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UNIVERSAL STAR (HOLDINGS) LIMITED

星宇(控股)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2346)

SUPPLEMENTAL ANNOUNCEMENT TO 2020 ANNUAL REPORT AND UPDATE ON USE OF PROCEEDS

References are made to the section headed “Future Plans and Use of Proceeds” of the prospectus of Universal Star (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 April 2019 (the “**Prospectus**”) and the section headed “Other information – Use of proceeds from the listing” in the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) in relation to, among others, the use of proceeds (the “**Use of Proceeds**”) raised from the listing of shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 May 2019 (the “**Listing**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the 2020 Annual Report, respectively.

This announcement is made to provide supplemental information to the 2020 Annual Report and an update to the Use of Proceeds.

USE OF PROCEEDS

The net proceeds of the Listing (after deducting the underwriting fees, commissions and other estimated offering expenses in related to the Listing) amounted to approximately HK\$80.9 million (the “**Net Proceeds**”). As at 31 December 2020, a total amount of approximately HK\$72.0 million out of the Net Proceeds had been utilised by the Group according to the allocation set out in the Prospectus and the remaining balance of approximately HK\$8.9 million is expected to be utilised as intended.

In addition to the information disclosed in the section headed “Other information – Use of proceeds from the listing” in the 2020 Annual Report, the Board would like to provide additional information pursuant to paragraphs 11(8) of Appendix 16 to the Listing Rules in relation to the use of Net Proceeds as follows:

			Actual utilised amount	Unutilised balance as at	Actual utilised amount up	Unutilised balance as at	Expected timeline for unutilised Net Proceeds
	Planned use of Net Proceeds	31 December 2020	up to 31 December 2020	31 December 2020	to 30 June 2021	30 June 2021	
	%	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
For the expansion of production capacity and the enhancement of operational efficiency	48.3%	39.1	30.2	8.9	0.45	8.45	End of 2021
For modifying and optimising production process and technology, and implementing key research and development projects	17.4%	14.1	14.1	-	-	-	
For repayment of part of the borrowings	31.3%	25.3	25.3	-	-	-	
For working capital and general corporate purposes	3.0%	2.4	2.4	-	-	-	
	<u>100.0%</u>	<u>80.9</u>	<u>72.0</u>	<u>8.9</u>	<u>0.45</u>	<u>8.45</u>	

The Board currently has no intention to change the planned use of Net Proceeds as stated in the Prospectus and the 2020 Annual Report. The expected timeline for using the unutilised Net Proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

The Board confirmed that the supplemental information provided in this announcement does not affect any other information contained in the 2020 Annual Report and, save as disclosed above, the contents of the 2020 Annual Report remain unchanged.

By Order of the Board
Universal Star (Holdings) Limited
Liang Lixia
Chairlady and Executive Director

Hong Kong, 29 July 2021

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