

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



UNIVERSAL STAR (HOLDINGS) LIMITED

星宇(控股)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2346)

**QUARTERLY UPDATE ON STATUS OF RESUMPTION;
NON-COMPLIANCE WITH
RULES 3.11 AND 3.23 OF THE LISTING RULES;
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by Universal Star (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company (i) dated 29 March 2022 in relation to (a) the delay in publication of the annual results of the Group for the year ended 31 December 2021 (the “**2021 Annual Results**”) and (b) the delay in despatch of annual report of the Group for the year ended 31 December 2021 (the “**2021 Annual Report**”), (c) non-publication of unaudited annual results announcement for the year ended 31 December 2021, (d) postponement of board meeting and (e) suspension of trading; and (ii) dated 29 June 2022 in relation to the resumption guidance (“**Resumption Guidance**”) for the Company as set out in a letter from the Stock Exchange (collectively, the “**Announcements**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Announcements.

QUARTERLY UPDATE

Business Operations of the Group

The Group is principally engaged in the design, development, production and sale of sintered NdFeB magnetic materials. The Group's products can be assembled with different motors and/or electronic products which can then be used in end-use industries such as electroacoustic products, variable-frequency home appliances, energy-saving elevators, wind turbine generators, industrial robots and new energy vehicles.

The Group has continued its business operations notwithstanding the suspension of trading in shares of the Company. The Group will continue to closely monitor its financial position and business operations and make further announcement(s) as and when appropriate.

Update on the Progress of Resumption

Publication of Outstanding Financial Results

As at date of this announcement, the Company has not published its 2021 Annual Results in accordance with the requirements pursuant to the Listing Rules. The publication of the 2021 Annual Results and the despatch of the 2021 Annual Report will be further delayed since additional time is required to complete audit procedures due to the prevention and control measures of the COVID-19 in the mainland China and our staff was unable to access to the office buildings during the implementation of such control measures.

The Company has been using its best endeavours to work with the auditors of the Company to finalise the 2021 Annual Results and the 2021 Annual Report as soon as practicable. The Company will closely monitor the progress of the audit work. The Company will publish further announcement(s) to inform the shareholders of the Company of any material update and the date of board meeting of the Company as and when appropriate.

Non-compliance with Rules 3.10, 3.11, 3.21, 3.23 and 3.27A of the Listing Rules

As announced by the Company on 27 March 2022, the Company has failed to meet the requirements of (i) Rule 3.10, as the number of the independent non-executive Directors has fallen below the minimum number required under Rule 3.10(1) and no independent non-executive Director possesses the appropriate qualifications or accounting or related financial management expertise as required under Rule 3.10(2); (ii) Rule 3.21, as the number of members of the audit committee of the Company has become less than three and no member of the audit committee possesses appropriate professional qualifications or accounting or related financial management expertise; and (iii) Rule 3.27A, as the nomination committee is not comprised of a majority of independent non-executive Directors.

Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company should appoint a sufficient number of independent non-executive Director and make appropriate appointment to the audit committee of the Company within three months after failing to meet the requirements under Rules 3.10 and 3.21 of the Listing Rules (i.e. on or before 26 June 2022). As at the date of this announcement, the Company is still in the process of identifying suitable candidate(s) to fill the vacancies pursuant to its nomination policy. Therefore, the Company has failed to comply with Rules 3.11 and 3.23 of the Listing Rules.

The Company has been interviewing various candidates since the resignation of Mr. Lai Wai Leuk. However, due to the prevention and control measures of the COVID-19, suspension of trading of the Company's shares pending the publication of its annual results for the year ended 31 December 2021 and the resulting lack of published financial information for candidates to consider, the process to fill the vacancy proceeded slower than usual.

The Company will continue to use its best efforts to identify a suitable candidate and endeavours to fill the vacancy as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate in this regard.

The Company is taking appropriate steps to fulfil the Resumption Guidance and will update the shareholders and potential investors of the Company on the progress as and when appropriate. Further announcements will be made by the Company in relation to the progress of the resumption plan as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares has been suspended with effect from 9:00 a.m. on 1 April 2022 and shall remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

By order of the Board
Universal Star (Holdings) Limited
Li Li
Chairlady and Executive Director

Hong Kong, 30 June 2022

As at the date of this announcement, the Board comprises Ms. Li Li as the executive Director; Mr. Zhang Jiantao and Mr. Lu Qingxing as the non-executive Directors; and Mr. Yan Aru and Mr. Gong Peiyue as the independent non-executive Directors.