

*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 consolidated net loss of the Group for the year ended 31 March 2016 is expected to increase substantially as compared to the corresponding period ended 31 March 2015.

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. The Board expects that the announcement of the annual results of the Group for the year ended 31 March 2016 will be published in June 2016 in compliance with the requirements under the Listing Rules.

**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 consolidated net loss of the Group for the year ended 31 March 2016 (the “**Current Period**”) is expected to increase substantially as compared to the corresponding period ended 31 March 2015 (the “**Previous Period**”) due to the following reasons:

- (1) the Group is expected to record an increase in consolidated net loss of about HK\$10.0 million for the Current Period arising from (i) consolidating the results of Pulse MediaTech Limited and its subsidiaries (the “**PMT Group**”), the information technology

division of the Group, as compared with the Previous Period; and (ii) an increase in amortisation of intangible assets arising from the PMT Group for the Current Period as compared with the Previous Period. These items impacted the financial performance of the Group for the entire year in the Current Period, as opposed to an impact of only about three and a half months in the Previous Period;

- (2) the Company completed the acquisition of Crosby Securities Limited and Crosby Asset Management (Hong Kong) Limited (together, the “**Crosby Group**”) in November 2015 and started consolidating their results since the date of completion. Based on currently available information, the Group is expected to record additional consolidated net loss of about HK\$13.0 million for the year ended 31 March 2016 arising from consolidating the results of the Crosby Group since the completion of its acquisition by the Company;
- (3) the Group is also expected to record (i) an increase in finance costs of about HK\$4.3 million arising from the convertible notes and promissory notes issued for the acquisition of the PMT Group and the Crosby Group and (ii) an increase in staff costs arising from the equity settled share-based payment expenses related to the grant of share options of about HK\$10.0 million, amongst others; and
- (4) the above increase in losses or expenses of the Group for the Current Year is expected to be mitigated by the recovery of a bad debt of about HK\$7.0 million and a decrease in administrative expenses of the toy manufacturing business of the Group of about HK\$12.0 million as there was a provision for bad debt in the Previous Period which is absent in the Current Period. The toy manufacturing business of the Group is expected to be profitable in the Current Period.

As at 30 September 2015, the Group had intangible assets and goodwill of about HK\$81.0 million and HK\$51.8 million related to the PMT Group on its consolidated statement of financial position. During the annual audit review process, the Directors will discuss with the auditor and valuer of the Group to determine if there will be any impairment loss for intangible assets or goodwill arising from the PMT Group, especially in view of the relatively weak performances of the PMT Group expected for the Current Period. Such items when finalised may contribute to further substantial increase in the consolidated net loss of the Group for the Current Period other than as set out above.

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. The audited consolidated final results of the Group may be subject to adjustments following further review by the Board, discussions with the auditor and valuer of the Company and completion of the required auditing procedures. Details of the final audited annual results of the Group for the Current Period are expected to be published on or before 30 June 2016 in compliance with the requirements of the Listing Rules.

**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, 23 March 2016

*As at the date of this announcement, the Board consists of 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.*