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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)

UPDATE ON THE NUMBER OF RELEVANT SECURITIES IN ISSUE PURSUANT TO RULE 3.8 OF THE TAKEOVERS CODE

This announcement is made by Quali-Smart Holdings Limited (the “**Company**”) pursuant to Rule 3.8 of the Takeovers Code.

References are made to the announcement jointly issued by the Company and Zhongtai International Investment Group Limited (the “**Offeror**”) dated 25 February 2018 in relation to, among other things, the Subscription and the Offers (the “**Joint Announcement**”); (ii) the announcement jointly issued by the Company and the Offeror dated 18 March 2018 in relation to the delay in despatch of the Composite Document (the “**Delay Announcement**”); and (iii) subsequent announcements of the Company dated 28 March 2018, 3 April 2018, 30 April 2018, 31 May 2018 and 29 June 2018, and the announcements jointly issued by the Company and the Offeror dated 20 April 2018, 18 May 2018, 20 June 2018 and 12 July 2018 in relation to, among other things, the Subscription and the Offers (items (ii) and (iii) collectively referred to as the “**Subsequent Announcements**”). Capitalised terms used herein have the same meanings as those defined in the Joint Announcement unless the context otherwise requires.

UPDATE OF NUMBER OF RELEVANT SECURITIES OF THE COMPANY

The Board wishes to announce that, pursuant to the terms of the Share Option Scheme, a total of 4,300,000 (1,800,000 Share Options with an exercise price of HK\$1.02 per Share and 2,500,000 Share Options with an exercise share price of HK\$0.748 per Share) Share Options in respect of 4,300,000 Shares have lapsed on 23 July 2018.

As at the date of this announcement, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company comprised (i) 1,474,232,000 Shares in issue; (ii) 134,291,600 outstanding Share Options in respect of 134,291,600 Shares; and (iii) outstanding Convertible Notes in the aggregate principal amount of HK\$110,000,000 convertible into 282,051,281 Shares (at the conversion price of HK\$0.39 per conversion Share). Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

As at the date of this announcement, the respective exercise prices and exercise periods of the 134,291,600 outstanding Share Options are as follows:

Number of outstanding Share Options	Exercise price (HK\$)	Exercise period
1,120,000	0.25	From 17 March 2014 to 16 March 2024
48,600,000	1.02	From 3 July 2015 to 2 July 2025
84,571,600	0.748	From 24 March 2016 to 23 March 2026

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Company and the Offeror, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced as below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: Shareholders Optionholders, the CN Holder and/or potential investors of the Company should exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank manager, solicitor or other professional advisers.

By order of the Board
Quali-Smart Holdings Limited
Lau Ho Ming, Peter
Executive Chairman

Hong Kong, 23 July 2018

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

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other acts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.

** For identification purpose only*