



Kobre & Kim's Cross-Border Disputes Team



Carolina Leung

São Paulo

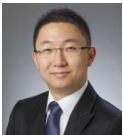
carolina.leung@kobrekim.com



Daniel J. Saval

New York

daniel.savall@kobrekim.com



Jason J. Kang

Shanghai / Hong Kong

jason.kang@kobrekim.com



Peter Tyers-Smith

Cayman Islands

peter.tyers-smith@kobrekim.ky



Robin J. Baik

Seoul

robin.baik@kobrekim.com



Sean Song

Shanghai

sean.song@kobrekim.com

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Kobre & Kim Secures Dismissal in Chinese Healthcare Company U.S. Shareholder Action

Kobre & Kim secured a significant victory in October 2025 in the Supreme Court of the State of New York on behalf of a leading Chinese healthcare company and its affiliates. The ruling represents an important outcome for Chinese corporates and investors navigating cross-border shareholder disputes in U.S. courts and highlights the complexity of cases involving overlapping U.S. and offshore legal systems.

In October 2025, Kobre & Kim achieved a significant victory in the Supreme Court of the State of New York on behalf of its clients, a leading Chinese medical device and healthcare services company and its affiliates. Justice Andrea Masley granted the defendants' motions to dismiss a purported shareholder derivative action for lack of standing under Cayman Islands law.

The plaintiffs, who claimed to be shareholders of a Cayman Islands company previously listed on the New York Stock Exchange, brought derivative claims on behalf of the Cayman company against its former board, Kobre & Kim's clients, and several other co-defendants. The complaint alleged misconduct in connection with the company's proposed acquisition of a biomedical start-up, asserting causes of action under both New York and Cayman law.

The Court held that the plaintiffs failed to establish a *prima facie* case for derivative standing under any of the four recognized exceptions to the rule in *Foss v. Harbottle*, the governing authority for shareholder derivative actions under Cayman Islands law. The Court also declined to recognize the plaintiffs' proposed "fifth" exception, based on so-called "interests of justice", and dismissed the action in its entirety for lack of standing.

The decision marks a notable outcome for Chinese corporations and investors facing cross-border shareholder disputes in U.S. courts. The case required close coordination across

Kobre & Kim's offshore and onshore offices, drawing on Kobre & Kim's experience handling complex cross-border litigation involving Cayman Islands law.

About Kobre & Kim

Kobre & Kim is a global law firm focusing on cross-border disputes and investigations, often involving fraud and misconduct.

Our team:

- Formulates and executes cross-border strategies across global jurisdictions, including Brazil, BVI, Cayman, Cyprus, Delaware, Dubai, Hong Kong, Israel, Korea, New York, and the PRC.
- Has significant experience in corporate governance matters, having led and defended initiatives on the formation and conduct of special investigation committees and other special strategies to place our clients in a position of strength to negotiate a satisfactory resolution.
- Maintains our independence as advocates ready to litigate against virtually any institution by avoiding repeat client relationships, and the conflicts of interest that come with them.