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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)

CHANGE OF AUDITORS

This announcement is made by Universal Star (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

RESIGNATION OF AUDITOR

On 13 May 2022, the Board and the audit committee of the Company (the “**Audit Committee**”) received a letter from Moore Stephens CPA Limited (“**Moore Hong Kong**”) tendering its resignation as the auditor of the Company with immediate effect.

Since the Company is not able to provide all or substantially all requested outstanding information and documents mainly in relation to (i) several litigations of the Group in the PRC and (ii) an impairment of the Group’s trade receivables (the “**Outstanding Matters**”) for the purpose of its audit. Moore Hong Kong has brought the Outstanding Matters to the attention of the management of the Company and the Audit Committee. However, as at the date of the letter of resignation, the Company and Moore Hong Kong are unable to reach an agreement on the extent of documents required to address the Outstanding Matters. Accordingly, Moore Hong Kong is not in a position to commit to a definite timeline to complete the audit work.

In respect of the Outstanding Matters, the Company reiterates that it has been working closely with Moore Hong Kong to provide the required additional information and documents and discussed with Moore Hong Kong on various occasions about the proposed solutions to the Outstanding Matters with a view to complete the audit work as soon as possible.

As the Company could not agree with Moore Hong Kong on the Outstanding Matters, the timeline and possible additional fee for completion of the audit, the Board believes that it is in the best interest of the Company and the shareholders of the Company (the “**Shareholders**”) to engage another external auditor and complete the audit work as soon as practicable. The Board resolved to suggest to Moore Hong Kong its resignation as the Company's auditor.

Moore Hong Kong confirmed in its letter of resignation that, save as disclosed above, there are no other circumstances or matters in connection with the change of the auditors of the Company that need to be brought to the attention of the Shareholders.

To the best of the Directors' knowledge, save as disclosed above, there are no other circumstances or matters in connection with Moore Hong Kong's resignation that needs to be brought to the attention of the Shareholders.

The Board would like to express its gratitude to Moore Hong Kong for its professional and quality services rendered to the Company in the past.

APPOINTMENT OF AUDITOR

The Board further announces that it has resolved, having regard to the recommendation from the Audit Committee, to appoint Mazars CPA Limited (“**Mazars**”) as the new auditor of the Company to fill the casual vacancy following the resignation of Moore Hong Kong and to hold office until the conclusion of the next annual general meeting of the Company.

The Board would like to extend its warm welcome to Mazars on its appointment as the auditor of the Company.

The Company will use its best endeavours to assist Mazars in completing the audit procedures for the year ended 31 December 2021 and currently expects to publish the annual results announcement of the Company for the year ended 31 December 2021 (the “**2021 Annual Results**”) by the end of June 2022.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the share of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 1 April 2022. Trading in the shares of the Company will remain suspended until the publication of 2021 Annual Results.

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

Hong Kong, 13 May 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.