fraud. They also had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. In so doing, Defendants participated in a scheme to defraud and

committed acts, practices, and participated in a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period.

### **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

69. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons or entities other than defendants who acquired the Company's securities publicly traded on the NASDAQ during the Class Period, and who were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants' immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

70. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

71. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

72. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

73. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the Exchange Act was violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false filings;

- whether the prices of the Company's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

74. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

75. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- the Company's shares met the requirements for listing, and were listed and actively traded on the NASDAQ, an efficient market;
- as a public issuer, the Company filed periodic public reports;
- the Company regularly communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire

services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;

- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and
- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

76. Based on the foregoing, the market for the Company's securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the shares, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

77. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

## COUNT I

### **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)**

78. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

79. This Count is asserted against Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

80. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

81. Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

82. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

83. The Individual Defendants, who are the senior officers of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or any other

of the Company's personnel to members of the investing public, including Plaintiff and the Class.

84. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

85. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

86. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

87. By reason of the foregoing, Defendants have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder and are liable to Plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchases of the Company's securities during the Class Period.

## COUNT II

### **(Violations of Section 20(a) of the Exchange Act Against the Individual Defendants)**

88. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

89. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's false financial statements.

90. As officers of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

91. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual

Defendants, therefore, were “controlling persons” of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of the Company’s securities.

92. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff demands judgment against Defendants as follows:

- (a) Declaring this action to be a proper class action, designating Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating Plaintiff’s counsel as Lead Counsel;
- (b) Awarding damages in favor of Plaintiff and the other Class members against all Defendants, jointly and severally, together with interest thereon;
- (c) Awarding Plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Awarding Plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

**DEMAND FOR TRIAL BY JURY**

Plaintiff hereby demands a trial by jury.