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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Quali-Smart Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Quali-Smart Holdings Limited (the “**Company**”) to be held at Unit 101, First Commercial Building, 33-35 Leighton Road, Causeway Bay, Hong Kong on Wednesday, 28 August 2019 at 10:00 a.m. (the “**AGM**”) is set out on pages 20 to 23 of this circular.

Whether or not you are able to attend and vote at the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at Unit 101, First Commercial Building, 33-35 Leighton Road, Causeway Bay, Hong Kong, on Wednesday, 28 August 2019 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Quali-Smart Holdings Limited (stock code: 1348)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration Shares”	an aggregate of 377,142,857 new Shares which the Company has conditionally agreed to allot and issue to the Offeror as, where appropriate, the designated nominee of ZTI Financial pursuant to the ZTI Agreements, which represents approximately 25.58% of the total issued share capital of the Company as at the Latest Practicable Date
“Deed of Novation I”	the deed of novation dated 29 November 2018 entered into Among the Company, the Original Offeror, Subscriber A, Subscriber B and the Offeror in relation to the Restated Subscription Agreement with effect from 29 November 2018
“Deed of Novation II”	the deed of novation dated 29 November 2018 entered into among the Vendors, the Original Offeror and the Offeror in relation to the Share Purchase Agreement with effect from 29 November 2018
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of the HKSAR
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Subscription Agreement”	the initial subscription agreement dated 23 February 2018 entered into between the Subscribers and the Company in relation to the proposed conditional subscription of certain Shares of the Company, the terms of which have been terminated and superseded by the Restated Subscription Agreement

DEFINITIONS

“Joint Announcement”	the joint announcement issued by the Company and Zhongtai International Investment Group Limited (the “Original Offeror”) dated 12 October 2018
“Latest Practicable Date”	24 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information disclosed herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offeror” or “Zhongtai Financial International”	Zhongtai Financial International Limited (中泰金融國際有限公司), a company incorporated in Hong Kong with limited liability, which owns the entire issued share capital of the Offeror and ZTI Asset Management, and is directly wholly-owned by Zhongtai Securities, as at the date of the Joint Announcement
“Original Offeror”	Zhongtai International Investment Group Limited (中泰國際投資集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Zhongtai Financial International as at the Latest Practicable Date
“PRC”	the People’s Republic of China, which for the purpose of the Joint Announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Offers”	the possible unconditional mandatory cash offers previously proposed to be made for and on behalf of the Original Offeror, particular of which were set out in the Initial Announcement
“Repurchase Mandate”	the general mandate to be granted to the Directors to exercise the power of the Company to repurchase Share up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing resolution no. 8 set out in the notice convening the AGM
“Restated Subscription Agreement”	the amended and restated subscription agreement dated 11 October 2018 entered into between the Original Offeror, Subscriber A, Subscriber B and the Company in relation to the Subscription and where the context so requires, refer to such amended and restated subscription agreement as varied by the Deed of Novation I
“Shangdong SASAC”	the State-owned Assets Supervision and Administration Commission of Shangdong Provincial Government (山東省人民政府國有資產監督管理委員會)

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted by a resolution in writing passed by the Shareholders on 3 January 2013
“Share Purchase Agreement”	the share sale and purchase agreement dated 11 October 2018 and entered into among the Vendors as the sellers and the Original Offeror as the purchaser in relation to the sale and purchase of the Sale Shares and where the context so requires, refer to such share sale and purchase agreement as varied by the Deed of Novation II
“Share Sub-division”	the sub-division of each one (1) issued and unissued share of US\$0.0001 each in the share capital of the Company into four (4) Shares as approved by way of an ordinary resolution in an extraordinary general meeting of the Company held on 12 January 2016
“Shareholders”	holder(s) of Shares
“Shares”	the ordinary shares of US\$0.000025 each in the capital of the Company
“Smart Investor”	Smart Investor Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to Approximately 67.4% and 32.6% by Mr Lau and Madam Li respectively as at the Latest Practicable Date, and one of the Vendors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Taifu Capital Investments Limited (泰富資本投資有限公司), a company incorporated in the British Virgin Islands with limited liability
“Subscriber B”	Great Boom Group Limited (旺佳集團有限公司), a company incorporated in the British Virgin Islands with limited liability
“Subscribers”	the Offeror, Subscriber A and Subscriber B
“Subscription”	the proposed subscription of the Subscription Shares by the Subscribers pursuant to the Restated Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 23 February 2018 entered into between the Subscribers and the Company in relation to the proposed conditional subscription of the Subscription Shares
“Subscription Price”	the subscription price of HK\$0.35 per Share

DEFINITIONS

“Subscription Shares”	an aggregate of 415,908,000 new Shares which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue pursuant to the Restated Subscription Agreement, which represents approximately 28.21% of the total issued share capital of the Company as at the Latest Practicable Date
“Supplemental ZTI Asset Management Agreements”	the supplemental agreements dated 11 October 2018 and 29 November 2018 entered into between the Company and Zhongtai Financial International in relation to the amendment of the terms of the ZTI Asset Management Agreement
“Supplemental ZTI Capital Agreements”	the supplemental agreements dated 11 October 2018 and 29 November 2018 entered into between the Company and ZTI Financial in respect of the amendment of the terms of the ZTI Capital Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendors”	Smart Investor, Mr Lau and Madam Li
“ZTI Acquisitions”	the ZTI Asset Management Acquisition and the ZTI Capital Acquisition
“ZTI Agreements”	the ZTI Asset Management Agreement and the ZTI Capital Agreement
“ZTI Asset Management”	Zhongtai International Asset Management Limited (中泰國際資產管理有限公司), a company incorporated in Hong Kong with limited liability and is licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and is wholly-owned by Zhongtai Financial International as at the date of the Joint Announcement
“ZTI Asset Management Acquisition”	the proposed acquisition of all the issued shares in ZTI Asset Management by the Company from Zhongtai Financial International pursuant to the terms and conditions of the ZTI Asset Management Agreement
“ZTI Asset Management Agreement”	the conditional sale and purchase agreement dated 23 February 2018 entered into between the Company and ZTI Financial International in respect of the ZTI Asset Management Acquisition as amended by the Supplemental ZTI Asset Management Agreements

DEFINITIONS

“ZTI Capital”	Zhongtai International Capital Limited (中泰國際融資有限公司), a company incorporated in Hong Kong with limited liability and a licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and is wholly-owned by ZTI Financial as at the Latest Practicable Date
“ZTI Capital Acquisition”	the proposed acquisition of all the issued shares in ZTI Capital by the Company from Zhongtai Financial International pursuant to the terms and conditions of the ZTI Capital Agreement
“ZTI Capital Agreement”	the conditional sale and purchase agreement dated 23 February 2018 entered into between the Company and ZTI Financial in respect of the ZTI Capital Acquisition as amended by the Supplemental ZTI Capital Agreements
“ZTI Cayman”	Zhongtai International Financial Company Limited (中泰金融國際有限公司), a company incorporated in the Cayman Islands with limited liability, which is held as to approximately 97.15% by ZTI Overseas and approximately 2.85% by Subscriber B as at the Latest Practicable Date
“ZTI Financial”	Zhongtai International Financial Corporation (中泰國際金融有限公司), a company incorporated in the British Virgin Islands with limited liability, which is directly wholly-owned by ZTI Cayman and owns the entire issued share capital of ZTI Capital as at the Latest Practicable Date
“Zhongtai Securities”	中泰證券股份有限公司 (Zhongtai Securities Co., Ltd#), a company incorporated in the PRC with limited liability, which was held as to approximately 69.04% in aggregate by six state-owned enterprises and approximately 30.96% in aggregate by 34 minority corporate shareholders, particulars of which are set out in the section headed “Information on the Subscribers” of the Joint Announcement

“%” per cent

* *For identification purpose only*

The English transliteration of the Chinese name(s) in this circular, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).

LETTER FROM THE BOARD

QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1348)

Executive Directors:

Mr. Lau Ho Ming, Peter (*Executive Chairman*)
Mr. Poon Pak Ki, Eric
Mr. Ng Kam Seng
Mr. Chu, Raymond

Non-Executive Director:

Madam Li Man Yee, Stella

Independent Non-Executive Directors:

Mr. Leung Po Wing, Bowen Joseph *GBS, JP*
Mr. Chan Siu Wing, Raymond
Mr. Wong Wah On, Edward

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Workshop C on 19/F
TML Tower
3 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

29 July 2019

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to (a) grant to the Directors general mandates to issue and repurchase Shares of the Company and (b) re-elect the retiring Directors.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES

By ordinary resolutions of the Shareholders passed at the last annual general meeting on 24 August 2018, general unconditional mandates were given to the Directors to:

- (i) allot, issue and deal with additional Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing the relevant resolution;
- (ii) exercise all the powers of the Company to repurchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue at the date of passing the relevant resolution; and
- (iii) extend the general mandate as mentioned in sub-paragraph (i) above by the additional amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the general mandate as mentioned in sub-paragraph (ii) above.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval to renew these general mandates by way of ordinary resolutions at the AGM.

The relevant resolutions are set out as resolutions nos. 7 to 9 in the notice of the AGM. The general mandates, if refreshed at the AGM, will be valid up to: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (c) the revocation or variation of these resolutions by an ordinary resolution of the Shareholders at a general meeting, whichever occurs first.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,474,232,000 Shares of US\$0.000025 each.

Subject to the passing of resolution no. 7 in relation to the general mandate to issue additional Shares and on the assumption that no further Shares will be issued or repurchased by the Company prior to the AGM, the Company will be allowed under the general mandate to issue a maximum of 294,846,400 Shares, representing 20% of issued share capital of the Company as at the Latest Practicable Date.

EXPLANATORY STATEMENT

The explanatory statement, required by the Listing Rules to be sent to Shareholders in connection with the Repurchase Mandate, is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association, the Directors retiring by rotation at the AGM are Mr. Ng Kam Seng, Madam Li Man Yee, Stella, and Mr. Leung Po Wing, Bowen Joseph, who, being eligible, offer themselves for re-election.

Save for the information set out in this circular and as far as the Board is aware, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in connection with their appointment.

The biographical information of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

The nomination committee of the Company and the Board have reviewed the annual written confirmation of independence of Mr. Leung Po Wing, Bowen Joseph *GBS, JP* (“Mr. Leung”) and assessed his independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules. He does not have any other relationships with any Directors, senior management of the Company or substantial or controlling Shareholders. The nomination committee of the Company and the Board are also not aware of any circumstance that might influence Mr. Leung in exercising his independent judgment and are satisfied that he has the required character, integrity, qualification and experience to fulfill the role of an independent non-executive director. On this basis, Mr. Leung is considered independent.

Mr. Leung has served the government of Hong Kong for 32 years until his retirement as the director of the Office of the Government of the Hong Kong Special Administrative Region in Beijing (“Beijing Office”) in November 2005. Mr. Leung also has extensive experience in corporate leadership and public administration.. The Board believes that the skills and experience that he possesses from a different background will be beneficial to the Board and the Company and his knowledge in corporate leadership and public administration will continue to contribute to the Board and the Company going forward.

Based on the information available to the Company, Mr. Leung is currently acting as an independent non-executive director of each of Paliburg Holdings Limited (stock code: 617) and North Asia Resources Holdings Limited (stock code: 61), On 28 October 2016, Mr. Leung has also been appointed as the independent non-executive director of Regal Real Estate Investment Trust (stock code: 1881). All these companies are listed on the Main Board of the Stock Exchange. The Board is of the view that Mr. Leung will be able to devote sufficient time to the Board in future as illustrated by his good track record in attending the Company’s meetings and on the basis that the other directorship being held by Mr. Leung is of independent non-executive nature.

The nomination committee of the Company nominated Mr. Leung to the Board for it to propose to the Shareholders for re-election at the AGM. Accordingly, the Board proposed that Mr. Leung stands for re-election as independent non-executive Director at the AGM.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 20 to 23 of this circular.

A form of proxy for the AGM is enclosed. Whether or not you are able to attend and vote at the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

None of the Shareholders is required to abstain from voting at the AGM, pursuant to the Listing Rules and/or the Bye-laws.

VOTING BY POLL

All the resolutions set out in the notice of the AGM would be decided by poll in accordance with the Listing Rules. The chairman of the AGM would explain the detailed procedures for conducting a poll at the commencement of the AGM.

The poll results will be published on both the Company's website at www.quali-smart.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the conclusion of the AGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 23 August 2019 to Wednesday, 28 August 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 22 August 2019. Shareholders whose names appear on the Company's register of members on Wednesday, 28 August 2019 will be eligible to attend and vote at the AGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the opinion that the proposals referred to above are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of
Quali-Smart Holdings Limited
Lau Ho Ming, Peter
Executive Chairman

This explanatory statement contains all the information required pursuant to the Listing Rules to be given to Shareholders to enable them to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

1. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,474,232,000 Shares of US\$0.000025 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the assumption that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 147,423,200 Shares, representing 10% of issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands.

If the Repurchase Mandate is exercised in full, there might be a material adverse effect on the working capital or gearing position of the Group as compared with the position disclosed in the audited consolidated financial statements for the year ended 31 March 2019. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, under the circumstances, have a material adverse effect on the working capital requirements or gearing levels of the Group which in the opinion of the Directors are from time to time appropriate for the Group unless the Directors determine that such repurchases are, taking into account of all relevant factors, in the best interests of the Company and its Shareholders.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

5. CONNECTED PERSONS AND ASSOCIATES

As at the Latest Practicable Date, none of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their associates has a present intention to sell Shares to the Company under the Repurchase Mandate if the Repurchase Mandate is approved by Shareholders.

As at the Latest Practicable Date, no connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by Shareholders.

6. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares in the six months immediately preceding the Latest Practicable Date.

7. SHARE PRICES

The highest and lowest prices at which Shares have been traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

Year	Month	Lowest Traded Price (HK\$)	Highest Traded Price (HK\$)
2018	July	0.59	0.50
	August	0.65	0.53
	September	0.60	0.55
	October	0.66	0.52
	November	0.62	0.55
	December	0.65	0.52
2019	January	0.69	0.62
	February	0.66	0.62
	March	0.64	0.61
	April	0.50	0.63
	May	0.41	0.56
	June	0.50	0.57
	July (up to Latest Practicable Date)	0.50	0.55

8. EFFECT OF TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase in shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company as required under Section 336 of the Securities Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and so far as the Directors are aware, the substantial Shareholders are as follows:

Name	Number of Shares held	Percentage of shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Smart Investor Holdings Limited	482,864,000 <i>(Note 2)</i>	32.75%	36.39%
Mr. Lau Ho Ming, Peter	9,600,000	0.65%	0.72%
Madam Li Man Yee, Stella	9,600,000	0.65%	0.72%
Silver Pointer Limited	106,880,000 <i>(Note 3)</i>	7.25%	8.06%
Benefit Global Limited	282,051,281 <i>(Note 4)</i>	19.13%	21.26%
Clearfield Global Limited	282,051,281 <i>(Note 4)</i>	19.13%	21.26%
BlackPine Private Equity Partners G.P. Limited	282,051,281 <i>(Note 4)</i>	19.13%	21.26%
Chu Sheng Yu, Lawrence	282,051,281 <i>(Note 4)</i>	19.13%	21.26%
	672,000 <i>(Note 5)</i>	0.05%	0.06%

Name	Number of Shares held	Percentage of shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Zhongtai Financial International Limited (中泰金融國際有限公司) (Offeror)	1,192,878,857 (Notes 10 and 11)	80.92%	89.91%
Zhongtai Securities Co., Ltd.# (中泰證券股份有限公司)	1,192,878,857 (Notes 10 and 11)	80.92%	89.91%
Laiwu Steel Group Ltd.# (萊蕪鋼鐵集團有限公司)	1,192,878,857 (Notes 10 and 11)	80.92%	89.91%
Shandong Iron & Steel Group Co., Ltd.# (山東鋼鐵集團有限公司)	1,192,878,857 (Notes 10 and 11)	80.92%	89.91%
Shangdong SASAC	1,192,878,857 (Notes 10 and 11)	80.92%	89.91%
Great Boom Group Limited (旺佳集團有限公司) (Subscriber B)	68,300,000 (Notes 6 and 7)	4.63%	5.15%
Yu Yusheng	68,300,000 (Notes 6 and 7)	4.63%	5.15%
Li Ping	68,300,000 (Notes, 6 and 7)	4.63%	5.15%
Taifu Capital Investments Limited (泰富資本有限公司) (Subscriber A)	33,936,000 (Notes 8 and 9)	2.30%	2.56%
Gao Feng	33,936,000 (Notes 8 and 9)	2.30%	2.56%
Dong Xiao Chun	33,936,000 (Notes 8 and 9)	2.30%	2.56%

Notes:

1. Total number of 1,474,232,000 Shares in issue as at the Latest Practicable Date has been used for the calculation for the approximate percentage.
2. These Shares are registered in the name of Smart Investor, a company owned as to approximately 67.4% by Mr Lau and approximately 32.6% by Madam Li.
3. These Shares are registered in the name of Silver Pointer Limited.
4. 282,051,281 Shares are the underlying Shares representing the total number of conversion Shares convertible under the Convertible Notes issued by the Company to Benefit Global, a company wholly owned by Clearfield Global Limited, which is in turn wholly owned by BlackPine Private Equity Partners G.P. Limited and ultimately wholly owned by Mr Chu Sheng Yu, Lawrence.
5. 672,000 Shares are registered in the name of Mr Chu Sheng Yu, Lawrence in his personal capacity.
6. Subscriber B, a company being directly controlled as to 90% by Mr Yu Yusheng, became interested in 68,300,000 underlying Shares pursuant to the Restated Subscription Agreement. As Mr. Yu Yusheng controls more than one-third of the voting power of Subscriber B, by virtue of the provisions in Part XV of the SFO, Mr. Yu Yusheng is deemed to be interested in all the underlying Shares which Subscriber B is interested in.
7. Madam Li Ping is the spouse of Mr Yu Yusheng. By virtue of the provisions of Part XV of the SFO, Madam Li Ping is deemed to be interested in all the underlying Shares in which Mr Yu Yusheng is interested or deemed to be interested.
8. Subscriber A, a company being directly controlled as to 47.1% by Mr Gao Feng, became interested in 33,936,000 underlying Shares of the Company pursuant to the Restated Subscription Agreement. As Mr Gao Feng controls more than one-third of the voting power of Subscriber A, by virtue of the provisions in Part XV of the SFO, Mr Gao Feng is deemed to be interested in all the underlying Shares which Subscriber A is interested in.
9. Madam Dong Xiao Chun is the spouse of Mr Gao Feng. By virtue of the provisions of Part XV of the SFO, Madam Dong Xiao Chun is deemed to be interested in all the underlying Shares in which Mr. Gao Feng is interested or deemed to be interested.

10. On 11 October 2018, the Company, the Original Offeror, Subscriber A and Subscriber B entered into the Restated Subscription Agreement to amend and restate the Initial Subscription Agreement. Pursuant to the Restated Subscription Agreement, (i) the Initial Subscription Agreement has been terminated and superseded; (ii) the Company conditionally agreed to allot and issue, and the Original Offeror, Subscriber A and Subscriber B conditionally agreed to subscribe for, an aggregate of 415,908,000 Shares, free from all Encumbrances and together with all rights and benefits attaching to them at Completion and thereafter, for an aggregate consideration of HK\$145,567,800 at the Subscription Price of HK\$0.35 per Share. Pursuant to the Deed of Novation I, the Original Offeror assigned and novated, and the Offeror agreed to assume and perform, all the rights and obligations of the Original Offeror under the Restated Subscription Agreement with effect from 29 November 2018. Under the Restated Subscription Agreement, (i) the Offeror will subscribe for 313,672,000 Shares for a consideration of HK\$109,785,200; (ii) Subscriber A will subscribe for 33,936,000 Shares for a consideration of HK\$11,877,600; and (iii) Subscriber B will subscribe for 68,300,000 Shares for a consideration of HK\$23,905,000. Pursuant to the Share Purchase Agreement and Deed of Novation II, the Offeror conditionally agreed to purchase from the Vendors 502,064,000 Shares at the consideration of HK\$356,465,440 (equivalent to HK\$0.71 per Share). Pursuant to the ZTI Agreements, the consideration for the ZTI Acquisitions, being an aggregate of HK\$132,000,000, shall be satisfied by allotment and issue by the Company to the Offeror 377,142,857 Consideration Shares, at the Issue Price of approximately HK\$0.35 per Consideration Share. As at Latest Practicable Date, no share has been issued for the respective agreements and is subject to completion of the respective agreements. Completion of the respective agreements is subject to the satisfaction of various conditions precedent as set out in the Joint Announcement. As at the Latest Practicable Date, such conditions precedent have not yet been satisfied in full and completion of the respective agreements has not yet taken place.
11. The Offeror became interested in 1,192,878,857 underlying Shares pursuant to the Restated Subscription Agreement and Deed of Novation I, the Share Purchase Agreement, the Deed of Novation II and the ZTI Agreements. The Offeror is wholly controlled by Zhongtai Securities. Zhongtai Securities is in turn controlled as to approximately 45.91% by Laiwu Steel which is further controlled as to 80% by Shandong Iron & Steel which is further controlled as to 70% by Shandong SASAC. As Laiwu Steel controls more than one-third of the voting power of Zhongtai Securities and Shandong Iron & Steel controls more than one-third of the voting power of Laiwu Steel and Shandong SASAC controls more than one-third of the voting power of Shandong Iron & Steel, by virtue of the provisions in Part XV of the SFO, Laiwu Steel, Shandong Iron & Steel and Shandong SASAC are deemed to be interested in all the underlying Shares which Zhongtai Securities is interested in. As at Latest Practicable Date, no share has been issued for the respective agreements and is subject to completion of the respective agreements. Completion of the respective agreements is subject to the satisfaction of various conditions precedent as set out in the Joint Announcement. As at the Latest Practicable Date, such conditions precedent have not yet been satisfied in full and completion of the respective agreements has not yet taken place.

[#] *The English transliteration of the Chinese name(s) in this circular, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

On the basis of 1,474,232,000 Shares in issue as at the Latest Practicable Date and assuming there is no further issue or repurchase of Shares during the period from the Latest Practicable Date up to and including the date of the AGM, the percentage shareholding of Smart Investor would increase from approximately 32.8% to approximately 36.4% of the issued share capital of the Company if the Repurchase Mandate was exercised in full. Accordingly, Smart Investor, together with Mr. Lau Ho Ming, Peter and Madam Li Man Yee, Stella, who are parties acting in concert with Smart Investor, will be required under the Takeovers Code to make an offer for all the issued securities of the Company pursuant to such increase. However, the Directors have no present intention to exercise the Repurchase mandate to such extent so as to result in triggering takeover obligation or the public holding of Shares would be reduced below 25% of the issued share capital of the Company.

Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Mr. Ng Kam Seng, aged 38, was appointed as an executive Director on 3 January 2013 and he is a member of the Corporate Governance Committee of the Board. He is responsible for the corporate development and lean production strategy in the Group. Since he joined the Group in January 2010, Mr. Ng has been responsible for formulating and implementing the Group development strategies in conjunction with other senior management. In particular, he is the primary responsible person in working with the largest customer of the Group on lean and future development strategies, methods and production control techniques to ensure the production costs of the toys staying competitive. He is also leading a technical team of industrial engineers and manufacturing engineers to monitor and design the manufacturing methods for the production team to execute.

Mr. Ng obtained his Bachelor's Degree of Engineering in Industrial Management and Manufacturing Systems Engineering with first class honours from the University of Hong Kong in December 2003 and a Master's Degree of Philosophy from the University of Hong Kong in December 2006. Mr. Ng is pursuing his study in a Doctoral Degree of Philosophy in Engineering Science.

A service agreement in respect of Mr. Ng's directorship was entered into with an initial period term of 3 years subject to renewal and retirement by rotation at least once every three years, pursuant to the Articles of Association. He is entitled to a monthly salary of HK\$102,750. He is also entitled to participate in the Group's pension scheme and discretionary bonus. His remuneration is determined with reference to his duties and responsibilities with the Company and the prevailing comparable compensations in the market.

At the Latest Practicable Date, Mr. Ng was personally interested in 3,200,000 Shares and 12,900,000 underlying shares of the Company in respect of the Shares exercisable under the Share Option Scheme, representing an 1.8% and 0.9% of the total issued share capital of the Company.

Except as otherwise disclosed herein, Mr. Ng has not held any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company or any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Madam Li Man Yee, Stella, aged 57, was appointed as a Director on 23 March 2012. Her role as a non-executive Director took effect on 3 January 2013. She is one of the co-founders of the Group and also a director of some of the principle subsidiaries of the Company.

Madam Li has experience of around 20 years in toy business. She co-founded with Mr. Lau Ho Ming, Peter, the Executive Chairman, Qualiman Industrial Co. Limited, a subsidiary of the Company, in 1996. Madam Li is the wife of Mr. Lau. She obtained her Bachelor's Degree of Arts in Economics from York University in Toronto, Canada in November 1989.

A letter of appointment in respect of Madam Li's directorship was entered into for a fixed term of service of 1 year subject to renewal and retirement by rotation at least once every three years, pursuant to the Articles of Association. She is entitled to a fee of HK\$240,000 per annum which is determined with reference to her duties and responsibilities with the Company and the prevailing comparable compensations in the market.

At the Latest Practicable Date, Madam Li was interested in 9,600,000 Shares, 9,600,000 Shares and deemed of to be interested in 482,864,000 Shares, representing 6.5%, 6.5% and 32.8% of the total issued share capital of the Company, respectively, through her personal capacity, her spouse, Mr. Lau Ho Ming, Peter, who is the executive chairman of the Company and the controlling shareholder of Smart Investor Holdings Limited, respectively. Madam Li was further interested in 1,400,000 and 4,000,000 underlying Shares of the Company in respect of the Shares exercisable under the Share Option Scheme through her personal capacity and her spouse, Mr. Lau Ho Ming, Peter, respectively.

Except as otherwise disclosed herein, Madam Li has not held any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company or any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Leung Po Wing, Bowen Joseph GBS, JP aged 69, was appointed as an independent non-executive Director on 3 January 2013. Mr. Leung is the chairman for each of the Nomination Committee and the Remuneration Committee as well as a member of the Audit Committee of the Board respectively.

Mr. Leung has served the government of Hong Kong for 32 years until his retirement as the director of the Office of the Government of the Hong Kong Special Administrative Region in Beijing (“Beijing Office”) in November 2005. Mr. Leung joined the Administrative Service in June 1973 and rose to the rank of Administrative Officer Staff Grade A1 in June 1996. During his service in the Administrative Service, Mr. Leung had served in various policy bureaux and departments. Senior positions held by Mr. Leung included Deputy Secretary for District Administration (later retitled as Deputy Secretary for Home Affairs) from April 1987 to September 1990, Deputy Secretary for Planning, Environment and Lands from September 1990 to December 1992, Private Secretary, Government House from December 1992 to March 1995, Secretary for Planning, Environment and Lands from May 1995 to November 1998 and director of the Beijing Office from November 1998 to November 2005. Mr. Leung has extensive experience in corporate leadership and public administration. During his tenure as the director of the Beijing Office, he had made commendable efforts in promoting Hong Kong in the mainland China, as well as fostering closer links and co-operation between Hong Kong and the mainland China.

Mr. Leung obtained a Bachelor’s Degree of Social Science from the University of Hong Kong in 1971. Mr. Leung is currently an independent non-executive director of each of Paliburg Holdings Limited (stock code: 617) and Green Leader Holdings Group Limited (formerly known as North Asia Resources Holdings Limited) (stock code: 61). On 28 October 2016, Mr. Leung has also been appointed as the independent non-executive director of Regal Real Estate Investment Trust (stock code: 1881). All these companies are listed on the Stock Exchange.

A letter of appointment in respect of Mr. Leung’s directorship was entered into for a fixed term of service of 1 year subject to renewal and retirement by rotation at least once every three years, pursuant to the Articles of Association. He is entitled to a fee of HK\$210,000 per annum which is determined with reference to his duties and responsibilities with the Company and the prevailing comparable compensations in the market.

At the Latest Practicable Date, Mr. Leung was not interested in the Shares of the Company and was interested in 2,800,000 underlying shares of the Company in respect of the Shares exercisable under the Share Option Scheme, representing 0% and 0.2% of the total issued share capital of the Company Shares.

Except as otherwise disclosed herein, Mr. Leung has not held any other directorships in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationships with any Directors, senior management, substantial shareholders or controlling shareholders of the Company or any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

NOTICE OF ANNUAL GENERAL MEETING

QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1348)

NOTICE IS HEREBY GIVEN that the annual general meeting of Quali-Smart Holdings Limited (the “Company”) will be held at Unit 101, First Commercial Building, 33-35 Leighton Road, Causeway Bay, Hong Kong, on Wednesday, 28 August 2019 at 10:00 a.m. for the following purposes:

1. To consider and adopt the audited consolidated financial statements and the reports of the Directors and the Independent Auditor for the year ended 31 March 2019;
2. To re-elect Mr. Ng Kam Seng as an executive Director;
3. To re-elect Madam Li Man Yee, Stella as a non-executive Director;
4. To re-elect Mr. Leung Po Wing, Bowen Joseph *GBS, JP* as an independent non-executive Director;
5. To authorize the Directors to fix their remuneration;
6. To re-appoint BDO Limited as the Auditor and to authorize the Directors to fix its remuneration;
7. To consider and, if thought fit, pass with or without amendments the following ordinary resolution:

“THAT:

- (A) subject to paragraph (C) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (C) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of share options granted under the share option scheme of the Company adopted on 3 January 2013, and (iii) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or part of any dividend on shares in the capital of the Company pursuant to the articles of association of the Company from time to time, shall not exceed the sum of 20% of the aggregate nominal value of the share capital of the Company in issue at the date of passing this resolution and the approval in paragraph (A) shall be limited accordingly;
- (D) the approval in paragraph (A) above shall be additional to the authority given to the Directors at any time to allot and issue additional Shares; and
- (E) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company at a general meeting.

“**Rights Issue**” means an offer of shares or an offer or issue of warrants or options to subscribe for shares open for a period fixed by the Directors to the shareholders of the Company whose name appear on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong or the expense or delay that may be incurred in the determination of any such restrictions or obligations).”

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass with or without amendments the following ordinary resolution:

“THAT:

- (A) subject to paragraph (C) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited for this purpose, subject to and in accordance with all applicable laws, rules and regulations of the Stock Exchange of Hong Kong Limited or any other stock exchange, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) above shall authorise the Directors to procure the Company to repurchase the shares in the Company at such prices as the Directors may at their discretion determine;
- (C) the aggregate nominal amount of the shares in the Company to be repurchased by the Company pursuant to the approval in paragraph (A) above during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue at the date of passing this resolution and the approval in paragraph (A) above shall be limited accordingly; and
- (D) for the purposes of this resolution, “Relevant Period” means the period from the date of passing of this resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company at a general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass with or without amendments the following resolution:

“**THAT**, conditional upon the passing of resolution no. 7 and 8 the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares in the capital of the Company under resolution no. 7 be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 8.”

By order of the Board
Quali-Smart Holdings Limited
Tang Yuen Ching Irene
Company Secretary

Hong Kong, 29 July 2019

As at the date of this notice, 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.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy needs not be a member of the Company.
2. The form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof shall be delivered to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be).
3. Where there are joint holders, any one of such joint holders may vote, either in person or by proxy, at the Meeting in respect of the share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
4. Delivery of the form of proxy shall not preclude a member from attending and voting in person at the Meeting and in such event, the form of proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed for the purposes of determining the eligibility to attend the Meeting as follows:

For determining eligibility to attend and vote at the Meeting:

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 22 August 2019
Closure of register of members	Friday, 23 August 2019 to Wednesday, 28 August 2019 (both dates inclusive)
Record date	Wednesday, 28 August 2019

From 23 August 2019 to 28 August 2019, both days inclusive, during the above closure periods, no transfer of shares will be effected. In order to ascertain the right to be eligible to attend the Meeting, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 22 August 2019 the aforementioned latest time.

6. A circular containing important information concerning the resolutions, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, will be dispatched to shareholders of the Company.