

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS
ST. CROIX DIVISION**

XIAOLIN CHI AND FAYUN LUO,
INDIVIDUALLY AND ON BEHALF OF ALL
OTHERS SIMILARLY SITUATED,

Plaintiffs,

vs.

QIAO XING UNIVERSAL RESOURCES, INC.,
RUI LIN WU, ZHI YANG WU, AIJUN JIANG, and
JIUJIU JIANG

Defendants.

CASE No.: 12-0045

NOTICE OF PENDENCY OF CLASS ACTION

To: All persons or entities that purchased or otherwise acquired the publicly traded common stock of Qiao Xing Universal Resources, Inc. (“Xing” or the “Company”) from May 26, 2010 to April 16, 2012, inclusive, and did not sell such securities prior to April 16, 2012.

A federal court has authorized this Notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

1. The “Class,” as certified by the Court, consists of:

All persons or entities that purchased or otherwise acquired the publicly traded common stock of Qiao Xing Universal Resources, Inc. (“Xing” or the “Company”) from May 26, 2010 to April 16, 2012, inclusive, and did not sell such securities prior to April 16, 2012.

Excluded from the Class are Defendants, the present and former officers and directors of Xing and any subsidiary thereof, members of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

2. This Notice is directed to you because you may be a member of the Class. If you are a member of the Class, your rights will be affected by this Action. If you do not meet the Class definition, this Notice does not apply to you. If you are uncertain whether you are a member of the Class, contact Class Counsel, listed in paragraph 18 below, or your own attorney.
3. This Notice is not an admission by defendants or an expression of any opinion of the Court concerning the merits of the Action, or a finding by the Court that the claims asserted by the class representative, Xiaolin Chi (the “Class Representative” or “Plaintiff”), in this case are

valid. This Notice is intended solely to advise you of the pendency of the Action and of your rights in connection with it. There is no settlement or monetary recovery at this time.

4. The Class definition may be subject to change by the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure.

PLEASE DO NOT CALL OR WRITE THE COURT.

OVERVIEW AND STATUS OF THIS ACTION

5. On April 27, 2012, this Action was filed against Defendants in the United States District Court for the District of St. Croix.
6. On June 15, 2012, the First Amended Complaint (the “Complaint”) was filed, asserting claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder. The Complaint alleged that Xing, Rui Lin Wu, JiuJiu Jiang, Zhi Yang Wu, and Aijun Jiang violated the federal securities laws by making false or misleading statements or omissions about material related party transactions which rendered Xing’s financial statements false and misleading at all times. The Complaint alleges that these false and misleading statements and omissions caused Class Members to suffer damages, when the true facts entered the market for Xing common stock.
7. On February 5, 2013, summons were issued for Xing, Ri Lin Wu, JiuJiu Jiang, and Zhi Yang Wu. Service was made in October 2013, and the summons were returned executed by April 16, 2014.
8. On March 6, 2013, the Court entered an Order appointing Xiaolin Chin as Lead Plaintiff for the Action pursuant to the Private Securities Litigation Reform Act of 1995. The Court also approved Lead Plaintiff’s selection of The Rosen Law Firm, P.A. as Lead Counsel for the Class.
9. On July 7, 2014, the Court entered default for the Plaintiff against Defendants Xing, Rui Lin Wu, JiuJiu Jiang, and Zhi Yang Wu on the Complaint.
10. On July 8, 2015, Plaintiff moved for class certification, appointment of class counsel, and default judgment.
11. On June 6, 2017, the Court entered an order granting Plaintiff’s motion for certification of the Class, Xiaolin Chi as Class Representative and The Rosen Law Firm, P.A. as Class Counsel.

YOUR RIGHTS AS A CLASS MEMBER

12. A class action is a type of lawsuit in which one or several individuals or entities prosecute claims on behalf of all members of a group of similarly-situated persons and entities to obtain monetary or other relief for the benefit of the entire group. Class actions avoid the necessity of each member of a class having to file his, her or its own separate lawsuit to obtain relief. Class actions are used to decide legal and factual issues that are common to all members of a class.
13. If you purchased or acquired Xing’s publicly traded common stock between May 26, 2010 and April 16, 2012, inclusive, and did not sell such securities prior to April 16, 2012, and were damaged thereby, and you are not excluded from the Class, you are a member of the Class. If you are a member of the Class, you have the right to decide whether to remain a member of the Class. If you are a member of the Class and wish to be excluded from the Class, you must request exclusion in accordance with the procedure set forth in paragraph 15 below. ***If you choose to remain a member of the Class, you do not need to do anything at this time other***

than to retain your documentation reflecting your transactions in Xing common stock as discussed below in paragraph 14. Your decision is important for the following reasons:

- a. **If you choose to remain a member of the Class**, you will be bound by all past, present and future orders and judgments in the Action, whether favorable or unfavorable. If any money is awarded to the Class, either through a settlement with Defendants or a judgment of the Court after a trial, you may be eligible to receive a share of that award. However, if you remain a member of the Class, you may not pursue a lawsuit on your own behalf with regard to any of the issues in this Action. Pursuant to Rule 23(e)(4) of the Federal Rules of Civil Procedure, it is within the Court's discretion whether to allow a second opportunity to request exclusion from the Class if there is a future settlement or judgment in the Action after a trial. Please note that if you remain a member of the Class, you will not be personally responsible for Class Counsel's attorneys' fees or costs. Class Counsel have agreed to represent the Class on a contingent fee basis, which means that they will be awarded fees and costs to be approved by the Court only if they succeed in obtaining a recovery from one or more Defendants. Any attorneys' fees for Class Counsel will be awarded by the Court from the settlement or judgment, if any, obtained on behalf of the Class. As a member of the Class, you will be represented by Class Counsel. You may remain a member of the Class and elect to be represented by counsel of your own choosing. If you do retain separate counsel, you will be responsible for those attorneys' fees and expenses and such counsel must enter an appearance on your behalf by filing a Notice of Appearance with the Court and mailing it to Class Counsel at the addresses set forth in paragraph 18 below so that it is received on or before November 22, 2017.
 - b. **If you choose to be excluded from the Class**, you will not be bound by any judgment in this Action, nor will you be eligible to share in any recovery that might be obtained in this Action. You will retain any right you have to individually pursue any legal rights, if any, that you may have against any Defendants with respect to the claims asserted in the Action. Please refer to paragraphs 15 below if you would like to be excluded from the Class.
14. Members of the Class will be eligible to participate in any recovery that might be obtained in the Action. While this Notice is not intended to suggest any likelihood that Class Representatives or members of the Class will obtain any such recovery, should there be a recovery, members of the Class will be required to support their requests to participate in the distribution of any such recovery by demonstrating their membership in the Class and documenting their purchases and sales of Xing common stock and their resulting damages. ***For this reason, please be sure to keep all records of your transactions in these securities.***

HOW TO BE EXCLUDED FROM THE CLASS

15. If you wish to be excluded from the Class, you must specifically request exclusion in accordance with the following procedures. To exclude yourself from the Class, you must send a letter by first-class mail stating that you "request exclusion from the Class in *Luo v. Qiao Xing Universal Res., Inc.*, Case No. 12-0045." Your request must (i) state the name, address and telephone number of the person or entity requesting exclusion; (ii) state the number of shares of Xing common stock purchased, acquired, and/or sold during the Class Period as well as the dates and prices of each such purchase, acquisition and/or sale; (iii) be signed by the person or entity requesting exclusion or an authorized representative; and (iv) include account documentation

reflecting your purchase and sale of Xing stock during the Class Period. You must mail your exclusion request, postmarked no later than November 7, 2017, to the Administrator:

Qiao Xing Universal Resources, Inc. Securities Litigation
c/o Strategic Claims Services
P.O. Box 230
600 North Jackson Street, Suite 3
Media, PA 19063

You cannot exclude yourself from the Class by telephone or by e-mail, and a request for exclusion shall not be effective unless it contains all the information called for by this paragraph and is postmarked by the date stated above, or is otherwise accepted by the Court.

16. If your request for exclusion complies with the requirements set forth above, you will not be bound by any judgment in this Action, nor will you be eligible to share in any recovery that might be obtained in this Action.
17. Do not request exclusion from the Class if you wish to participate in this Action as a member of the Class.

CLASS COUNSEL

18. As a member of the Class, you will be represented by Class Counsel, who is:

Laurence Rosen, Esq.
THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
Tel: (212) 686-1060

19. As noted above, unless you elect to retain your own personal lawyer, by remaining in the Class, you will not subject yourself to any direct obligations to pay the costs of the litigation. In the event there is a recovery by the Class in this Action, all costs and expenses of the Action, including Class Counsel's attorneys' fees, will be paid from that recovery in an amount approved by the Court. If there is no recovery, Class Counsel will not receive any attorneys' fees.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

20. This Notice gives only a summary of the lawsuit and the claims asserted by Class Representatives. For more detailed information regarding the Action, you may contact Class Counsel.

PLEASE DO NOT CALL OR WRITE THE COURT.

NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

21. If, for the beneficial interest of any person or entity other than yourself, you purchased or acquired the publicly traded common stock of Xing during the period between May 26, 2010 to April 16, 2012, inclusive. and did not sell such securities prior to April 16, 2012, you must either (a) within seven (7) calendar days of receipt of this Notice, request from the Administrator sufficient copies of the Notice to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notices forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to the Administrator at *Qiao Xing Universal Resources, Inc. Securities Litigation*, c/o Strategic Claims Services, P.O. Box 230, 600 North Jackson Street,

Suite 3, Media, PA 19063. If you choose the first option, you must send a statement to the Administrator confirming that the mailing was made, and you must retain your mailing records for use in connection with any further notices that may be provided in the Action. If you choose the second option, the Administrator will send a copy of the Notice to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred by providing the Administrator with proper documentation supporting the expenses for which reimbursement is sought.

Dated: August 7, 2017

BY ORDER OF THE COURT:
United States District Court
For the District of the Virgin Islands

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Qiao Xing Universal Resources, Inc. Securities Litigation
c/o Strategic Claims Services
600 N. Jackson Street – Suite 3
Media, PA 19063

IMPORTANT LEGAL DOCUMENT – PLEASE FORWARD