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**ZHONGTAI FINANCIAL
INTERNATIONAL LIMITED**
中泰金融國際有限公司
(Incorporated in Hong Kong with limited liability)

**QUALI-SMART HOLDINGS
LIMITED**
滙達富控股有限公司 *
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1348)

JOINT ANNOUNCEMENT

UPDATE IN RELATION TO

- (I) PROPOSED SUBSCRIPTION OF NEW SHARES IN THE COMPANY
BY THE SUBSCRIBERS;**
- (II) MAJOR AND CONNECTED TRANSACTIONS – PROPOSED
ACQUISITIONS OF THE ZTI COMPANIES;**
- (III) POSSIBLE SALE AND PURCHASE OF SHARES OF THE COMPANY;
AND**
- (IV) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS BY
HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED ON
BEHALF OF THE NEW OFFEROR TO ACQUIRE ALL THE ISSUED
SHARES AND ALL OUTSTANDING CONVERTIBLE NOTES, AND TO
CANCEL ALL OUTSTANDING SHARE OPTIONS, OF THE COMPANY
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE
ACQUIRED BY THE NEW OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT)**

References are made to the joint announcements of Quali-Smart Holdings Limited (the “**Company**”) and Zhongtai International Investment Group Limited (the “**Original Offeror**”) dated 25 February 2018, 18 March 2018, 20 April 2018, 18 May 2018, 20 June 2018, 12 July 2018, 14 August 2018, 12 October 2018 and 2 November 2018, and the announcements of the Company dated 9 March 2018, 28 March 2018, 3 April 2018, 30 April 2018, 31 May 2018, 29 June 2018, 23 July 2018, 31 August 2018 and 31 October 2018 in relation to, among other things, the Subscription and the Offers (collectively, the “**Announcements**”). Capitalised terms used herein have the same meanings as defined in the joint announcement dated 12 October 2018 (the “**October Joint Announcement**”) unless the context otherwise requires.

UPDATE IN RELATION TO THE SUBSCRIPTION, THE ZTI ACQUISITIONS, THE SHARE PURCHASE AGREEMENT AND THE OFFERS

As set out in the October Joint Announcement, the making of the Offers is subject to Completion, and Completion is conditional upon the fulfillment or waiver (where applicable) of, among others, the Subscription Conditions, the Share Purchase Conditions as well as the conditions precedent of the relevant ZTI Agreements, including without limitation, approvals from relevant governmental and regulatory authorities (including but not limited to the China Securities Regulatory Commission (“CSRC”)) required for the Original Offeror and/or its controlling shareholders in respect of the Restated Subscription Agreement and the transactions contemplated thereunder having been obtained.

In order to comply with the Administrative Measures for the Administration of the Formation, Acquisition and Purchase of Non-Controlling Shares of Overseas Business Institutions by Securities Companies and Securities Investment Fund Management Companies (《證券公司和證券投資基金管理公司境外設立、收購、參股經營機構管理辦法》) recently promulgated by the CSRC on 25 September 2018 and to simplify the shareholding structure of the Company, it was agreed among the parties that (i) instead of the Original Offeror, Zhongtai Financial International Limited (the “**New Offeror**”), being the sole shareholder of the Original Offeror and a company incorporated in Hong Kong, will conditionally subscribe for the Offeror Subscription Shares under the Restated Subscription Agreement and conditionally purchase the Sale Shares under the Share Purchase Agreement; and (ii) the Consideration Shares will be allotted and issued to the New Offeror, instead of the Original Offeror, under the ZTI Agreements. In connection with such changes, the following supplemental deeds and agreements were entered into on 29 November 2018 (the “**Effective Date**”):

- (a) The Company, the Original Offeror, Subscriber A, Subscriber B and the New Offeror entered into a deed of novation in relation to the Restated Subscription Agreement, pursuant to which the Original Offeror agreed to assign and novate, and the New Offeror agreed to assume and perform, all the rights and obligations of the Original Offeror under the Restated Subscription Agreement with effect from the Effective Date.
- (b) The Vendors, the Original Offeror and the New Offeror entered into a deed of novation in relation to the Share Purchase Agreement, pursuant to which the Original Offeror agreed to assign and novate, and the New Offeror agreed to assume and perform, all the rights and obligations of the Original Offeror under the Share Purchase Agreement with effect from the Effective Date.
- (c) The Company also entered into supplemental agreements with ZTI Financial and the New Offeror respectively to revise certain terms of the ZTI Capital Agreement and the ZTI Asset Management Agreement, pursuant to which the consideration for the ZTI Acquisitions shall be satisfied by the allotment and issue of Consideration Shares to the New Offeror (as, where appropriate, the designated nominee of ZTI Financial).

- (d) The CN Holder, the Original Offeror and the New Offeror also executed a side letter in relation to the CN Irrevocable Undertakings, pursuant to which, among other things, (i) the Original Offeror agreed to transfer and assign, and the New Offeror agreed to acquire, all of the Original Offeror's rights under the CN Irrevocable Undertakings with effect from the Effective Date (the "**Transfer**"); (ii) the CN Holder confirmed and agreed with the Transfer; and (iii) with effect from the Effective Date, the CN Holder's obligations and undertakings to the Original Offeror under the CN Irrevocable Undertakings shall be to the New Offeror.

Immediately following Completion, the New Offeror and its Concert Parties (including Subscriber A and Subscriber B and their respective Concert Parties) will be interested in a total of 1,295,114,857 issued Shares, representing (i) approximately 57.12% of the enlarged issued share capital of the Company (as enlarged by the Subscription Shares and the Consideration Shares and assuming no outstanding Share Options or Convertible Notes will be exercised or converted and no other Shares will be allotted or issued at or prior to Completion); (ii) approximately 54.05% of the enlarged issued share capital of the Company (as enlarged by the Subscription Shares and the Consideration Shares and assuming all the Share Options (except the Lau Options and the Li Options) will be exercised but no Convertible Notes will be converted and no other Shares will be allotted or issued at or prior to Completion); and (iii) for illustration purposes only, approximately 48.26% of the enlarged share capital of the Company (as enlarged by the Subscription Shares and the Consideration Shares and assuming all outstanding Share Options and Convertible Notes will be exercised or converted and no other Shares will be allotted or issued at or prior to Completion).

As such, pursuant to Rule 26.1 and Rule 13 of the Takeovers Code, the New Offeror will be required to make unconditional mandatory offers in cash in relation to (A) the Share Offer for all the issued Shares (excluding the Shares already owned by or agreed to be acquired by the New Offeror and its Concert Parties at the time when the Share Offer is made); (B) the Option Offer for the cancellation of all outstanding Share Options; and (C) the CN Offer for all outstanding Convertible Notes.

Save as disclosed above, there have been no other changes to the information disclosed in the October Joint Announcement.

Further announcement(s) will be made by the Company and/or the New Offeror in accordance with the Listing Rules and the Takeovers Code as and when appropriate to inform the Shareholders, the Optionholders, the CN Holder and potential investors of the Company of any material developments relating to the Subscription and the Offers, and further announcement(s) will be made by the Company and/or the New Offeror on a monthly basis to keep the Shareholders, the Optionholders, the CN Holder and potential investors of the Company updated on the Subscription and the Offers until the despatch of the Composite Document.

WARNING: THE OFFERS WILL ONLY BE MADE IF COMPLETION TAKES PLACE. COMPLETION IS SUBJECT TO FULFILMENT AND/OR WAIVER, AS APPLICABLE, OF THE SUBSCRIPTION CONDITIONS, THE SHARE PURCHASE CONDITIONS AS WELL AS THE CONDITIONS PRECEDENT OF THE RELEVANT ZTI AGREEMENTS. ACCORDINGLY, THE OFFERS MAY OR MAY NOT BE MADE. SHAREHOLDERS, OPTIONHOLDERS, THE CN HOLDER AND/OR POTENTIAL INVESTORS OF THE COMPANY SHOULD THEREFORE EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY (INCLUDING THE SHARES, THE SHARE OPTIONS, THE CONVERTIBLE NOTES AND RIGHTS IN RESPECT OF THEM). PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT THEIR LICENSED SECURITIES DEALERS OR REGISTERED INSTITUTIONS IN SECURITIES, BANK MANAGERS, SOLICITORS, PROFESSIONAL ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS.

For and on behalf of
Zhongtai Financial International Limited
Gao Feng
Director

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

Hong Kong, 29 November 2018

As at the date of this joint 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.

As at the date of this joint announcement, the directors of the New Offeror are Mr. Li Wei, Mr. Gao Feng and Mr. Yuan Xicun.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the New Offeror and any of its Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the New Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

All directors of the New Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement to the extent it relates to the New Offeror and its Concert Parties, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the New Offeror have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

** For identification purpose only*