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Quali-Smart Holdings Limited **(滙達富控股有限公司*)**

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1348)

COMPLETION OF ISSUE AND SUBSCRIPTION OF HK\$30,000,000 IN PRINCIPAL AMOUNT OF 6% CONVERTIBLE NOTES DUE 2020 UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions of the Subscription have been fulfilled and the completion of the Subscription took place on 2 June 2017. Pursuant to the terms and conditions of the Subscription Agreement, the Convertible Notes with a total principal amount of HK\$30,000,000 have been successfully issued to the Subscriber.

Reference is made to the announcement of Quali-Smart Holdings Limited (the “**Company**”) dated 22 May 2017 in respect of the Subscription (the “**Announcement**”). Unless defined otherwise, capitalised terms contained herein shall have the same meanings as defined in the Announcement.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all the conditions of the Subscription have been fulfilled and the completion of the Subscription took place on 2 June 2017. The Convertible Notes with a total principal amount of HK\$30,000,000 have been successfully issued to the Subscriber pursuant to the terms and conditions of the Subscription Agreement.

The net proceeds from the issue of the Convertible Notes after deducting necessary related expenses are estimated to be approximately HK\$30,000,000, which will be used for expansion of the Group’s financial services business under the Crosby Group, repayment of the liabilities of the Group and as general working capital of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding in the Company (a) as at the date of this announcement; (b) upon exercise in full of the conversion rights attached to the Convertible Notes (assuming no further Shares will be issued or repurchased and no transfer of the Convertible Notes by the Subscriber from the date of this announcement to the date of the full conversion of the Convertible Notes); and (c) upon exercise in full of the conversion rights attached to the Convertible Notes and the May 11 Convertible Notes (assuming no further Shares will be issued or repurchased and no transfer of the Convertible Notes or the May 11 Convertible Notes by the Subscriber from the date of this announcement and the date of the full conversion of the Convertible Notes and the May 11 Convertible Notes) are as follows:-

	As of the date of this announcement		Immediately upon exercise in full of the Convertible Notes		Immediately upon exercise in full of the Convertible Notes and the May 11 Convertible Notes	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Directors:						
Mr. Lau Ho Ming Peter (Note 1)	492,464,000	33.40	492,464,000	31.75	492,464,000	28.04
Mr. Ng Kam Seng	3,200,000	0.22	3,200,000	0.21	3,200,000	0.18
Mr. Poon Pak Ki, Eric	2,000,000	0.13	2,000,000	0.13	2,000,000	0.12
Mr. Chu Raymond	27,448,000	1.86	27,448,000	1.77	27,448,000	1.56
Madam Li Man Yee, Stella (Note 1)	9,600,000	0.65	9,600,000	0.62	9,600,000	0.55
Mr. Leung Po Wing, Bowen Joseph	384,000	0.03	384,000	0.02	384,000	0.02
Directors Sub-total:	535,096,000	36.29	535,096,000	34.50	535,096,000	30.47
The Subscriber: (Note 3)	-	-	76,923,076	4.96	282,051,281	16.06
Public Shareholders:	939,136,000	63.71	939,136,000	60.54	939,136,000	53.47
Total (Note 2):	1,474,232,000	100.00	1,551,155,076	100.00	1,756,283,281	100.00

- 482,864,000 shares are held by a company registered in the name of Smart Investor Holdings Limited ("Smart Investor"), a company owned as to 67.4% by Mr. Lau Ho Ming, Peter, the Executive Chairman of the Company, and 32.6% by Madam Li Man Yee, Stella, a non-executive Director of the Company and the spouse of Mr. Lau Ho Ming, Peter. Another 9,600,000 shares are held by Mr. Lau Ho Ming, Peter personally. Madam Li Man Yee, Stella also holds 9,600,000 shares personally. Both Mr. Lau Ho Ming, Peter and Madam Li Man Yee are deemed to be interested in all of the above 502,064,000 shares in aggregate.
- Save for the above, as at the date of this announcement, the Company also has outstanding convertible notes of HK\$58,000,000 in outstanding principal amount which can be converted into 56,695,992 Shares and outstanding share options granted under its share option scheme of

157,855,600 Shares.

3. *Mr. Chu Sheng Yu, Lawrence, the ultimate beneficial owner of the Subscriber, also holds 672,000 Shares, representing 0.05% and 0.04% of the existing issued share capital and the issued share capital as enlarged by the Conversion Shares of the Company, respectively, directly in his personal capacity.*

By Order of the Board
Quali-Smart Holdings Limited

Lau Ho Ming, Peter
Executive Chairman

Hong Kong, 2 June 2017

As at the date of this announcement, the Board comprises Mr. Lau Ho Ming, Peter (Executive Chairman), Mr. Poon Pak Ki, Eric, Mr. Ng Kam Seng and Mr. Chu Raymond as executive Directors; Madam Li Man Yee, Stella as non-executive Director; and Mr. Leung Po Wing, Bowen Joseph GBS, JP, Mr. Chan Siu Wing, Raymond and Mr. Wong Wah On, Edward as independent non-executive Directors.

** for identification purposes only*