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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)

**QUARTERLY UPDATES ON STATUS OF RESUMPTION
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 dated 29 March 2022, 1 April 2022, 13 May 2022, 29 June 2022, 30 June 2022, 15 August 2022 and 19 August 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, change of auditor, suspension of trading and the resumption guidance set forth by the Stock Exchange and the updates on status of resumption (the “**Announcements**”). Unless specified otherwise, capitalised terms used in this announcement have the same meaning as those defined in the Announcements.

QUARTERLY UPDATES

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

Updates on Status of Resumption

As disclosed in the announcement of the Company dated 15 August 2022 (the “**August Announcement**”), the Stock Exchange sets out seven conditions for the resumption of trading in the shares of the Company. The Company is taking methodic and appropriate steps to fulfil these resumption conditions (the “**Resumption Conditions**”).

Partial fulfilment of the Resumption Conditions

With reference to the August Announcement, Mr. Cheung On Kit Andrew (“**Mr. Cheung**”) has been appointed as an independent non-executive Director, the chairman of Audit Committee and a member of nomination Committee of the Company. Therefore, the Resumption Condition (c) as set out in the August Announcement had been fulfilled.

Appointment of professional parties for the resumption

As at the date of this announcement, the Company has engaged (i) Grant Thornton Advisory Services Limited, an independent professional firm, as the forensic investigator to conduct an independent forensic investigation (the “**Investigation**”) into the Loans and Related Arrangements concerning, among others, Mr. Lu, a non-executive Director; and (ii) Roma Risk Advisory Limited, an independent professional risk advisory firm, as the independent internal control consultant to conduct an independent internal control review on the Company's internal control and procedures to ensure compliance with the Listing Rules (the “**Review**”).

The Board resolved, on 19 August 2022, to form the Independent Investigation Committee comprising Mr. Yan Aru, Mr. Gong Peiyue and Mr. Cheung (chairman), to look into the Investigation and the Review. Red Sun Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, has been appointed as the financial adviser to advise the Company regarding the resumption of trading in the shares of the Company and to assist the Independent Investigation Committee to fulfil its duties and functions. As at the date of this announcement, the Investigation and the Review are still on-going.

The Company will make further announcement(s) to update the shareholders and potential investors of the Company the status and findings of the investigation undertaken by the Independent Investigation Committee, 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 and potential investors of the Company 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, 30 September 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, Mr. Gong Peiyue and Mr. Cheung On Kit Andrew as the independent non-executive Directors.