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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)

ADDITIONAL RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

This announcement is made by the board (the “**Board**”) of directors of Universal Star (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on 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 dated 29 March 2022 and 29 June 2022 regarding, among others, the delay in publication of the annual results of the Group for the year ended 31 December 2021, the delay in despatch of annual report of the Group for the year ended 31 December 2021, non-publication of unaudited annual results announcement for the year ended 31 December 2021, postponement of board meeting and suspension of trading and the resumption guidance set forth by the Stock Exchange (the “**Announcements**”). Unless specified otherwise, capitalised terms used in this announcement have the same meaning as those defined in the Announcements.

ADDITIONAL RESUMPTION GUIDANCE

The Board came to aware of a Statement of Claim (民事起訴狀) dated 25 August 2021 (as amended and supplemented by an Application Letter (變更, 增加訴訟請求書) dated 22 November 2021) filed by an independent claimant (the “**Claimant**”) to the Ningde Intermediate People’s Court (寧德市中級人民法院) against Mr. Lu Qingxing (“**Mr. Lu**”), a non-executive Director and Ningde Xingyu Technology Co., Ltd. (“**Ningde Xingyu**”), a wholly-owned subsidiary of the Company, in relation to, among others, the repayment of certain loans and interest accrued thereon and a mortgage over Ningde Xingyu’s property. Pursuant the documents lodged by the Claimant, (i) between April 2017 and April 2019, Mr. Lu and Ningde Xingyu allegedly entered into several loans agreements with the Claimant for loans totaling RMB49 million (the “**Loans**”) granted to Mr. Lu. Part of the Loans were allegedly guaranteed by Ningde Xingyu; (ii) Ningde Xingyu and the Claimant allegedly entered into a mortgage agreement to pledge Ningde Xingyu’s property located in Ningde City, Fujian Province, China to secure a loan which would mature on 24 February 2021. The Claimant alleged that the property is pledged to secure part of the aforesaid Loans; and (iii) Mr. Lu allegedly failed to settle the Loans and the Claimant therefore commenced legal proceedings against Mr. Lu and Ningde Xingyu seeking to recover from Ningde Xingyu, as a guarantor or joint-borrower, of repayment of the outstanding loans and interest accrued thereon and sought to execute the pledged property to settle the loans and interest accrued thereon (the “**Loans and Related Arrangements**”). The Company has appointed PRC legal advisers to provide legal advice to the Group and defend the PRC court case on behalf of Ningde Xingyu.

The Company received a letter from the Stock Exchange dated 11 August 2022, setting out resumption guidance (resumption guidance (e), (f) and (g) below) (the “**Additional Resumption Guidance**”) in addition to the resumption guidance given by the Stock Exchange on 29 June 2022 (together with the Additional Resumption Guidance, the “**Resumption Guidance**”). Details of the Resumption Guidance are as follows:

- (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (b) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules;

- (c) comply with Rules 3.10(2), 3.21 and 3.27A of the Listing Rules;
- (d) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position;
- (e) conduct an independent forensic investigation into the Loans and Related Arrangements concerning, among others, Mr. Lu, a non-executive Director, announce the findings and take appropriate remedial actions;
- (f) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence; and
- (g) conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to comply with the Listing Rules.

The Stock Exchange stated that the Company must remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. In addition, the Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

The Company is taking appropriate steps to comply with the Resumption Guidance and the relevant Listing Rules set out therein and will keep the market informed of the latest developments of the Group by making further announcement(s) as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange 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 further notice.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 August 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.