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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 GUANGYI XU, Individually and on
12 behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 CHINACACHE INTERNATIONAL
16 HOLDINGS LTD., SONG WANG, JING
17 AN, and KEN VINCENT QINGSHI
18 ZHANG,

19 Defendants.

Case No:

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

JURY TRIAL DEMANDED

20
21 Plaintiff Guangyi Xu (“Plaintiff”), by Plaintiff’s undersigned attorneys,
22 individually and on behalf of all other persons similarly situated, alleges the
23 following based upon personal knowledge as to Plaintiff’s own acts, and information
24 and belief as to all other matters, based upon, *inter alia*, the investigation conducted
25 by and through Plaintiff’s attorneys, which included, among other things, a review of
26 Defendants’ public documents, conference calls and announcements made by
27 Defendants, United States Securities and Exchange Commission (“SEC”) filings,
28 wire and press releases published by and regarding ChinaCache International

1 Holdings Ltd. (“ChinaCache” or the “Company”), and information readily obtainable
2 on the Internet. Plaintiff believes that substantial evidentiary support will exist for the
3 allegations set forth herein after a reasonable opportunity for discovery.

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5 **NATURE OF THE ACTION**

6 1. This is a federal securities class action brought on behalf of a class
7 consisting of all persons and entities, other than Defendants (defined below) and their
8 affiliates, who purchased or otherwise acquired the securities of ChinaCache traded
9 on the NASDAQ Stock Market (“NASDAQ”) from April 11, 2015 to August 20,
10 2015, inclusive (the “Class Period”). Plaintiff seeks to pursue remedies against
11 ChinaCache and certain of its officers and directors for violations of federal securities
12 laws (the “Class”).

13 **JURISDICTION AND VENUE**

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15 2. The claims asserted herein arise under and pursuant to Sections 10(b)
16 and 20(a) of the Exchange Act (15 U.S.C. § 78j(b) and 78t(a)) and Rule 10b-5
17 promulgated thereunder (17 C.F.R. § 8 240.10b-5).

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

20 4. Venue is proper in this District pursuant to §27 of the Exchange Act, 15
21 U.S.C. §78aa and 28 U.S.C. §1391(b), as Defendants conduct business in this
22 District, has an office in this District, and a significant portion of the Defendants’
23 actions and the subsequent damages, took place within this District.

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

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PARTIES

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2 6. Plaintiff Guangyi Xu, as set forth in the attached Certification, acquired
3 ChinaCache securities at artificially inflated prices during the Class Period and was
4 damaged upon the revelation of the alleged corrective disclosure.

5 7. Defendant ChinaCache is purportedly the leading total solutions
6 provider of Internet content and application delivery services in the People’s
7 Republic of China (“China”). ChinaCache is headquartered in Beijing, China and
8 maintains an office at 21700 Copley Drive Suite 300, Diamond Bar, California
9 91765. Its American Depository Shares trade on NASDAQ under the ticker symbol
10 “CCIH.”

11 8. Defendant Song Wang (“Wang”) has served as the Company’s Chief
12 Executive Officer (“CEO”) and Chairman throughout the Class Period.

13 9. Defendant Jing An (“An”) has served as the Company’s Chief Financial
14 Officer (“CFO”) throughout the Class Period.

15 10. Defendant Ken Vincent Qingshi Zhang (“Zhang”) has served as the
16 Company’s President through the Class Period. On August 14, 2015, the Company
17 announced that Zhang would no longer serve as the President upon the expiration of
18 his term on August 31, 2015.

19 11. The defendants referenced above in ¶¶ 8 – 10 are sometimes referred to
20 herein as the “Individual Defendants.”

21 12. Defendant ChinaCache and the Individual Defendants are referred to
22 herein, collectively, as the “Defendants.”

23
24 **SUBSTANTIVE ALLEGATIONS**

25 **Background**

26 13. ChinaCache provides services and solutions to businesses, government
27 agencies and other enterprises to enhance the reliability and scalability of their online
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1 services and applications and improve end-user experience. Its nationwide service
2 platform consists of network, servers and intelligent software, which are designed to
3 handle planned and unplanned peaks without significant upfront and ongoing capital
4 outlay and other investments on the part of its customers.

5 14. A content delivery network (“CDN”) is a system of distributed servers
6 (network) that deliver webpages and other Web content to a user based on the
7 geographic locations of the user, the origin of the webpage and a content delivery
8 server.

9 15. In early 2015, ChinaCache launched its next generation cloud-based
10 content delivery network, High Performance Cloud Cache (“HPCC”). HPCC offers
11 ChinaCache customers enhanced stability and utilization through a unified
12 distribution platform that dispatches available bandwidth across all customer
13 verticals. The HPCC platform is expected to result in better traffic load balance,
14 higher bandwidth reuse rates, lower maintenance costs, and greater efficiency through
15 automated dispatching that maximizes bandwidth utilization, accelerates bandwidth
16 allocation, and minimizes the potential for human error as compared with traditional
17 CDN architectures.

18 16. On March 26, 2014, Defendant Zhang stated the following with regards
19 to HPCC during the Company’s fourth quarter and full year 2014 earnings conference
20 call:

21 The deployment of HPCC high performance cloud cache is a milestone
22 for ChinaCache. It is a major upgrade of our CDN platform. And it is
23 based on cloud infrastructure and related data analytics technologies
24 which can provide the network service with higher scalability, flexibility
25 and stability.

26 ***HPCC will be the foundation for ChinaCache's future business***
27 ***growth.*** Our HPCC deployment project is ongoing, is expected to be
28 fully functional by end of first quarter of this year. From our ongoing
test [ph], our network performance has improved by more than 60%

1 compared to the previous platform, and is significantly better than the
2 competition.

3 (Emphasis added).

4 **Materially False And Misleading Statements**

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6 17. On April 10, 2015, the Company filed its Form 20-F for the full year
7 ending December 31, 2014 (the “2014 20-F”). The 2014 20-F was signed by
8 Defendant Wang. Attached to the 2014 20-F were Sarbanes-Oxley Act of 2002
9 (“SOX”) certifications signed by Defendants Wang and An attesting to the accuracy
10 of the 2014 20-F.

11 18. In the 2014 20-F, the Company stated the following risk factor with
12 regards to HPCC:

13 Our costs and expenses may increase, and our results of operations may
14 be adversely affected if we cannot pass on the increased costs to our
15 customers.

16 We invest heavily in capital equipment and infrastructure to increase our
17 network capacity. For example, we had capital expenditures of
18 RMB88.7 million, RMB139.6 million and RMB259.3 million (US\$41.8
19 million) in 2012, 2013 and 2014, respectively, which relate to our
20 additions of land use right, intangible assets, and property and
21 equipment. In 2015 and beyond, we expect to increase our costs and
22 expenses, including investments in infrastructure and additional
23 bandwidth, servers and other equipment. ***In particular, we launched
24 and plan to continue the development of our Super-node Project, High
25 Performance Cloud Cache, or HPCC, and Bandwidth Schedule
26 Platform to optimize bandwidth usage and improve network efficiency.
27 We expect these projects, upon completion, to result in substantial
28 reduction in our future operation expenses and capital expenditures
on equipment but because the aforementioned technologies are
relatively new, we cannot assure you that their implementation will
benefit us with the cost and expense reduction as expected, or at all.***
Furthermore, our capital expenditures are based upon our assumptions
regarding the potential future demand. If we overestimate future demand

1 for our services, we may not be able to achieve acceptable rates of return
2 on our capital expenditures and our results of operations may suffer
3 dramatically. In addition, if our bandwidth and other third-party
4 providers raise the prices of their services and products, we will incur
5 increased costs in order to provide our services. If we cannot pass on the
6 increased costs and expenses to our customers, or if our costs to deliver
our services do not decline commensurate with any future declines in the
prices we charge our customers, we may fail to achieve profitability.

7 (Emphasis added).
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9 19. On May 18, 2015, the Company issued a press release announcing its
10 first quarter 2015 financial results and guidance for the second quarter of 2015. The
11 press release states, in relevant part:

12 **Second Quarter of 2015 Revenue Guidance**

13 ChinaCache currently expects to generate total net revenues in the range
14 of RMB392.0 million to RMB403.0 million for the second quarter of
15 2015, representing an increase of 7.8% to 10.8% over the first quarter of
16 2015.

17 This forecast reflects ChinaCache's current view, which is subject to
18 change.

19 20. On that same day, the Company held an earnings conference call for the
20 first quarter of 2015. During the call, Defendant Wang stated the following with
21 regards to the Company's migration to the HPCC platform:
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23 During the first quarter, we continue to improve our network
24 infrastructure and operational efficiency. ***Our High Performance Cloud
25 Cache, HPCC for short, platform migration has been completed on
26 schedule.*** During the first quarter, the platform demonstrated a
27 significant improvement in efficiency, leading the industry on all
28 performance indicators. HPCC is the first of cloudbased CDN platform
in the industry.

1 (Emphasis added).

2 21. During the same call, Defendant Zhang stated the following with regards
3 to the Company's migration to the HPCC platform:
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5 During the first quarter, we made further progress on the HPCC
6 migration work. With the deployment of more flexible and redundant
7 super node and *the successful migration of surveys cloudbased HPCC*
8 *platform*, and the launch of bandwidth scheduling platform with
9 optimized bandwidth users and the balance traffic throughout the entire
10 CDN network we can provide to our clients with a more efficient and a
11 stable network. By end of Q1 over 90% of traffic is supported by HPCC
12 platform now.

11 (Emphasis added).

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13 22. During the call, Defendant An stated the following with regards to the
14 Company's migration to the HPCC platform:

15 *The completion of our customer migration onto the High Performance*
16 *Cloud Cache Platform was better than we expected.*

17 (Emphasis added).

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19 23. During the call, Defendant An had the following exchange with analyst
20 Jun Zhang of Rosenblatt Securities Inc:

21 **Jun Zhang**

22
23 Hey, Wang Song, Ken Zhang, thanks for taking my question. So, yes,
24 my first question is that, could you give us more color on the Q2
25 guidance. It seems to be it sequentially grows with 7% to 10%, but also
26 it seems to be a year over year growth rate still below the 10% year over
27 year. That's my first question. Thanks.
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Jing An

Okay. So let me take the question first. This is Jing. *We put a lot of effort in Q1 to launch our to finish our HPCC migration* and in Q2 we just launched the BSP platform, so that should take us a little bit time to ramp up everything and run the platform very smoothly and to fulfill the service. That's the primary reason.

(Emphasis added).

24. The statements referenced in ¶¶ 17-23 above 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: (1) the platform migration to HPCC was not successful; (2) the platform migration to HPCC posed the risk of a negative impact on the Company's financial performance; (3) as a result of the unsuccessful migration, the Company's revenue for the second quarter of 2015 would be below expectations; and (4) as a result, the Company's public statements were materially false and misleading and/or lacked a reasonable basis at all relevant times.

The Truth Emerges

25. On August 20, 2015, the Company issued a press release announcing its financial results for the second quarter of 2015. The press release states in part:

ChinaCache International Holdings Ltd. Announces Second Quarter 2015 Financial Results

BEIJING, Aug. 20, 2015 (GLOBE NEWSWIRE) -- ChinaCache International Holdings Ltd. ("ChinaCache" or the "Company") (NASDAQ:CCIH), the leading total solutions provider of Internet content and application delivery services in China, today announced its

1 unaudited condensed consolidated financial results for the second
2 quarter ended June 30, 2015.

3 Highlights for the Second Quarter of 2015

- 4 • **Net revenues** in the second quarter were ***RMB353.3 million***
(US\$57.0 million), a 2.0% increase year-over-year.
- 5 • **Gross profit** in the second quarter was RMB96.8 million
6 (US\$15.6 million), a decrease of 6.8% year-over-year.
- 7 • **Adjusted EBITDA** (non-GAAP) in the second quarter was
8 RMB41.8 million (US\$6.7 million), an increase of 46.6% from
9 RMB28.5 million in the second quarter of 2014.
- 10 • **Adjusted net income** (non-GAAP) was RMB4.0 million (US\$0.6
11 million) in the second quarter of 2015, compared to RMB11.6
12 million in the second quarter of 2014.
- 13 • **Non-GAAP basic and diluted earnings per ADS** in the second
14 quarter of 2015 was RMB0.15 (US\$0.02) each.

15 "During the first half of 2015, we made significant progress on several
16 key fronts, including customer base expansion, infrastructure
17 advancements, and the addition of new mobile capabilities, while further
18 improving our operating efficiency," commented Mr. Song Wang,
19 Founder, Chairman and Chief Executive Officer of ChinaCache. "As our
20 CDN business becomes bigger and continues to grow, we must continue
21 to improve our infrastructure and services to support this growth.
22 ***Although we are currently experiencing some platform issues, which***
23 ***have impacted our top-line recently***, we are confident that our continued
24 strategic investment in delivering innovative solutions will provide a
25 differentiated value proposition to our customers, ensure the highest
26 services standards and bandwidth optimization, and enable us to
27 maintain our leadership position as the premium CDN total solution
28 provider in China. We will work very hard to achieve meaningful
improvements, while remaining a trusted partner of our customers,
shareholders and employees."

(Emphasis added).

26. On that same day, the Company held its second quarter 2015 earnings
conference call. During the call, ChinaCache's president Ken Zhang further revealed
the platform issues that impacted the Company's financial results, stating in part:

1 HPCC update. Last but not least, I would like to provide on our HPCC
2 platform. As Mr. Wang mentioned earlier, *the coexistence of old*
3 *platform and HPCC creates operating and service issue, but physically*
4 *[ph], the greatest challenge was to have two platforms running*
5 *simultaneously to ensure sufficient bandwidth resources for our*
6 *customers.* The HPCC itself is a new technology going through a
7 breaking-in period and we are making constant improvement. Our team
8 is also becoming more familiar with HPCC platform and is
accumulating the experience required to once again have ChinaCache set
the industry standard.

9 (Emphasis added).

10 27. On this news, the Company's shares fell \$2.92 per share or over 34%
11 from its previous closing price to close at \$5.59 per share on August 21, 2015,
12 damaging investors.

13 28. As a result of Defendants' wrongful acts and omissions, and the
14 precipitous decline in the market value of the Company's securities, Plaintiff and
15 other Class members have suffered significant losses and damages.

16 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

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18 29. Plaintiff brings this action as a class action pursuant to Federal Rule of
19 Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who
20 purchased or otherwise acquired ChinaCache securities during the Class Period (the
21 "Class"); and were damaged upon the revelation of the alleged corrective disclosure.
22 Excluded from the Class are Defendants herein, the officers and directors of the
23 Company, at all relevant times, members of their immediate families and their legal
24 representatives, heirs, successors or assigns and any entity in which Defendants have
25 or had a controlling interest.

26 30. The members of the Class are so numerous that joinder of all members is
27 impracticable. Throughout the Class Period, ChinaCache securities were actively
28 traded on the NASDAQ. While the exact number of Class members is unknown to

1 Plaintiff at this time and can be ascertained only through appropriate discovery,
2 Plaintiff believes that there are hundreds or thousands of members in the proposed
3 Class. Record owners and other members of the Class may be identified from records
4 maintained by ChinaCache or its transfer agent and may be notified of the pendency
5 of this action by mail, using the form of notice similar to that customarily used in
6 securities class actions.

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

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

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

- 17 • whether the federal securities laws were violated by Defendants' acts as
18 alleged herein;
- 19 • whether statements made by Defendants to the investing public during
20 the Class Period misrepresented material facts about the business,
21 operations and management of ChinaCache;
- 22 • whether the Individual Defendants caused ChinaCache to issue false and
23 misleading financial statements during the Class Period;
- 24 • whether Defendants acted knowingly or recklessly in issuing false and
25 misleading financial statements;
- 26 • whether the prices of ChinaCache securities during the Class Period
27 were artificially inflated because of the Defendants' conduct complained
28 of herein; and

- 1 • whether the members of the Class have sustained damages and, if so,
2 what is the proper measure of damages.

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

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

- 11 • Defendants made public misrepresentations or failed to disclose material
12 facts during the Class Period;
13 • the omissions and misrepresentations were material;
14 • ChinaCache securities are traded in an efficient market;
15 • the Company's shares were liquid and traded with moderate to heavy
16 volume during the Class Period;
17 • the Company traded on the NASDAQ and was covered by multiple
18 analysts;
19 • the misrepresentations and omissions alleged would tend to induce a
20 reasonable investor to misjudge the value of the Company's securities;
21 and
22 • Plaintiff and members of the Class purchased, acquired and/or sold
23 ChinaCache securities between the time the Defendants failed to disclose
24 or misrepresented material facts and the time the true facts were
25 disclosed, without knowledge of the omitted or misrepresented facts.

26 36. Based upon the foregoing, Plaintiff and the members of the Class are
27 entitled to a presumption of reliance upon the integrity of the market.

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COUNT I

**Violations of Section 10(b) of The Exchange Act and Rule 10b-5
Against All Defendants**

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

6 41. This Count is asserted against Defendants and is based upon Section
7 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
8 thereunder by the SEC.

9 42. During the Class Period, Defendants engaged in a plan, scheme,
10 conspiracy and course of conduct, pursuant to which they knowingly or recklessly
11 engaged in acts, transactions, practices and courses of business which operated as a
12 fraud and deceit upon Plaintiff and the other members of the Class; made various
13 untrue statements of material facts and omitted to state material facts necessary in
14 order to make the statements made, in light of the circumstances under which they
15 were made, not misleading; and employed devices, schemes and artifices to defraud
16 in connection with the purchase and sale of securities. Such scheme was intended to,
17 and, throughout the Class Period, did: (i) deceive the investing public, including
18 Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and
19 maintain the market price of ChinaCache securities; and (iii) cause Plaintiff and other
20 members of the Class to purchase or otherwise acquire ChinaCache securities at
21 artificially inflated prices. In furtherance of this unlawful scheme, plan and course of
22 conduct, Defendants, and each of them, took the actions set forth herein.

23 43. Pursuant to the above plan, scheme, conspiracy and course of conduct,
24 each of the Defendants participated directly or indirectly in the preparation and/or
25 issuance of the annual reports, SEC filings, press releases and other statements and
26 documents described above, including statements made to securities analysts and the
27 media that were designed to influence the market for ChinaCache securities. Such
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1 reports, filings, releases and statements were materially false and misleading in that
2 they failed to disclose material adverse information and misrepresented the truth
3 about ChinaCache's disclosure controls and procedures.

4 44. By virtue of their positions at ChinaCache, Defendants had actual
5 knowledge of the materially false and misleading statements and material omissions
6 alleged herein and intended thereby to deceive Plaintiff and the other members of the
7 Class, or, in the alternative, Defendants acted with reckless disregard for the truth in
8 that they failed or refused to ascertain and disclose such facts as would reveal the
9 materially false and misleading nature of the statements made, although such facts
10 were readily available to Defendants. Said acts and omissions of Defendants were
11 committed willfully or with reckless disregard for the truth. In addition, each
12 defendant knew or recklessly disregarded that material facts were being
13 misrepresented or omitted as described above.

14 45. Information showing that Defendants acted knowingly or with reckless
15 disregard for the truth is peculiarly within Defendants' knowledge and control. As the
16 senior managers and/or directors of ChinaCache, the Individual Defendants had
17 knowledge of the details of ChinaCache's internal affairs.

18 46. The Individual Defendants are liable both directly and indirectly for the
19 wrongs complained of herein. Because of their positions of control and authority, the
20 Individual Defendants were able to and did, directly or indirectly, control the content
21 of the statements of ChinaCache. As officers and/or directors of a publicly-held
22 company, the Individual Defendants had a duty to disseminate timely, accurate, and
23 truthful information with respect to ChinaCache's businesses, operations, future
24 financial condition and future prospects. As a result of the dissemination of the
25 aforementioned false and misleading reports, releases and public statements, the
26 market price of ChinaCache securities was artificially inflated throughout the Class
27 Period. In ignorance of the adverse facts concerning ChinaCache's business and
28 financial condition which were concealed by Defendants, Plaintiff and the other

1 members of the Class purchased or otherwise acquired ChinaCache securities at
2 artificially inflated prices and relied upon the price of the securities, the integrity of
3 the market for the securities and/or upon statements disseminated by Defendants, and
4 were damaged thereby.

5 47. During the Class Period, ChinaCache securities were traded on an active
6 and efficient market. Plaintiff and the other members of the Class, relying on the
7 materially false and misleading statements described herein, which the Defendants
8 made, issued or caused to be disseminated, or relying upon the integrity of the
9 market, purchased or otherwise acquired shares of ChinaCache securities at prices
10 artificially inflated by Defendants' wrongful conduct. Had Plaintiff and the other
11 members of the Class known the truth, they would not have purchased or otherwise
12 acquired said securities, or would not have purchased or otherwise acquired them at
13 the inflated prices that were paid. At the time of the purchases and/or acquisitions by
14 Plaintiff and the Class, the true value of ChinaCache securities was substantially
15 lower than the prices paid by Plaintiff and the other members of the Class. The
16 market price of ChinaCache securities declined sharply upon public disclosure of the
17 facts alleged herein to the injury of Plaintiff and Class members.

18 48. By reason of the conduct alleged herein, Defendants knowingly or
19 recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and
20 Rule 10b-5 promulgated thereunder.

21 49. As a direct and proximate result of Defendants' wrongful conduct,
22 Plaintiff and the other members of the Class suffered damages in connection with
23 their respective purchases, acquisitions and sales of the Company's securities during
24 the Class Period, upon the disclosure that the Company had been disseminating
25 misrepresented financial statements to the investing public.

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COUNT II

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

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

51. During the Class Period, the Individual Defendants participated in the operation and management of ChinaCache, and conducted and participated, directly and indirectly, in the conduct of ChinaCache’s business affairs. Because of their senior positions, they knew the adverse non-public information about ChinaCache’s operations, current financial position and future business prospects.

52. As officers and/or directors of a publicly owned company, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to ChinaCache’s business practices, and to correct promptly any public statements issued by ChinaCache which had become materially false or misleading.

53. 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 ChinaCache disseminated in the marketplace during the Class Period concerning the Company’s disclosure controls and procedures. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause ChinaCache to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were “controlling persons” of ChinaCache 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 ChinaCache securities.

54. Each of the Individual Defendants, therefore, acted as a controlling person of ChinaCache. By reason of their senior management positions and/or being directors of ChinaCache, each of the Individual Defendants had the power to direct

1 the actions of, and exercised the same to cause, ChinaCache to engage in the unlawful
2 acts and conduct complained of herein. Each of the Individual Defendants exercised
3 control over the general operations of ChinaCache and possessed the power to control
4 the specific activities which comprise the primary violations about which Plaintiff
5 and the other members of the Class complain.

6 55. By reason of the above conduct, the Individual Defendants are liable
7 pursuant to Section 20(a) of the Exchange Act for the violations committed by
8 ChinaCache.

9
10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff demands judgment against Defendants as follows:

12 A. Determining that the instant action may be maintained as a class action
13 under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the
14 Class representative;

15 B. Requiring Defendants to pay damages sustained by Plaintiff and the
16 Class by reason of the acts and transactions alleged herein;

17 C. Awarding Plaintiff and the other members of the Class prejudgment and
18 post-judgment interest, as well as her reasonable attorneys' fees, expert fees and other
19 costs; and

20 D. Awarding such other and further relief as this Court may deem just and
21 proper.

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DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.

Dated: October 9, 2015

Respectfully submitted,

THE ROSEN LAW FIRM, P.A.

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