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UNIVERSE ENTERTAINMENT AND CULTURE GROUP COMPANY LIMITED 寰宇娛樂文化集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1046)

INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO A LITIGATION

This announcement is made by Universe Entertainment and Culture Group Company Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the "Board") of the Company announces that it became aware of a civil claim (the "Claim") against the Group from certain media articles published on 12 August 2021.

The Claim was lodged by Chengdu Global Bona Culture Media Co., Ltd. * (成都環球博納文化傳媒有限公司) (the "Chengdu Global Bona") against Universe Entertainment Limited (寰宇娛樂有限公司), a wholly owned subsidiary of the Company and other six defendants (collectively "Defendants") and has been accepted by the Beijing Intellectual Property Court* (北京知識產權法院) (the "Court") on 20 July 2021. By the Claim, Chengdu Global Bona alleged that a film called "White Strom 2 – Drug Lords" (掃毒2天地對決) released by the Group in 2019 infringed the script copyright of a film called "Perfect Lover"* (完美情人) ("Alleged Copyright Infringement") and claimed against the Defendants jointly and severally for a damage of approximately RMB99,990,000 (approximately HK\$120 million) arising from the Alleged Copyright Infringement. Chengdu Global Bona also requested all the Defendants to (i) stop the Alleged Copyright Infringement; (ii) make apology for the Alleged Copyright Infringement; and (iii) bear the cost of RMB600,000 (approximately HK\$720,000) and all other legal cost in relation to the Claim to Chengdu Global Bona. The other six defendants of the Claims are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Group did not receive any litigation documents of the Claim from the Court or Chengdu Global Bona up to the date of this announcement. Nevertheless, the Group is seeking legal advice in respect of the Claim and will deny the allegations of the Claim. As of the date of this announcement, the Board believed that the above litigation has no material impact on the business and operation of the Group.

The Company will keep the shareholders and potential investors of the Company informed of any further significant development of the above litigation as and when appropriate. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Universe Entertainment and Culture
Group Company Limited
Lam Shiu Ming, Daneil
Chairman and Executive Director

Hong Kong, 17 August 2021

* For identification purposes only

As at the date of this announcement, the executive directors of the Company are Mr. Lam Shiu Ming, Daneil and Mr. Lam Kit Sun, and the independent non-executive directors of the Company are Mr. Choi Wing Koon, Mr. Lam Chi Keung and Mr. Tang Yiu Wing.