
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker, a licensed securities dealer or other registered institution 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** (滙達富控股有限公司), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

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

QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1348)

MAJOR TRANSACTION DISPOSAL OF ENTIRE EQUITY INTEREST IN A SUBSIDIARY

Capitalised terms used in this cover will have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 14 of this circular.

A notice convening the EGM of the Company to be held at Workshop C, 19/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 8 August 2025 at 11:30 a.m. is set out on pages 23 to 24 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (or at any adjournment). **Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment) if you so wish and in such event, the form of proxy previously submitted shall be deemed to be revoked.**

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	15
APPENDIX II – GENERAL INFORMATION	17
NOTICE OF EGM	23

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 6 June 2025 in relation to the Disposal
“Announcement”	the announcement of the Company dated 6 June 2025 in relation to the Agreement
“Board”	the board of the Directors
“Business Day”	a day (other than a Saturday or Sunday) on which banks in Hong Kong are generally open for business
“BGL”	Ballas Group Limited, a company incorporated in Seychelles and a 52% subsidiary of Crosby Asia
“BVI”	the British Virgin Islands
“CFP”	Crosby Financial Products Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Crosby Asia
“Company”	Quali-Smart Holdings Limited (Stock Code: 1348), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Agreement
“Completion Date”	the fifth Business Day after the fulfillment (or waiver) of the conditions precedent
“Consideration”	the consideration for the Disposal, which shall be an amount equal to the NAV as at the NAV Date, to be paid by the Purchaser to the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Crosby Asia”	Crosby Asia Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“CAM”	Crosby Assets Management (Hong Kong) Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Crosby Asia, and a licensed corporation under the SFO

DEFINITIONS

“CSL”	Crosby Securities Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Crosby Asia, and a licensed corporation under the SFO
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Company to the Purchaser pursuant to the Agreement
“EGM”	the extraordinary general meeting of the Company to be held at Workshop C, 19/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on 8 August 2025 at 11:30 a.m. for considering and, if thought fit, approving the Agreement and transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	18 July 2025, 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
“Litigation”	the legal proceedings currently pending in the High Court of Hong Kong involving CSL
“Long Stop Date”	30 September 2025 or such other later date as the Company and the Purchaser may agree in writing
“Main Board”	the stock market (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with the GEM
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NAV”	the consolidated net asset value of Crosby Asia, which includes Crosby Asia, CSL and CFP but excludes CAM and BGL) as at the NAV Date (being the total carrying value of its assets (excluding prepaid expenses and those assets not related to the business of Crosby Asia) less the total carrying value of its liabilities (excluding the Sale Loan and any liabilities indemnified pursuant to the indemnity related to the Litigation)

DEFINITIONS

“NAV Date”	30 June 2025
“NAV Report”	the report on the NAV as at the NAV Date as agreed between the Company and the Purchaser in accordance with the Agreement
“PRC”	the People’s Republic of China
“Purchaser”	Emperor Capital Investment Holdings Limited, a company incorporated under the laws of the BVI and a subsidiary of Emperor Capital Group Limited (Stock Code: 717), an exempted company incorporated in Bermuda and listed on the Stock Exchange
“Sale Loan”	all the sums owing by Crosby Asia to the Company as at Completion. There was no outstanding Sale Loan as at the Latest Practicable Date and the Company has confirmed that it will not extend any Sale Loan prior to the Completion.
“Sale Share”	1 share in the share capital of the Crosby Asia, representing the entire issued share capital of the Crosby Asia
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) of US\$0.000025 each in the issued share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America
%	per cent.

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. Poon Pak Ki, Eric (*Chairman*)

Mr. Hau Yiu Por

Ms. Tang Yuen Ching, Irene

Independent non-executive Directors:

Mr. Leung Po Wing, Bowen Joseph *GBS, JP*

Mr. Chan Siu Wing, Raymond

Mr. Wong Wah On, Edward

Ms. Yeung Wai Ling

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

23 July 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF ENTIRE EQUITY INTEREST IN A SUBSIDIARY

INTRODUCTION

Reference is made to the Announcement in respect of the Agreement and transaction contemplated thereunder.

On 6 June 2025, the Company and the Purchaser entered into the Agreement, pursuant to which the Purchaser has agreed to acquire, and the Company has agreed to sell, the Sale Share (representing the entire issued share capital of Crosby Asia) and the Sale Loan, if any. The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms and shall be equal to the NAV as at the NAV Date. Based on the latest available financial information, the Company estimates that the Consideration will be approximately HK\$11.2 million.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal; (ii) financial information of Crosby Asia; (iii) other information as required to be disclosed under the Listing Rules; and (iv) the notice of the EGM to approve the Disposal.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date

6 June 2025 (after trading hours)

Parties

The Vendor : the Company

The Purchaser : the Purchaser

Asset to be disposed of

Pursuant to the Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase (a) the Sale Share (representing the entire issued share capital of Crosby Asia) and (b) the Sale Loan, if any.

Consideration and payment terms

The Consideration payable by the Purchaser to the Company was arrived at arm's length negotiations between the Company and the Purchaser on normal commercial terms and shall be equal to the NAV as at the NAV Date as set out in the NAV Report, which is expected to be available before the Completion Date.

As at the Latest Practicable Date, CSL, CFP and CAM were the wholly-owned subsidiaries of Crosby Asia.

As the Company has undertaken to retain CAM under the Agreement, and BGL was disposed of on 3 July 2025, the assets to be disposed of under the Agreement include Crosby Asia, CSL and CFP only.

The NAV, which includes the net asset values of Crosby Asia, CSL and CFP but excludes the net asset values of CAM and BGL, will be determined based on management accounts prepared as at the NAV Date, in accordance with Hong Kong Financial Reporting Standards. Based on the latest available financial information, the Company estimates the Consideration will be approximately HK\$11.2 million, which will be paid in cash by the Purchaser to the Company on the Completion Date by wire transfer, subject to post-Completion adjustments on a dollar-to-dollar basis based on the NAV as set out in the NAV Report if the NAV Report is not yet available by the Completion Date. Any post-Completion adjustments, representing the difference between the Consideration paid on Completion and the NAV as set out in the NAV Report, will be paid in cash on the dollar-to-dollar basis.

LETTER FROM THE BOARD

Pursuant to the Agreement, if either party disputes the Consideration calculation, it must notify the other in writing within 21 business days, detailing the disputed items, proposed Consideration and reasons; however, the Company may only dispute amounts exceeding HK\$1,000,000 and only for the excess. Both parties must attempt to resolve the dispute in good faith within five business days, failing which the matter will be referred to an independent accounting firm (to be determined based on mutual agreement between the two parties), whose determination of the NAV will be final and binding and issued within ten business days unless otherwise agreed.

The Company expects that the actual Consideration will not be substantially different to the estimated Consideration of HK\$11.2 million and any deviation, which is likely to be negative, is expected to be less than HK\$1 million, being additional operating loss of Crosby Asia on or before the NAV Date in unforeseen circumstances.

Conditions precedent

Completion is subject to the following conditions being fulfilled (or waived by the Purchaser in writing) on or before the Long Stop Date:

- (a) compliance with all applicable laws, including but not limited to the approval by the Company's shareholders at the EGM;
- (b) regulatory approvals from the SFC under Section 132 of the SFO for the Purchaser (or its nominees) to become an ultimate sole shareholder of CSL;
- (c) no material adverse change in the business, financial condition, or operations of Crosby Asia, CSL, or CFP (other than developments in the Litigation);
- (d) due diligence result on Crosby Asia, CSL and CFP being found satisfactory by the Purchaser;
- (e) full disclosure of the Litigation to the Purchaser;
- (f) the warranties given by the Company remaining true and accurate in all respects; and
- (g) the warranties given by the Purchaser remaining true and accurate in all respects.

The sale and purchase of the Sale Share and Sale Loan pursuant to the Agreement are in all respects conditional upon all the Conditions which have to be fulfilled to the satisfaction of the Purchaser (unless waived by the Purchaser in writing) on or before the Long Stop Date, failing which, the Purchaser is entitled to terminate the Agreement by giving a written notice to the Company and the Company shall return to the Purchaser all sums paid by the Purchaser hereunder (if any) within 7 days after the said notice without costs, compensation or interest and neither party hereto shall have any claim against the other party save and except for any antecedent breach.

For avoidance of doubt, only condition (d) is waivable by the Purchaser. As at the Latest Practicable Date, only condition (e) has been fulfilled.

LETTER FROM THE BOARD

Summary of the Company's warranties

The Company warrants that all its representations are true, accurate, complete, and not misleading at signing and completion, and acknowledges that the Purchaser relies on these warranties regardless of prior investigations. Each warranty is independent, survives completion, and the Company irrevocably indemnifies the Purchaser and related parties against any costs or liabilities arising from claims under the agreement or warranties (excluding those related to the Litigation), with this indemnity surviving completion or termination. The Company confirms it is duly incorporated, authorised to execute the Agreement, and that the Sale Share and Sale Loan being sold are fully paid, free from encumbrances, and legally owned. All material litigation has been disclosed, and, to the best of the Company's knowledge, no other proceedings will affect its obligations. Crosby Asia and its subsidiaries are duly incorporated, in good standing, and their shares are fully paid and free from encumbrances or options. Financial statements are HKFRS-compliant and fairly present the entities' financial positions, with all liabilities disclosed and no material changes expected except for ordinary business. The entities are solvent, tax-compliant, not in liquidation, and all employment matters will be settled before completion. The Company also warrants that it and its affiliates will not use or register similar trademarks post-completion and that all legal and regulatory requirements have been met, except as disclosed.

Summary of the Purchaser's warranties

The Purchaser warrants to the Company that it has the necessary capacity, power, and authority to enter into and perform the Agreement and related documents, and that its obligations will be valid and binding upon execution. The Purchaser further confirms that entering into and performing its obligations under the Agreement and completion documents will not result in any material breach of its constitutional documents, any applicable listing or regulatory rules, or any court or regulatory orders to which it is subject.

Completion

Upon fulfillment (or waiver) of all conditions precedent, Completion shall take place on the Completion Date, being the fifth Business Day after the fulfillment (or waiver) of the conditions precedent.

Post Completion Undertaking by the Company

Subject to Completion having taken place, the Company undertakes that it shall not and shall procure its subsidiaries and affiliates not to use or register any marks, logo, brands and names which are identical or confusingly similar to any of the trademarks and logo, brands and names of the Crosby Asia, CSL and CFP.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

The Company

The Company, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 1348), is an investment holding company. Its subsidiaries are principally engaged in toy manufacturing and provision of financial services.

The Purchaser

The Purchaser is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. The Purchaser is a direct wholly-owned subsidiary of Emperor Capital Group Limited. Emperor Capital Group Limited, is an exempted company incorporated in Bermuda and listed on the Main Board of the Stock Exchange (Stock Code: 717). It is principally engaged in the provision of financial services, including (i) wealth solutions covering global investment, wealth management services and asset management; (ii) financing covering provision of margin financing and money lending services; and (iii) corporate finance advisory services. To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Crosby Asia

Crosby Asia is a holding company incorporated in the BVI with limited liability and is a wholly-owned subsidiary of the Company. Crosby Asia through its subsidiaries operates the Group's financial services segment to provide institutional sales and trading, capital markets advisory, wealth management, and asset management services.

Crosby Asia's unaudited consolidated financial results is set out below.

	For the year ended	
	31 March	
	2025	2024
	<i>HK\$ million</i>	<i>HK\$ million</i>
Loss before taxation	8.2	18.6
Loss after taxation	8.2	18.6

The unaudited consolidated net asset value of Crosby Asia as at 30 April 2025 was approximately HK\$14.9 million.

The financial results of CAM and BGL (which was disposed of on 3 July 2025) were included in the above financial results of Crosby Asia.

LETTER FROM THE BOARD

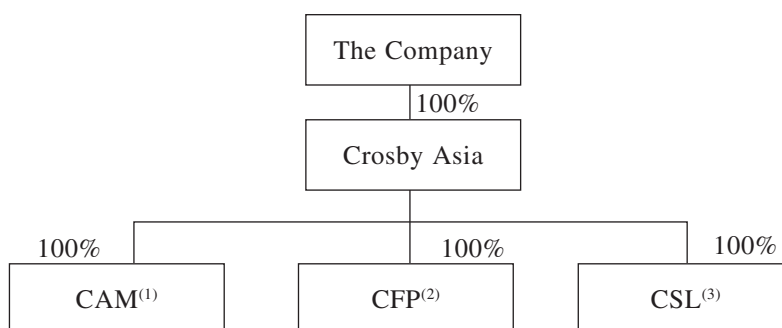
Pursuant to the Agreement, the Company undertakes that CAM will be retained by the Company. CAM is licensed under the SFO to carry out type 4 regulated activities and type 9 regulated activities on the condition that it does not hold clients assets. For the two years ended 31 March 2024 and 2025, CAM has been dormant and recorded unaudited loss before and after taxation for the years ended 31 March 2024 and 2025 of approximately HK\$38,000 and HK\$39,000, respectively. Its unaudited net assets as at 30 April 2025 was approximately HK\$169,000.

As at 6 June 2025, a “change in shareholding structure” notification was submitted to the SFC by CAM that CAM will be transferred from Crosby Asia to the Company (subject to the SFC’s approval) pursuant to the undertaking in the Agreement. As the change in shareholding of CAM from Crosby Asia to the Company involves internal transfer, there is no consideration for the transaction. The Company expects that the internal transfer relating to CAM will be completed prior to or at the same time of the Completion.

BGL was disposed of on 3 July 2025 and its unaudited consolidated loss before and after taxation for the year ended 31 March 2024 were approximately HK\$45,000 and HK\$35,000, respectively. Its unaudited consolidated profit before and after taxation for the year ended 31 March 2025 was approximately HK\$500 and HK\$500, respectively. BGL recorded an unaudited consolidated net liabilities of approximately HK\$39,000 as at 30 April 2025.

The group structure of Crosby Asia

As at the Latest Practicable Date, the group structure of Crosby Asia is as follows:

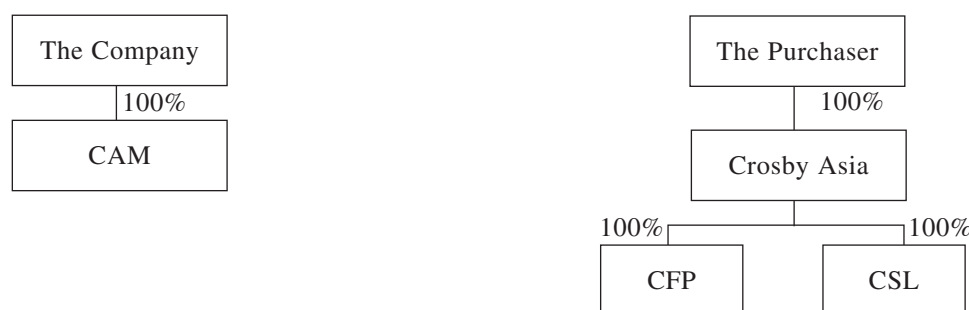


LETTER FROM THE BOARD

Note

- (1) CAM is incorporated in Hong Kong. It is licensed under the SFO to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities on the condition that it does not hold clients' assets. As at the Latest Practicable Date, it was dormant.
- (2) CFP is incorporated in Hong Kong. It is principally engaged in proprietary trading.
- (3) CSL is incorporated in Hong Kong. It is licensed under the SFO to carry out type 1 (dealing in securities), type 4, type 6 (advising on corporate finance) and type 9 regulated activities.

Under the Agreement, Crosby Asia, CSL, and CFP, but excluding CAM and BGL, will be sold to the Purchaser. Upon Completion, the group structure of Crosby Asia is as follows:



THE LITIGATION

During the year ended 31 March 2025, CSL is subject to the Litigation, in which Shan Wenhai (the “**Plaintiff**”) alleges that CSL should be held responsible for alleged misconduct by Venture Smart Asia Limited (“**VSAL**”) and Su Zhifei, who were engaged by the Plaintiff for investment management. The Plaintiff claims CSL had certain positive duties to detect and advise the Plaintiff of VSAL’s alleged misconduct. The Plaintiff argues that CSL is associated with VSAL and Su Zhifei and seeks to impute knowledge or responsibility to CSL for their actions. The Plaintiff further claims that CSL should be liable due to a former director who later established his own business (VSAL) after leaving CSL. The Plaintiff’s claim is also based on the existence and use of a limited power of attorney (“**LPOA**”) executed by the Plaintiff, which allowed VSAL to instruct CSL in relation to the Plaintiff’s investments. Given the roles and responsibilities that CSL was obligated to and clearly delineated under both account opening documents and the LPOA, CSL’s lawyers are of the opinion that the claim against CSL under the Litigation involves a claim against CSL for duties which under the nature of the account relationship that CSL did not owe nor have abilities to perform and is therefore devoid of merit, and that CSL was pulled into the case as one of nine defendants as an opportunistic claim against a perceived resourceful entity. CSL will vigorously defend its position in the Litigation. As at the Latest Practicable Date, both parties to the Litigation are in the process of exchanging information and evidence relevant to the case, as well as requesting for documents and depositions. Date for the trial has not yet been determined.

LETTER FROM THE BOARD

Under the Agreement, the Company has agreed to indemnify the Purchaser, Crosby Asia, CSL, and CFP against all costs, expenses, losses, liabilities, and legal fees arising from or related to the Litigation, including those from defending, settling, or addressing related claims, proceedings, or investigations; and the Company's liability for compensation, damages, or other amounts ordered by the High Court of Hong Kong or any appellate court is capped at HK\$10 million. The indemnity was determined based on an arm's length negotiation with reference to the estimated Consideration of approximately HK\$11.2 million and Crosby Asia's estimated NAV as at the NAV Date. Given that the indemnity of HK\$10 million is similar to the Consideration and the NAV, and that the Group's exposure under the Litigation would have been limited to the net asset value of Crosby Asia had it remained as a subsidiary of the Company, the Board considers that the indemnity has not subjected the Group to additional financial exposure and therefore is fair and reasonable and in the interests of the Company and its shareholders as a whole under the Agreement.

The Company is of the view that the Litigation would not have a material adverse impact on its financial position upon Completion, as it will only be responsible for related liabilities up to HK\$10 million under the above indemnity. Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

LISTING RULES IMPLICATIONS

As one or more of the percentage ratios in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal is subject to the notification, announcement, circular, and shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Disposal and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM under the Listing Rules.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in toy manufacturing through its toy division under Qualiman Industrial Co. Limited, a wholly-owned subsidiary of the Company. Crosby Asia through its subsidiaries operates the Group's financial services segment. Crosby Asia has incurred consecutive losses over the past years. After a thorough review of its operational structure, the Group has concluded that the securities broking and trading business of Crosby Asia cannot be restored to profitability without a significant capital injection. This is due to the nature of the business that substantial working capital is required to both support its operations and meet the capital adequacy requirements under the SFO. In addition to these capital requirements, Crosby Asia's operating costs impose a considerable financial burden on the Group.

LETTER FROM THE BOARD

The Directors are of the view that the Disposal will alleviate this cost pressure, thereby enhancing the Group's financial resilience, particularly in light of the challenges posed by the U.S.-China trade war, which has resulted in increased tariffs and supply chain disruptions impacting the toy division. The Directors believe that the Disposal will streamline the Group's operations by eliminating Crosby Asia's high operating costs, enabling the reallocation of financial resources to bolster liquidity. The net proceeds from the Disposal, estimated at approximately HK\$10.9 million, are expected to strengthen the Group's financial position by providing additional working capital.

The Directors consider that the terms and conditions of the Disposal are on normal commercial terms, fair and reasonable, and in the best interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Pursuant to the Agreement, CAM will be retained by the Company and hence CAM will continue to be a wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the consolidated financial statements of the Group. Upon Completion, the Company will cease to hold any shares in Crosby Asia and Crosby Asia and its subsidiaries (CSL and CFP) will cease to be subsidiaries of the Company. Accordingly, the financial results of Crosby Asia and its subsidiaries (CSL and CFP) will no longer be consolidated into the consolidated financial statements of the Group. The net proceeds from the Disposal is expected to be approximately HK\$10.9 million, being the estimated Consideration of approximately HK\$11.2 million, based on the NAV as at the NAV Date (i.e. 30 June 2025), less the expenses related to the Disposal of approximately HK\$0.3 million. As the Group expects that Crosby Asia will continue to incur loss between the NAV Date and the Completion Date, the Group estimated that the unaudited NAV of Crosby Asia as at the Completion Date (currently expected to be at the end of September 2025) would be lower than the net proceeds from the Disposal. Hence, the Company expects to record a gain on disposal of approximately HK\$2.1 million. However such gain can only be determined on Completion and is subject to audit. The net proceeds from the Disposal of approximately HK\$10.9 million will be utilised as general working capital of the Group. It is expected that approximately HK\$4 million will be used as the working capital to activate the business of CAM upon Completion and the remaining balance will be used as working capital to pay corporate expenses and payables in supporting the toy division of the Group in the coming year.

EGM AND PROXY ARRANGEMENT

A notice of the EGM is set out on pages 23 to 24 of this circular. The EGM will be held at Workshop C, 19/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 8 August 2025 at 11:30 a.m., at which the ordinary resolutions in respect of the Agreement and transaction contemplated thereunder will be proposed to be considered and, if thought fit, approved by the Shareholders. Pursuant to Rule 13.39(4) of the Listing Rules, all votes to be taken at the EGM will be taken by way of poll.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.quali-smart.com.hk). Whether or not you intend to be present at the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (or at any adjournment). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or at any adjournment) if you so wish.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Disposal and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM to approve the Agreement and the transaction contemplated thereunder.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 6 August 2025 to Friday, 8 August 2025 (both dates inclusive), for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares may be registered during this period. In order to be qualified to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 5 August 2025.

The record date for attendance and voting at the EGM is Friday, 8 August 2025.

RECOMMENDATION

The Directors consider that the terms and conditions of the Disposal are on normal commercial terms, fair and reasonable, and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Disposal.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of EGM.

LETTER FROM THE BOARD

Completion is conditional upon the satisfaction of the conditions set out in the section headed “The Sale and Purchase Agreement – Conditions precedent” in this circular. Therefore, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

Yours faithfully
By Order of the Board
Quali-Smart Holdings Limited
Poon Pak Ki, Eric
Chairman and Executive Director

FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the four years ended 31 March 2025 are disclosed in the following documents which have been published and are available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.quali-smart.com.hk):

- annual report of the Company for the year ended 31 March 2022 published on 29 July 2022 (pages 43 to 117 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0729/2022072900237.pdf>);
- annual report of the Company for the year ended 31 March 2023 published on 28 July 2023 (pages 42 to 121 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800296.pdf>);
- annual report of the Company for the year ended 31 March 2024 published on 29 July 2024 (pages 42 to 115 at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0729/2024072901265.pdf>);
- annual results announcement of the Company for the year ended 31 March 2025 published on 30 June 2025 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0701/2025070100013.pdf>)

WORKING CAPITAL OF THE GROUP

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, that after taking into account the effects of the Agreement and the transactions contemplated thereunder respectively, the financial resources available to the Group, cash generated from future operations, the existing cash and bank balances of the Group, and available credit facilities, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

INDEBTEDNESS

As at the close of business on 31 May 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding indebtedness of approximately HK\$54.0 million, comprising promissory notes of HK\$31.0 million, convertible notes of approximately HK\$7.5 million, amounts due to non-controlling interests of approximately HK\$10.9 million and lease liabilities of approximately HK\$4.6 million, all of which were unsecured and without any guarantee.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing, mortgages or charges, contingent liabilities or guarantees as at 31 May 2025.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

On the back of the ongoing geopolitical tensions between the U.S. and China which has continued to negatively impact the toy division since 31 March 2024. The recent trade war between the U.S. and China exacerbated the already uncertain outlook of China as the world supply market. The segment revenue from the toy division decreased by approximately 68% from approximately HK\$166.4 million for the year ended 31 March 2024 to approximately HK\$52.1 million for the year ended 31 March 2025. The high and erratic tariffs imposed on China since the beginning of 2025 have further adversely impacted the Group's U.S. clients' orders in 2025.

Revenue from the financial services business has shown moderate growth since March 2024, as the turnover and activities of the overall capital markets improved. The financial services business recorded revenue of approximately HK\$19.9 million for the year ended 31 March 2025, compared to approximately HK\$10.8 million for the year ended 31 March 2024. However, given the persistent low capital level of the financial services business, its business is subject to a number of caveats. Firstly, the quality of revenue is highly correlated to both the activities and buoyancy of the markets, largely due to its dependency on commissions-based revenue source. Low or insufficient working capital limited the financial service business to diversify its revenue sources. Secondly, a sale side especially a transactional dependency platform runs a relatively high volume but low margin business model and a relatively high operational cost, which continue to drain the working capital of the Group. Albeit the fact that the financial services business conducted via Crosby Asia improved in the year ended 31 March 2025, it still recorded an unaudited consolidated loss before tax of approximately HK\$8.2 million.

In all, the Group stands at a crossroads, battered by U.S.– China trade hostilities and a macroeconomic storm, marked by soaring tariffs, and a dismal client demands. The Group's immediate goal strives for cost optimisation. For this reason, to preserve the working capital of the Group, it has decided to enter into the Agreement to dispose of its securities broking and trading business, which requires substantially higher operating costs and working capital. Upon Completion, the Company will retain CAM and continue to conduct its financial services business via CAM to cover investment and financial advisory businesses with Type 4, 9 SFC licenses. This will enable the Group to continue to conduct the financial services business at a much less working capital requirement.

NO MATERIAL ADVERSE CHANGE

Save for the discussion on the Group's business prospect as disclosed in the paragraph headed "Financial and Trading Prospects of the Group" in this Appendix, the Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2024 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

1. 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 Group. 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.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the Latest Practicable Date, to the best knowledge of the Directors and chief executives of the Company, the interests or short positions of the Directors in Shares, underlying Shares or debentures of the Company and associated corporations (within the meaning of Part XV of the SFO (Charter 571 of the Laws of Hong Kong)) as recorded in the register to be kept under which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which is required to notify the Company and the Stock Exchange pursuant to the Model Code, is as follows:

Long positions in the Shares

Name of Director	Capacity	Number of Shares held	Approximate percentage
Mr. Poon Pak Ki, Eric	Beneficial owner	15,396,000 (Note 1)	1.04%
Mr. Hau Yiu Por	Beneficial owner	9,140,000 (Note 2)	0.62%
Ms. Tang Yuen Ching, Irene	Beneficial owner	600,000 (Note 3)	0.04%
Mr. Leung Po Wing, Bowen Joseph	Beneficial owner	1,400,000 (Note 3)	0.09%
Mr. Chan Siu Wing, Raymond	Beneficial owner	1,400,000 (Note 3)	0.09%
Mr. Wong Wah On, Edward	Beneficial owner	1,400,000 (Note 3)	0.09%

Notes:

1. 7,896,000 Shares are registered in the name of Mr. Poon Pak Ki, Eric and 7,500,000 Shares are the underlying Shares in respect of share options granted by the Company to Mr. Poon Pak Ki, Eric as beneficial owners.
2. 2,340,000 Shares are registered in the name of Mr. Hau Yiu Por and 6,800,000 Shares are the underlying Shares in respect of share options granted by the Company to Mr. Hau Yiu Por as beneficial owners.
3. This interest represents the interest in the underlying Shares in respect of share options granted by the Company to the Directors as beneficial owners.

Save as disclosed above and to the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company in accordance with disclosure by the Substantial Shareholders under Part XV of the SFO, the following Substantial Shareholders (within the meaning of the Listing Rules) of the Company and other persons (in each case other than the Directors and the chief executive of the Company) had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in the Shares

Name of Shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of total issued share capital of the Company (Note 1)
Smart Investor Holdings Limited (“ Smart Investor ”)	Beneficial owner	482,864,000 (Note 2)	32.75%
Silver Pointer Limited	Beneficial owner	106,880,000	7.25%
Benefit Global Limited (“ Benefit Global ”)	Beneficial owner	218,463,111 (Note 3)	14.82%

Name of Shareholder	Capacity	Number of Shares/ underlying Shares held	Approximate percentage of total issued share capital of the Company (Note 1)
Clearfield Global Limited	Interest of controlled corporation	218,463,111 (Note 3)	14.82%
BlackPine Private Equity Partners G.P. Limited	Interest of controlled corporation	218,463,111 (Note 3)	14.82%
Chu Sheng Yu, Lawrence	Interest of controlled corporation	218,463,111 (Note 3)	14.82%
	Beneficial owner	672,000 (Note 4)	0.05%

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 Ho Ming, Peter and approximately 32.6% by Madam Li Man Yee, Stella.
3. 111,111,111 Shares out of 218,463,111 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.
4. 672,000 Shares are registered in the name of Mr. Chu Sheng Yu, Lawrence in his personal capacity.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other corporation or individual (other than the Directors or chief executives of the Company) who had an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or was recorded in the register to be kept by the Company pursuant to Section 336 of the SFO.

4. DIRECTORS' SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors has entered or proposed to enter into any service agreements with the Company or any of its subsidiaries other than agreements expiring or terminable by the Company or any of its subsidiaries within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN ARRANGEMENTS, CONTRACTS OF SIGNIFICANCE AND ASSETS

As at the Latest Practicable Date, save as disclosed in previous sections in this circular, no other arrangement or contracts of significance to which the Company or any of its subsidiaries was a party and in which any Director (or any entity connected with such Director) had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date; and none of the Directors has any interest, direct, or indirect, in any assets which since 31 March 2024, the date to which the latest published audited consolidated financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquires, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group as required to be disclosed pursuant to the Listing Rules.

7. LITIGATION

During the year ended 31 March 2025, CSL is subject to the Litigation, in which Shan Wenhai (the “**Plaintiff**”) alleges that CSL should be held responsible for alleged misconduct by Venture Smart Asia Limited (“**VSAL**”) and Su Zhifei, who were engaged by the Plaintiff for investment management. The Plaintiff claims CSL had certain positive duties to detect and advise the Plaintiff of VSAL’s alleged misconduct. The Plaintiff argues that CSL is associated with VSAL and Su Zhifei and seeks to impute knowledge or responsibility to CSL for their actions. The Plaintiff further claims that CSL should be liable due to a former director who later established his own business (VSAL) after leaving CSL. The Plaintiff’s claim is also based on the existence and use of a limited power of attorney (“**LPOA**”) executed by the Plaintiff, which allowed VSAL to instruct CSL in relation to the Plaintiff’s investments. Given the roles and responsibilities that CSL was obligated to and clearly delineated under both account opening documents and the LPOA, CSL’s lawyers are of the opinion that the claim against CSL under the Litigation involves a claim against CSL for duties which under the nature of the account relationship, CSL did not owe nor have abilities to perform and is therefore devoid of merit, and that CSL was pulled into the case as one of nine defendants as an opportunistic claim against a perceived resourceful entity. CSL will vigorously defend its position in the Litigation. As at the Latest Practicable Date, both parties to the Litigation are in the process of exchanging information and evidence relevant to the case, as well as requesting for documents and depositions. Date for the trial has not yet been determined.

Under the Agreement, the Company has agreed to indemnify the Purchaser, Crosby Asia, CSL, and CFP against all costs, expenses, losses, liabilities, and legal fees arising from or related to the Litigation, including those from defending, settling, or addressing related claims, proceedings, or investigations; and the Company's liability for compensation, damages, or other amounts ordered by the High Court of Hong Kong or any appellate court is capped at HK\$10 million. The indemnity was determined based on an arm's length negotiation with reference to the estimated Consideration of approximately HK\$11.2 million and Crosby Asia's estimated NAV as at the NAV Date. Given that the indemnity of HK\$10 million is similar to the Consideration and the NAV, and that the Group's exposure under the Litigation would have been limited to the net asset value of Crosby Asia had it remained as a subsidiary of the Company, the Board considers that the indemnity has not subjected the Group to additional financial exposure and therefore is fair and reasonable and in the interests of the Company and its shareholders as a whole under the Agreement.

The Company is of the view that the Litigation would not have a material adverse impact on its financial position upon Completion, as it will only be responsible for related liabilities up to HK\$10 million under the above indemnity. Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The Agreement is the only material contract (not being contracts entered into in the ordinary course of business of the Group) that had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and is or may be material.

9. DOCUMENTS ON DISPLAY

Copy of the Agreement will be published on the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (www.quali-smart.com.hk), for a period of 14 days from the date of this circular.

10. MISCELLANEOUS

- The company secretary of the Company is Ms. Tang Yuen Ching Irene, who is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of the Chartered Certified Accountants.
- The Company's registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681 Grand, Cayman KY1-1111, Cayman Islands.
- The Company's principal place of business in Hong Kong is situated at Workshop C, 19/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong.
- The Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited, situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- In case of any inconsistency, the English text of this circular shall prevail over its Chinese text.

NOTICE OF EGM

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 an extraordinary general meeting (the “EGM”) of Quali-Smart Holdings Limited (the “Company”) will be held at Workshop C, 19/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 8 August 2025 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company. Capitalised terms defined in the circular dated 23 July 2025 issued by the Company shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

“**THAT:**

- (a) the Agreement (a copy of which is tabled at the EGM and marked [A] and initialled by the chairman of the EGM for identification purpose) and the transaction contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised to execute all such other documents, instruments and agreements and to do all such acts or thing deemed by him/her to be necessary or desirable in connection with Agreement and transaction contemplated thereunder.”

Your faithfully,

By Order of the Board

Quali-Smart Holdings Limited

Poon Pak Ki, Eric

Chairman and Executive Director

Hong Kong, 23 July 2025

Notes:

- (i) A shareholder entitled to attend and vote at the EGM may appoint another person as his proxy to attend and vote on his behalf. A shareholder 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 EGM. A proxy needs not be a shareholder of the Company.
- (ii) The instrument appointing a proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

* For identification purpose only

NOTICE OF EGM

- (iii) To be valid, 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, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be), and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution, except at an adjourned meeting in the case where the EGM was originally held within 12 months from such date.
- (iv) Where there are joint holders, any one of such joint holders may vote, either in person or by proxy, at the EGM 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 EGM 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.
- (v) Delivery of the form of proxy shall not preclude a shareholder from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
- (vi) The resolutions as set out in this notice will be voted by way of poll.

As at the date of this notice, the Board comprises Mr. Poon Pak Ki, Eric (Chairman and Executive Director), Mr. Hau Yiu Por and Ms. Tang Yuen Ching, Irene as executive Directors; and Mr. Leung Po Wing, Bowen Joseph GBS, JP, Mr. Chan Siu Wing, Raymond, Mr. Wong Wah On, Edward, and Ms. Yeung Wai Ling as independent non-executive Directors.