

### Monthly Return of Equity Issuer on Movements in Securities

## For the month ended (dd/mm/yyyy): 31/12/2016

To : Hong Kong Exchanges and Clearing Limited

| Name of Issuer | Quali-Smart Holdings Limited |
|----------------|------------------------------|
| Date Submitted | 04/01/2017                   |

I. Movements in Authorised Share Capital

| 1. Ordinary Shares  |                        |                                  |   |  |  |  |  |  |  |
|---|------------------------|----------------------------------|---|--|--|--|--|--|--|
| (1) Stock code : <u>1348</u> Description : <u>Ordinary shares</u> |                        |                                  |   |  |  |  |  |  |  |
|   | No. of ordinary shares | Par value<br>(USD)               | Authorised share<br>capital<br>(USD)            |  |  |  |  |  |  |
| Balance at close of preceding month                               | 2,000,000,000          | 0.000025                         | 50,000  |  |  |  |  |  |  |
| Increase/(decrease)   | Nil                    |                                  | Nil   |  |  |  |  |  |  |
| Balance at close of the month                                     | 2,000,000,000          | 0.000025                         | 50,000  |  |  |  |  |  |  |
| (2) Stock code : <u>N/A</u> Descrip                               | ption : <u>N/A</u>     |                                  |   |  |  |  |  |  |  |
|   | No. of ordinary shares | Par value<br>(State<br>currency) | Authorised share<br>capital<br>(State currency) |  |  |  |  |  |  |
| Balance at close of preceding month                               |                        |                                  |   |  |  |  |  |  |  |
| Increase/(decrease)   |                        |                                  |   |  |  |  |  |  |  |
| Balance at close of the month                                     |                        |                                  |   |  |  |  |  |  |  |

# 2. Preference Shares

| Stock code : <u>N/A</u>       | Description : <u>N/A</u> |                                  |   |
|-------------------------------|--------------------------|----------------------------------|---|
|                               | No. of preference shares | Par value<br>(State<br>currency) | Authorised share<br>capital<br>(State currency) |
| Balance at close of preceding | month                    |                                  |   |
| Increase/(decrease)           |                          |                                  |   |
| Balance at close of the month |                          |                                  |   |

### 3. Other Classes of Shares

| Stock code : <u>N/A</u> Desc        | ription : <u>N/A</u>           |                                  |   |
|-------------------------------------|--------------------------------|----------------------------------|---|
|                                     | No. of other classes of shares | Par value<br>(State<br>currency) | Authorised share<br>capital<br>(State currency) |
| Balance at close of preceding month |                                |                                  |   |
| Increase/(decrease)                 |                                |                                  |   |
| Balance at close of the month       |                                |                                  |   |

Total authorised share capital at the end of the month (USD) : 50,000

## II. Movements in Issued Share Capital

|  | No. of ordin  | ary shares | No of preference | No. of other classes |  |  |
|--|---------------|------------|------------------|----------------------|--|--|
|  | (1)           | (2)        | shares           | of shares            |  |  |
| Balance at close of preceding month      | 1,451,928,000 | N/A        | N/A              | N/A                  |  |  |
| Increase/ (decrease)<br>during the month |               | N/A        | N/A              | N/A                  |  |  |
| Balance at close of the month            | 1,451,928,000 | N/A        | N/A              | N/A                  |  |  |

III. Details of Movements in Issued Share Capital

| Share Options (under               | Share Option   | Schemes of the  | Issuer)        |              |   |  |
|------------------------------------|----------------|-----------------|----------------|--------------|---|--|
| Particulars of share option scheme |                |                 |                |              | No. of new shares of issuer issued during | No. of new shares of issuer which may be |
| including EGM                      |                |                 |                |              | the month pursuant                        | issued pursuant thereto                  |
| approval date                      |                |                 |                |              | thereto                                   | as at close of the month                 |
| (dd/mm/yyyy) and -                 |                | Movement duri   | ng the month   |              | -   | as at close of the month                 |
| class of shares                    |                |                 |                |              |   |  |
| issuable                           | Granted        | Exercised       | Cancelled      | Lapsed       |   |  |
| 1. Share                           |                |                 |                | <b>_</b>     |   |  |
| option scheme                      |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
| (03/01/2013)                       |                |                 |                |              |   |  |
| Ordinary shares                    | Nil            | Nil             | Nil            | Nil          | Nil                                       | 180,159,600                              |
| (Note 1)                           | 1 (11          |                 |                |              |   | 100,109,000                              |
| (1000 1)                           |                |                 |                |              |   |  |
| 2. N/A                             |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
| shares                             |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
| (Note 1)                           |                |                 |                |              |   |  |
| 2 31/4                             |                |                 |                |              |   |  |
| <u>3.</u> N/A                      |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
|                                    |                |                 |                |              |   |  |
| ( / / )                            |                |                 |                |              |   |  |
| shares                             |                |                 |                | <u> </u>     |   |  |
| (Note 1)                           |                |                 |                |              |   |  |
|                                    |                | To              | otal A. (Ordin |              |   |  |
|                                    |                |                 |                | nce shares)  |   |  |
|                                    |                |                 | (0             | Other class) | N/A                                       |  |
| Total funds raised dur             | ring the month | from exercise o |                |              |   |  |
| options (State currence            | :y)            |                 | HK\$Nil        |              |   |  |
|                                    |                |                 |                |              |   |  |

|   | of warrants<br>ry - dd/mm/yyyy)                           | nominal | Nominal value<br>close of<br>preceding mon | du      | ercised<br>ring the<br>nonth | Nominal value<br>at close of the<br>month                                   | No. of new<br>shares of<br>issuer issued<br>during the<br>month<br>pursuant<br>thereto | No. of new<br>shares of<br>issuer which<br>may be issued<br>pursuant<br>thereto as at<br>close of the<br>month |
|---|---|---------|--|---------|------------------------------|---|--|--|
| 1. N/A                                    |   |         |  |         |                              |   |  |  |
|   |   |         |  |         |                              |   |  |  |
| Stock of<br>Class of<br>issuabl<br>Subscr | ) code (if listed) f shares e (Note 1) iption price       |         |  |         |                              |   |  |  |
|   | pproval date<br>licable)                                  |         |  |         |                              |   |  |  |
|   | n/yyyy)   | ( / /   | )  |         |                              |   |  |  |
| 2. N/A                                    |   |         |  |         |                              |   |  |  |
| Class of                                  | )<br>code (if listed)<br>of shares<br>e ( <i>Note 1</i> ) |         |  |         |                              |   |  |  |
| Subscr<br>EGM a<br>(if app                | iption price<br>pproval date<br>licable)<br>n/yyyy)       | ( / /   | )  |         |                              |   |  |  |
| 3. N/A                                    |   |         |  |         |                              |   |  |  |
|   |   |         |  |         |                              |   |  |  |
| Class of issuable                         | )<br>code (if listed)<br>of shares<br>e ( <i>Note 1</i> ) |         |  |         |                              |   |  |  |
| EGM a                                     | iption price<br>pproval date<br>licable)                  |         |  |         |                              |   |  |  |
| (dd/mr<br>4. N/A                          | n/yyyy)   | ( / /   | )  |         |                              |   |  |  |
|   |   |         |  |         |                              |   |  |  |
|   | code (if listed)  |         |  |         |                              |   |  |  |
|   | of shares<br>e ( <i>Note 1</i> )                          |         |  |         |                              |   |  |  |
| Subscr                                    | iption price  |         |  |         |                              |   |  |  |
| (if app                                   | pproval date<br>licable)<br>n/yyyy)                       | ( / /   | )  |         |                              |   |  |  |
|   |   |         | Т  | otal B. | (Prefere                     | nce shares) <u>N/A</u><br>nce shares) <u>N/A</u><br>Other class) <u>N/A</u> |  |  |

#### For Main Board and GEM listed issuers

| Class and description  |       | urrency o<br>amount<br>utstandin               |     | of    | ount at close<br>preceding<br>month | Converted<br>during the<br>month | Amount at<br>close of the<br>month | shares of<br>issuer issued<br>during the<br>month<br>pursuant<br>thereto | shares of<br>issuer which<br>may be issued<br>pursuant<br>thereto as at<br>close of the<br>month |
|--|-------|--|-----|-------|-------------------------------------|----------------------------------|------------------------------------|--|--|
| 1. Convertible Notes<br>(due 2017)   |       |  |     |       |                                     |                                  |                                    |  |  |
| (Remark 2)   | <br>H | KD   |     | 58,00 | 00,000                              | Nil                              | 58,000,000                         | Nil  | (Remark 1)<br>56,695,992   |
| Stock code (if listed)<br>Class of shares<br>issuable ( <i>Note 1</i> )<br>Conversion<br>Subscription price<br>EGM approval date<br>(if applicable)<br>(dd/mm/yyyy))<br>2. N/A | KD1   | N/A<br>Drdinary<br>.023 per<br>to adjus<br>N/A | sha |       | -<br>-<br>-                         |                                  |                                    |  |  |
| Stock code (if listed)<br>Class of shares<br>issuable ( <i>Note 1</i> )<br>Subscription price<br>EGM approval date<br>(if applicable)<br>(dd/mm/yyyy)                          | <br>( | / /  | )   |       |                                     |                                  |                                    |  |  |
| 3. N/A   |       |  |     |       |                                     |                                  |                                    |  |  |
| Stock code (if listed)<br>Class of shares<br>issuable ( <i>Note 1</i> )<br>Subscription price<br>EGM approval date   | <br>  |  |     |       |                                     |                                  |                                    |  |  |
| (if applicable)<br>(dd/mm/yyyy)<br>4. N/A  | <br>( | / /  | )   |       | -                                   |                                  |                                    |  |  |
| Stock code (if listed)<br>Class of shares<br>issuable ( <i>Note 1</i> )  | <br>  |  |     |       | <br>-<br>-                          |                                  |                                    |  |  |
| Subscription price<br>EGM approval date<br>(if applicable)<br>(dd/mm/yyyy)   | <br>( | / /  | )   |       |                                     | Total C. (Ordi                   | nary shares)                       | Nil  |  |

|   | No. of new shares of<br>issuer issued during<br>the month pursuant<br>thereto | No. of new shares of<br>issuer which may be<br>issued pursuant thereto |
|---|---|--|
| Full particulars including EGM approval date (dd/mm/yyyy), if applicable, and class of shares issuable: | thereto   | as at close of the month   |
| 1. N/A  |   |  |
|   |   |  |
| ( / / )<br>shares (Note 1)  |   |  |
| 2. N/A  |   |  |
|   |   |  |
| ( / / )   | -   |  |
| shares (Note 1)   |   |  |
| 3. <u>N/A</u>   |   |  |
|   | -   |  |
| ( / / )<br>shares (Note 1)  |   |  |
|   |   |  |
| Total D. (Ordinary shares)  | N/A   |  |
| (Preference shares)<br>(Other class)  | N/A<br>N/A  |  |
| ( • • • • • • • • • • • • • • • • • • •   |   |  |

Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be Listed, including Options (other than under Share Option Schemes)

|    | Type of Issue | Issued Share Capital |  |       |   | No. of new shares<br>of issuer issued<br>during the month<br>pursuant thereto | No. of new<br>shares of<br>issuer which<br>may be<br>issued<br>pursuant<br>thereto as at<br>close of the<br>month |
|----|---------------|----------------------|--|-------|---|---|---|
|    |               |                      | Class of shares issuable ( <i>Note 1</i> )   | N/A   |   |   |   |
| 1. | Rights issue  | At price : State     | Issue and allotment<br>date : (dd/mm/yyyy)   | ( / / | ) |   |   |
|    |               |                      | EGM approval date:<br>(dd/mm/yyyy)           | ( / / | ) | N/A   | N/A   |
|    |               |                      | Class of shares issuable ( <i>Note 1</i> )   | N/A   |   |   |   |
| 2. | Open offer    | At price : State     | Issue and allotment<br>date : (dd/mm/yyyy)   | ( / / | ) |   |   |
|    |               |                      | EGM approval date:<br>(dd/mm/yyyy)           | ( / / | ) | N/A   | N/A   |
|    |               |                      | Class of shares issuable (Note 1)            | N/A   |   |   |   |
| 3. | Placing       | At price : HKD       | _ Issue and allotment<br>date : (dd/mm/yyyy) | ( / / | ) |   |   |
|    |               |                      | AGM approval date:<br>(dd/mm/yyyy)           | ( / / | ) | N/A   | N/A   |
|    |               |                      | Class of shares issuable ( <i>Note 1</i> )   | N/A   |   |   |   |
| 4. | Bonus issue   |                      | Issue and allotment<br>date : (dd/mm/yyyy)   | ( / / | ) |   |   |
|    |               |                      | EGM approval date:<br>(dd/mm/yyyy)           | ( / / | ) | N/A   | N/A   |
|    |               |                      |  |       |   |   |   |

Other Movements in Issued Share Capital

|    | Type of Issue                              |   | For Main E | 3oar | d and GEM listed is<br>No. of new shares<br>of issuer issued<br>during the month<br>pursuant thereto | No. of new shares of |
|----|--|---|------------|------|--|----------------------|
|    |  |   |            |      |  |                      |
|    |  | Class of shares issuable ( <i>Note 1</i> )    | N/A        |      |  |                      |
| 5. | Scrip dividend At price : State currency — | Issue and allotment<br>date : (dd/mm/yyyy)    | ( / /      | )    |  |                      |
|    |  | EGM approval date:<br>(dd/mm/yyyy)            | ( / /      | )    | N/A  | N/A                  |
|    |  | Class of shares repurchased ( <i>Note 1</i> ) | N/A        |      |  |                      |
| 6. | Repurchase of shares                       | Cancellation date :<br>(dd/mm/yyyy)           | ( / /      | )    |  |                      |
|    |  | EGM approval date:<br>(dd/mm/yyyy)            | ( / /      | )    | N/A  | N/A                  |
|    |  | Class of shares redeemed (Note 1)             | N/A        |      |  |                      |
| 7. | Redemption of shares                       | Redemption date :<br>(dd/mm/yyyy)             | ( / /      | )    |  |                      |
|    |  | EGM approval date:<br>(dd/mm/yyyy)            | ( / /      | )    | N/A  | N/A                  |
|    |  | Class of shares issuable (Note 1)             | N/A        |      |  |                      |
| 8. | Consideration issue At price : State       | - Issue and allotment<br>date : (dd/mm/yyyy)  | ( / /      | )    |  |                      |
|    |  | EGM approval date: (//)                       | ( / /      | )    | NT / A   | NT / A               |
|    |  |   |            |      | <u>N/A</u>   | <u>N/A</u>           |

|     |  |                  |   | For Main Boar                                    | d and GEM listed is   | ssuers  |
|-----|--|------------------|---|--|---|---|
|     | Type of Issue                                    |                  |   |  | No. of new shares<br>of issuer issued<br>during the month<br>pursuant thereto | No. of new<br>shares of<br>issuer which<br>may be<br>issued<br>pursuant<br>thereto as at<br>close of the<br>month |
| 9.  | Capital<br>reorganisation<br>(Share subdivision) |                  | Class of shares issuable<br>( <i>Note 1</i> )<br>Issue and allotment<br>date : (dd/mm/yyyy)<br>EGM approval date:<br>(dd/mm/yyyy)   | N/A  | N/A   | N/A   |
| 10. | Other<br>(Please specify)                        | At price : State | Class of shares issuable<br>( <i>Note 1</i> )<br>— Issue and allotment<br>date : (dd/mm/yyyy)<br>EGM approval date:<br>(dd/mm/yyyy) | N/A<br>( / / )<br>( / / )                        | N/A   | N/A   |
|     |  |                  | Total E. (<br>(Pr   | Ordinary share<br>reference share<br>(Other clas | s) N/A  | -   |

| Total increase / (decrease) in ordinary shares during the month (i.e. Total of A to E):                          | (1) | Nil |
|--|-----|-----|
|  | (2) | N/A |
| Total increase / (decrease) in preference shares during the month (i.e. Total of A to E):                        |     | N/A |
| Total increase / (decrease) in other classes of shares during the month (i.e. Total of A to E):                  |     | N/A |
| (These figures should be the same as the relevant figures under II above ("Movements in Issued Share Capital").) |     |     |

Remarks (if any):

 Nowithstanding the restrictions on conversion of the Convertible Notes in accordance with its terms which were issued on 17 December 2014, 14,180,929 ordinary shares will be issued upon the conversion of the Convertible Notes at the conversion price of HK\$4.09 per share according to the terms of the Convertible Notes on the assumption of full conversion of the same. As a result of the Share Sub-divsion as detailed in the circular of the Company dated 23 December 2015, the number of ordinary shares which will be issued upon the conversion of the Convertible Notes were adjusted to 56,695,992 at the adjusted conversion price of HK\$1.023 per ordinary share according to the terms of the Convertible Notes.

2. On 9 December 2016, the board of directors of the Company resolved to extend the maturity date of the convertible notes by one year, from 17 December 2016 to 17 December 2017 or if that is not a business day, the first business day thereafter and the Company has served prior written notice to all noteholders of the convertible notes pursuant to the terms of the convertible notes to effect such extension. No other terms and conditions of the convertible notes have been amended.

Submitted by: Ng Kam Seng

Title: Executive Director (Director, Secretary or other duly authorised officer)

Notes :

1. State the class of shares (e.g. ordinary, preference or other).

2. If there is insufficient space, please append the prescribed continuation sheet.