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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 REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL 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 Thursday, 7 September 2017 at 10:00 a.m. (the “**AGM**”) is set out on pages 15 to 20 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 22, 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 Thursday, 7 September, 2017 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
“Directors”	the directors of the Company
“Existing Scheme Mandate Limit”	128,478,000 Shares (adjusted for the Share Sub-division), being the maximum number of options that may be granted by the Company pursuant to the Share Option Scheme pursuant to the refreshment of the Scheme Mandate Limit approved by way of an ordinary resolution passed in the annual general meeting of the Company held on 28 August 2015
“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
“Latest Practicable Date”	31 July 2017, 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

DEFINITIONS

“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
“Scheme Mandate Limit”	the maximum number of options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) that may be granted by the Company pursuant to the Share Option Scheme which initially shall not in aggregate exceed 10% of the number of Shares in issue as at the time dealings in the Shares first commence on the Stock Exchange and thereafter, if refreshed, shall not exceed 10% of the Shares in issue as at the date of approval of the refreshment of Scheme Mandate Limit by the Shareholders
“Share Option Scheme”	the share option scheme of the Company adopted by a resolution in writing passed by the Shareholders on 3 January 2013
“Shareholder(s)”	holder(s) of Shares
“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
“Shares”	the ordinary shares of US\$0.000025 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“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. 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

To the shareholders

3 August 2017

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
REFRESHMENT OF SHARE OPTION SCHEME MANDATE LIMIT
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
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; (b) re-elect the retiring Directors; (c) refresh the Scheme Mandate Limit and (d) increase the authorised share capital of the Company.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES

By ordinary resolutions of the Shareholders passed at the last annual general meeting on 26 August 2016, 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. Lau Ho Ming, Peter and Mr. Poon Pak Ki, Eric 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.

REFRESHMENT OF THE SCHEME MANDATE LIMIT UNDER THE SHARE OPTION SCHEME

On 3 January 2013, the Share Option Scheme was adopted by the Company by a resolution in writing passed by the Shareholders just prior to the listing of the Shares of the Company on the Stock Exchange. The initial total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 96,000,000 Shares (adjusted for the Share Sub-division), representing 10% of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange. The Scheme Mandate Limit was subsequently refreshed to 128,478,000 Shares (adjusted for the Share Sub-division) by way of an ordinary resolution passed in the annual general meeting of the Company held on 28 August 2015. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force.

The following table shows the details of the options granted, exercised, lapsed and outstanding under the Share Option Scheme since the last refreshment date and up to the Latest Practicable Date:

Scheme	Number of options granted since last refreshment date	Number of such options exercised	Number of such options cancelled/lapsed	Number of such outstanding options
Share Option Scheme	109,411,600	–	17,700,000	91,711,600

As at Latest Practicable Date, total number of outstanding options already granted by the Company was 145,031,600 Shares.

LETTER FROM THE BOARD

The total number of options granted under the Share Option Scheme since the last refreshment date and excluding those which have cancelled or lapsed in accordance with the terms of the Share Option Scheme is 91,711,600, representing 71.4% of the Existing Scheme Mandate Limit. Unless the Existing Scheme Mandate Limit is refreshed, only up to 36,766,400 Shares, representing approximately 2.5% of the issued share capital of the Company as at the Latest Practicable Date, may be issued pursuant to the grant of options under the Share Option Scheme. The Board considers that given a significant portion of the Existing Scheme Mandate Limit has been utilised, it is appropriate to refresh the Scheme Mandate Limit so as to allow sufficient flexibility to grant options pursuant to the Share Option Scheme as a means to provide incentive and reward to those eligible participants under the Share Option Scheme, help the Group in retaining its existing employees and recruiting additional employees, and to provide them with a direct interest in attaining the long-term business objectives of the Group as and when necessary. Therefore, the Board proposes to seek approval of the Shareholders by the passing of an ordinary resolution for the refreshment of the Scheme Mandate Limit at the AGM.

If the refreshment of the Scheme Mandate Limit is approved, based on 1,474,232,000 Shares in issue as at the Latest Practicable Date and assuming that there will be no further issue or buy-back of Shares between the Latest Practicable Date and the date of the AGM, the Board will be able to grant options for the subscription of up to a total of 147,423,200 Shares, representing 10% of the issued share capital of the Company.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company in issue from time to time. The total number of outstanding options already granted by the Company as at the Latest Practicable Date is 145,031,600 Shares, representing approximately 9.8% of the issued share capital of the Company as at the Latest Practicable Date. Assuming the refreshment of the Scheme Mandate Limit is approved and all the options permitted under the refreshed Scheme Mandate Limit were also granted and outstanding as of the Latest Practicable Date, then these options together with the current outstanding options would amount to 292,454,800 Shares, representing approximately 19.8% of the issued share capital of the Company as at the Latest Practicable Date and are within the 30% limit as at the Latest Practicable Date. As at Latest Practicable Date, the Company had no current plan to grant options under the Existing Scheme Mandate Limit as well as the Scheme Mandate Limit to be refreshed.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (i) the approval of the refreshment of the Scheme Mandate Limit at the AGM; and
- (ii) the Stock Exchange granting the approval of the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit not exceeding 10% of the number of Shares in issue as at the date of approval by the Shareholders.

The Company will submit to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued upon exercise of the options which may be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As of the Latest Practicable Date, the Company had an authorised share capital of US\$50,000 divided into 2,000,000,000 Shares of which 1,474,232,000 Shares were issued. In addition, the Company had outstanding convertible notes which are convertible into 282,051,281 Shares and outstanding Share Options carrying rights to subscribe for an aggregate of 145,031,600 Shares as at the Latest Practicable Date. Therefore, a total of 1,901,314,881 Shares in the authorised share capital have already been utilised, representing 95.1% of the authorised share capital of the Company as at the Latest Practicable Date.

In order to accommodate for any future grant of options after the refreshment of the Scheme Mandate Limit, the future growth and expansion of the Group and to provide for the Company with more flexibility to raise funds by allotting and issuing Shares in the future as and when necessary, the Board hereby proposes to increase the authorised share capital of the Company to US\$75,000 divided into 3,000,000,000 Shares by creating an additional 1,000,000,000 Shares. As at the Latest Practicable Date, the Company has no present intention of issuing any part of such increased authorised share capital and does not have any equity fund raising plan.

The increase in the authorised share capital of the Company is conditional upon the passing of an ordinary resolution at the AGM.

ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 15 to 20 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 22, 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.

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 2017. 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	Highest
		Traded Price (HK\$)	Traded Price (HK\$)
2016	July	0.63	0.78
	August	0.59	0.75
	September	0.54	0.67
	October	0.58	0.72
	November	0.60	0.75
	December	0.63	0.71
2017	January	0.63	0.75
	February	0.59	0.70
	March	0.57	0.67
	April	0.37	0.65
	May	0.35	0.49
	June	0.35	0.54
	July (up to Latest Practicable Date)	0.44	0.53

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 (Note)	32.8%	36.4%
Mr. Lau Ho Ming, Peter	6,720,000	0.5%	0.5%
Madam Li Man Yee, Stella	6,720,000	0.5%	0.5%
Silver Pointer Limited	106,880,000	7.2%	8.1%

Note:

Smart Investor Holdings Limited (“**Smart Investor**”) was interested by Mr. Lau Ho Ming, Peter, an executive Director, and Madam Li Man Yee, Stella, a non-executive Director and spouse of Mr. Lau, as to 67.4% and 32.6% respectively. Accordingly, Mr. Lau and Madam Li are deemed to be interested in the 482,864,000 Shares held by Smart Investor.

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.

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. Lau Ho Ming, Peter, aged 62, was appointed as a Director on 14 March 2012. He is the Executive Chairman and one of the co-founders of the Group. He is a member of each of the Remuneration Committee and the Nomination Committee of the Board and is also a director of the principal subsidiaries of the Company. Mr. Lau is responsible for formulating the overall business development strategies, management team development and daily operations of the Group. He is the husband of Madam Li Man Yee, Stella, a non-executive Director. Mr. Lau has experience of more than 30 years in the toy manufacturing industry. He has held senior positions with Jetta-Victory Toys and Gifts Company Limited and Mattel Toys (HK) Ltd respectively before he founded the Group in 1996. Mr. Lau obtained the 1984 President's Award for innovative performance from Mattel Inc. during his service in Mattel Toys (HK) Ltd.

Mr. Lau obtained his Bachelor's Degree of Science in Engineering from the University of Hong Kong in November 1978 and a Master's Degree of Business Administration from the University of East Asia, Macau in February 1988. Mr. Lau has been the vice president of The Toys Manufacturers' Association of Hong Kong since 2008. Mr. Lau was the advisor for The Second Council of the Toy Industry Association in Nanhai District, Foshan City in November 2007. Mr. Lau obtained an award from Guangdong government on his contribution to economic development in October, 1996 and obtained an outstanding entrepreneur award from China Toys Association in October 2006. Mr. Lau has committed to contribute certain scholarships offered by the Department of Industrial and Manufacturing Systems Engineering of the University of Hong Kong. Namely, the "Peter H.M. Lau Penultimate Year Scholarship" and "Peter H.M. Lau Project Prize". The former targets to offer to students who are considered as high achievers with leadership potential and the latter targets to those demonstrate excellent performance in projects.

A service agreement in respect of Mr. Lau'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\$135,000 and a residential apartment as his quarter. 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. Lau interested in 482,864,000 Shares, 6,720,000 Shares and 6,720,000 Shares, representing 32.8% 0.5% and 0.5% of the total issued share capital of the Company, respectively, through his corporate interest of 67.4% in Smart Investor Holdings Limited, a substantial shareholder of the Company, his personal capacity and his spouse, Madam Li Man Yee, Stella, who is also a non-executive Director of the Company, respectively. Mr. Lau was further interested in 4,000,000 and 1,400,000 underlying Shares of the Company in respect of the Shares exercisable under the Share Option Scheme through his personal capacity and his spouse, Madam Li Man Yee, Stella, respectively.

Except as otherwise disclosed herein, Mr. Lau 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 he 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. Poon Pak Ki, Eric, aged 50, was appointed as an executive Director on 3 January 2013. He is responsible for the financial and accounting matters and general administration in the Group. Prior to joining the Group in November 1996, Mr. Poon worked for an audit firm as audit clerk from February 1987 to May 1990. He also has experience of 5 years in accounting and administration for a toy manufacturing company. Mr. Poon obtained his Bachelor's Degree in Accountancy from the Bolton Institute of Higher Education (now known as University of Bolton) in August 2004. In May 2017, Mr. Poon has been admitted as a member of the Institute of Public Accountants and an associate of the Institute of Financial Accountants.

A letter of appointment in respect of Mr. Poon'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\$87,250 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. Poon was personally interested in 2,000,000 Shares and 12,900,000 underlying shares of the Company in respect of the Shares exercisable under the Share Option Scheme, representing an 0.1% and 0.9% of the total issued share capital of the Company.

Except as otherwise disclosed herein, Mr. Poon 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 67, 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 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.

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 interested in 384,000 Shares of the Company and 2,800,000 underlying shares of the Company in respect of the Shares exercisable under the Share Option Scheme, representing 0.03% and 0.19% 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 Thursday, 7 September 2017 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 2017;
2. To re-elect Mr. Lau Ho Ming, Peter as an executive Director;
3. To re-elect Mr. Poon Pak Ki, Eric as an executive Director;
4. To re-elect Mr. Leung Po Wing, Bowen Joseph as an independent non-executive Director;
5. To authorize the Directors to fix the 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.”

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

“**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the shares with a nominal value of US\$0.000025 each in the capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Limit (as defined below), the refreshment of the existing limit in respect of the grant of options to subscribe for Shares under the share option scheme adopted by the Company on 3 January 2013 (the “**Share Option Scheme**”) and any other share option scheme(s) as may from time to time be adopted by the Company:

- (A) approval be granted for the refreshment of the general limit in respect of the grant of options to subscribe for Shares of the Company under the Share Option Scheme and any other share option scheme(s) of the Company provided that (i) the total number of shares in respect of which options may be granted under the refreshed limit of the Share Option Scheme and any other share option scheme(s) of the Company shall not exceed 10% of the total number of shares of the Company in issue at the date of passing this resolution; (the “**Refreshed Scheme Limit**”) and (ii) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or exercised options) will not be counted for the purpose of calculating the Refreshed Scheme Limit; and
- (B) the directors of the Company be authorised to offer or grant options pursuant to the Share Option Scheme and any other share option scheme(s) of the Company within the Refreshed Scheme Limit and to exercise all powers of the Company to allot and issue shares upon the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT

- (A) the authorised share capital of the Company be increased from US\$50,000 divided into 2,000,000,000 shares of US\$0.000025 each to US\$75,000 divided into 3,000,000,000 shares of US\$0.000025 each by the creation of an additional 1,000,000,000 shares of US\$0.000025 each; and
- (B) any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the increase in the authorised share capital of the Company as set out in sub-paragraph (a) above.”

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

Hong Kong, 3 August 2017

As at the date of this notice, the Board comprises Mr. Lau Ho Ming, Peter (Executive Chairman), Mr. Poon Pak Ki, Eric, Mr. Ng Kam Seng and Mr. Chu, Raymond as executive Directors; Madam Li Man Yee, Stella as a non-executive Director and Mr. Leung Po Wing, Bowen Joseph GBS, JP, Mr. Chan Siu Wing, Raymond and Mr. Wong Wah On, Edward as independent non-executive Directors.

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 22, 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:
 - (i) For determining eligibility to attend and vote at the Meeting:

Latest time to lodge transfer documents for registration	4:30 p.m. on Friday, 1 September 2017
Closure of register of members	Monday, 4 September 2017 to Thursday, 7 September 2017 (both dates inclusive)
Record date	Thursday, 7 September 2017
- 6 From 4 September 2017 to 7 September 2017, 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 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 1 September 2017 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.