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QUALI-SMART HOLDINGS LIMITED

滙達富控股有限公司 *

(Incorporated in the Cayman Islands with limited liability)
(stock code: 1348)

CONNECTED TRANSACTION

DISPOSAL OF PROPERTY

On 17th November, 2022 after trading hours, the Vendor, an indirect wholly-owned subsidiary of Quali-Smart Holdings Limited (the “**Company**”), entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the consideration of HK\$7.1 million.

As at the date of this announcement, the Purchaser, a company being wholly owned by New Splendid, which in turn is owned 50% by Mr. Lau Ho Ming, Peter, the Executive Chairman of the Company, and 50% by Madam Li Man Yee, Stella, a non-executive Director of the Company, are deemed connected persons of the Company under rule 14A.07 of the Listing Rules. As such, the purchase of the Property by the Purchaser constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 17th November, 2022 after trading hours, the Vendor, a direct wholly owned subsidiary of the Company, entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Property at the consideration of HK\$7.1 million.

SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

Date

17 November 2022

Parties

- (1) Qualiman Industrial Co. Limited as Vendor; and
- (2) Qualiman Technology & Products Company Limited as Purchaser.

Assets to be disposed of

Workshop 3, 19th Floor, Cheung Tat Centre, No. 18 Cheung Lee Street, Hong Kong

Purchase Price and payment terms

The Purchase Price shall be payable by the Purchaser in cash under two installments amounting to HK\$2,130,000 as deposit and in part payment of Purchase Price prior to signing the Sale and Purchase Agreement, and HK\$4,970,000 being the balance of the Purchase Price upon Completion.

Completion

Completion for the Disposal shall take place on or before the 21st December 2022.

REASONS FOR AND FINANCIAL EFFECT OF THE DISPOSAL

The Board considers the Disposal represents a good opportunity to realize the Property as the Company's non-core asset. Base on the Purchase Price to be received by the Vendor and the estimated legal and other professional fees and stamp duty associated with the Disposal, the Company is expected to record a net cash inflow of approximately HK\$7.1 million, which is intended to be used as general working capital of the Company.

As both Mr. Lau Ho Ming, Peter, and Madam Li Man Yee, Stella are the Executive Chairman of the Board and non-executive Director of the Company, respectively, and the Purchaser being ultimately owned 50% by Mr. Lau Ho Ming, Peter, and 50% by Madam Li Man Yee, Stella, they have abstained from voting on the resolutions approving the Disposal at the Board meeting.

Save as disclosed above, no other Directors are regarded as having a material interest in the Disposal and hence no other Directors are required under the Listing Rules to abstain from voting on the resolutions approving the Disposal at the Board meeting.

The Directors (including the independent non-executive Directors but excluding Mr. Lau Ho Ming, Peter and Madam Li Man Yee, Stella who have abstained from voting on the resolutions approving the Disposal at the Board meeting) consider the terms of the Sale and Purchase Agreement and the Disposal are fair and reasonable and on normal commercial terms and that the Disposal is in the interests of the Group and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The Company and its subsidiaries are principally engaged in the businesses of toy manufacturing and the provision of financial services.

The Vendor is a wholly owned subsidiary of the Company.

The Purchaser is an investment holding company ultimately jointly owned by Mr. Lau Ho Ming, Peter, and Madam Li Man Yee, Stella, both of whom are also the Executive Chairman of the Board and non-executive Director, respectively, of the Company.

LISTING RULES IMPLICATION

As at the date of this announcement, the Purchaser, a company being wholly owned by New Splendid, which in turn is owned 50% by Mr. Lau Ho Ming, Peter, the Executive Chairman of the Company, and 50% by Madam Li Man Yee, Stella, a non-executive Director of the Company, respectively, are deemed connected persons of the Company under rule 14A.07 of the Listing Rules. As such, the purchase of the Property by the Purchaser constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions have the following meanings:

“Agreement”	a sale and purchase agreement dated 17 November 2022 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Property
“Company”	Quali-Smart Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Hong Kong Stock Exchange (Stock Code: 01348)
“connected person(s)”	shall have the meaning given to it in the Listing Rules
“Directors”	the directors of the Company from time to time
“Disposal”	the sale of the Property by the Vendor to the Purchaser in accordance with the terms and conditions of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Splendid”	New Splendid Developments Limited, a limited liability company incorporated in the British Virgin Islands which is wholly owned as to 50% by Mr. Lau Ho Ming, Peter and 50% by Madam Li Man Yee, Stella

“Property”	Workshop 3, 19 th Floor, Cheung Tat Centre, No. 18 Cheung Lee Street, Hong Kong
“Purchase Price”	purchase price payable by the Purchasers to the Vendor in respect of the Disposal in the sum of HK\$7.1 million
“Purchaser”	Qualiman Technology & Products Company Limited, a limited liability company incorporated in Hong Kong which is wholly owned by New Splendid
“Sale and Purchase Agreement”	the agreement for sale and purchase dated 17 November 2022 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Property at the Purchase Price
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Qualiman Industrial Co. Limited, a limited liability company incorporated in Hong Kong which is an indirect wholly-owned subsidiary the Company

By order of the Board
Quali-Smart Holdings Limited
LAU Ho Ming, Peter
Executive Chairman

Hong Kong, 17 November 2022

As at the date of this announcement, the Board comprises Mr. Lau Ho Ming, Peter (Executive Chairman), Mr. Poon Pak Ki, Eric, Mr. Chu Raymond and Mr. Ng Kam Seng as executive Directors; Madam Li Man Yee, Stella as 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.