

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

QUALI-SMART HOLDINGS LIMITED
滙達富控股有限公司*

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

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available, the Group is expected to record a decrease in its net profit for the six months ending 30 September 2014 as compared to the net profit of approximately HK\$22.6 million for the period ended 30 September 2013 mainly as a result of (i) an increase in warehouse rental expenses leading to a decrease in gross profit; (ii) an expected decrease in net gain on derivative financial instruments arising from Renminbi forward contracts under the prevailing exchange rate; (iii) a decrease in moulding income; (iv) additional finance costs and depreciation charge for the property newly acquired last year; and (v) an increase in staff costs, especially arising from the equity settled share-based payment expenses related to the grant of share options. The Board also expects the net profit for the full year ending 31 March 2015 would also likely decrease in view of the expected decrease in net profit for the six months ended 30 September 2014, as traditionally the majority of the orders in the toy manufacturing industry are placed and delivered during the second and third quarters of the Company's financial year.

The information contained in this profit warning announcement is based on the preliminary assessment by the management of the Company on the latest information currently available to it and is not based on any figures or information which have been reviewed or audited by the Company's auditors.

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

This announcement is made by Quali-Smart Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available, the Group is expected to record a decrease in its net profit for the six months ending 30 September 2014 as compared to the net profit of approximately HK\$22.6 million for the period ended 30 September 2013. The expected decrease in net profit was mainly attributable to (i) an increase in warehouse rental expenses for bulky finished goods leading to a decrease in gross profit; (ii) an expected decrease in net gain on derivative financial instruments arising from Renminbi forward contracts under the prevailing exchange rate (compared with a net gain of approximately HK\$1.7 million for the six months ended 30 September 2013); (iii) a decrease in moulding income (compared with moulding income of approximately HK\$4.8 million for the six months ended 30 September 2013) ; (iv) additional finance costs and depreciation charge for the property newly acquired last year; and (v) an increase in staff costs, especially arising from the equity settled share-based payment expenses related to the grant of share options. The Board also expects the net profit for the full year ending 31 March 2015 would also likely decrease in view of the expected decrease in net profit for the six months ended 30 September 2014, as traditionally the majority of the orders in the toy manufacturing industry are placed and delivered during the second and third quarters of the Company’s financial year.

The information contained in this profit warning announcement is based on the preliminary assessment by the management of the Company on the latest information currently available to it and is not based on any figures or information which have been reviewed or audited by the Company’s auditors. Details of the interim results of the Group for the six months ending 30 September 2014 are expected to be published before 30 November 2014.

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

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

Hong Kong, 25 September 2014

As at the date of this announcement, the Board consists of three executive Directors: Mr. Lau Ho Ming, Peter (Executive Chairman), Mr. Poon Pak Ki, Eric and Mr. Ng Kam Seng; two non-executive Directors: Ms. Li Man Yee, Stella and Mr. Chu Sheng Yu, Lawrence; and three independent non-executive Directors: Mr. Leung Po Wing, Bowen Joseph GBS, JP, Mr. Chan Siu Wing, Raymond and Mr. Chu, Raymond.

* For identification purpose only