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New Universe Environmental Group Limited

新宇環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 436)

UPDATE ANNOUNCEMENT IN RESPECT OF LEGAL PROCEEDINGS AGAINST A SUBSIDIARY OF THE COMPANY AND AGAINST THE ULTIMATE CONTROLLING SHAREHOLDER OF THE COMPANY

This announcement is made by New Universe Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules).

Reference is made to the announcements of the Company dated 20 May 2022 and 30 May 2022 in relation to the Actions (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as defined in the Announcements.

Withdrawal of actions against Mr. Xi

The Subsidiary has received two civil rulings of the Court both dated 4 January 2023, wherein the Court approved each of the Plaintiffs’ applications to withdraw their respective claims against Mr. Xi under the Actions.

Civil judgments of the Court in respect of the Actions

The Subsidiary has received two civil judgments of the Court dated 4 January 2023 and 5 January 2023 in respect of Action B and Action A respectively, in which:

- (i) the claims of each of the Plaintiffs against the Subsidiary under the Actions were dismissed;
- (ii) it was ordered that Plaintiff A and Plaintiff B bear the costs (including case acceptance fees and asset preservation fees) of Action A and Action B respectively; and
- (iii) it was stated that (a) Plaintiff A and Plaintiff B may within 15 days after the day of the respective judgments for Action A and Action B have been served; and (b) the Subsidiary may within 30 days after the day of the respective judgments for Action A and Action B have been served, if the relevant judgment of the Court is not admitted by the respective party, file an appeal with the Court or 江蘇省高級人民法院 (Jiangsu Province High People's Court) (the "**High Court**") to dispute the judgment. The appeal cases (if any) will take place at the High Court.

Dispute of the judgments of the Court by the Plaintiffs

Both Plaintiffs did not admit to the judgment of the Court and have each submitted a civil appeal (with both civil appeals dated 29 January 2023) to the Court (with the Court's receipts of submission dated 2 February 2023), and the Court has served electronic copies of each of the appeals of the Plaintiffs to the Subsidiary's representative lawyer in the People's Republic of China (the "**PRC**"). In the civil appeals submitted by the Plaintiffs, the Plaintiffs have requested for (i) the revocation of the judgments of the Court; and (ii) the Subsidiary to bear the respective costs of the Actions. The cases will be transferred from the Court to the High Court. Pending all case information being submitted to the High Court, the dates and times for further trial and hearing will be determined at a later date.

Status of the asset preservation

As disclosed in the interim report of the Company for the six months ended 30 June 2022, in connection with the Actions and upon the application of each of the Plaintiffs, the Court had, in respect of each of the Plaintiff's applications, granted an asset preservation order to preserve (the "**Asset Preservation**") 38.54% of the total equity rights of New Universe Solid Waste Disposal Company Limited* (鎮江新宇固體廢物處置有限公司), a wholly-owned subsidiary of the Subsidiary established in the PRC, with effect from 18 March 2022 and, unless extended, will last until the earlier of 17 March 2025 or until the Asset Preservation is lifted by the Court.

As the Actions are still ongoing, the Asset Preservation will continue to remain in effect.

Impact of the Actions on the Group

As at the date of this announcement, the Actions have not, and are not expected to affect the normal operations of Group. The Subsidiary will closely monitor the appeals of Plaintiffs. The Company will issue further announcement(s) as and when appropriate on any significant development of this matter.

The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
New Universe Environmental Group Limited
XI Yu
Chairman

Hong Kong, 7 February 2023

As at the date of this announcement, the Board comprises five executive Directors: Mr. XI Yu (Chairman and Chief Executive Officer), Ms. CHEUNG Siu Ling, Ms. JIANG Qian, Ms. LIU Yu Jie and Mr. HON Wa Fai; one non-executive Director: Ms. XI Man Shan Erica; and four independent non-executive Directors: Dr. CHAN Yan Cheong, Mr. YUEN Kim Hung, Michael, Mr. HO Yau Hong, Alfred and Mr. YANG, Harry.

* *For identification purpose only*