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HARMONIC STRAIT FINANCIAL HOLDINGS LIMITED

和協海峽金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

COMPLETION OF THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all conditions of the Placing have been fulfilled and the Placing was completed on 26 May 2016 in accordance with the terms of the Placing Agreement and supplemental agreement. The 1,000,000,000 Placing Shares were placed to not less than six Placees at HK\$0.200 per Placing Share pursuant to the terms and conditions of the Placing Agreement and supplemental agreement.

Reference is made to the announcements of Harmonic Strait Financial Holdings Limited (“**Company**”) dated 29 April 2016 and 16 May 2016 in respect of the Placing (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise stated.

COMPLETION OF THE PLACING

The Board is pleased to announce that all conditions of the Placing have been fulfilled and the Placing was completed on 26 May 2016 in accordance with the terms of the Placing Agreement and a supplement agreement. The 1,000,000,000 Placing Shares, representing approximately 10.67% of the issued share capital of the Company as enlarged by the Placing Shares, were placed to not less than six Placees at HK\$0.200 per Placing Share pursuant to the terms and conditions of the Placing Agreement and supplemental agreement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and/or its ultimate beneficial owner(s) are Independent Third Parties.

The net proceeds from the Placing is approximately HK\$194.6 million. The Company intended to be applied to the investment opportunities and the related working capital for business development in new financial platforms, including but not limited to the proposed acquisition of Globebill International Business Settlement Limited as mentioned in the announcement of the Company dated 21 April 2016 and 23 March 2016, as to enhance corporate development and broaden the income base of the Group. In the event that the abovementioned investment opportunities in relation to the new financial platforms do not materialise, the net proceeds will be applied to any other investment opportunities in the field of finance that may arise in the future and the relevant working capital need for business development.

SHAREHOLDING STRUCTURE OF THE COMPANY

The effect on the shareholding structure of the Company upon completion of the Placing is set out below:

	Immediately before completion of the Placing		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders				
Internet Finance Investment Co. Ltd. and/or Ms. Cheung Kwan (Note 1)	2,450,000,000	29.28	2,450,000,000	26.15
Public Shareholders				
The Placees and other public Shareholders	<u>5,918,072,000</u>	<u>70.72</u>	<u>6,918,072,000</u>	<u>73.85</u>
Total	<u>8,368,072,000</u>	<u>100.00</u>	<u>9,368,072,000</u>	<u>100.00</u>

Notes:

- (1) Internet Finance Investment Co. Ltd. is wholly owned by Ms. Cheung Kwan.
- (2) The amounts and percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments. Accordingly, the total of each column of figures as presented may not be equal to the sum of the individual items.

By order of the Board
Harmonic Strait Financial Holdings Limited
Wong Kwong Sum
Executive Director

Hong Kong, 26 May 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wong Kwong Sum, Mr. Xie Li and Mr. Zhao Tieliu; one non-executive Director, Dr. Wang Edward Xu; and four independent non-executive Directors, namely Mr. Cheung Wah Keung, Mr. Anthony Espina, Mr. Zhang Huadi and Mr. Ho Chun Chung, Patrick.