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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)

CONNECTED TRANSACTION COMPLETION OF SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

Reference is made to the circular of Harmonic Strait Financial Holdings Limited (the “**Company**”) dated 8 January 2016 in relation to the Proposed Subscription (the “**Circular**”). Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

COMPLETION OF THE PROPOSED SUBSCRIPTION

The Board is pleased to announce that all conditions precedent to the Proposed Subscription under the Subscription Agreement have been fulfilled and the Completion took place on 18 February 2016. Pursuant to the Subscription Agreement, (i) 1,000,000,000 Subscription Shares have been allotted and issued to the Subscriber (or its nominee(s)) at the Subscription Price of HK\$0.10 per Subscription Share and (ii) the Convertible Bonds in the principal amount of HK\$100,000,000 have been issued to the Subscriber (or its nominee(s)).

The table below sets out the shareholding structures of the Company immediately before and after the Completion:

	Immediately before Completion		Immediately after Completion		Immediately after Completion and upon full conversion of the Convertible Bonds at the initial Conversion Price	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Tong Nai Kan (<i>Note 1</i>)	64,000,000	0.87	64,000,000	0.76	64,000,000	0.68
The Subscriber (or its nominee(s)) (<i>Note 2</i>) and/ or Ms. Cheung	1,450,000,000	19.68	2,450,000,000	29.28	3,450,000,000	36.83
Other public Shareholders	<u>5,854,072,000</u>	<u>79.45</u>	<u>5,854,072,000</u>	<u>69.96</u>	<u>5,854,072,000</u>	<u>62.49</u>
Total	<u><u>7,368,072,000</u></u>	<u><u>100.00</u></u>	<u><u>8,368,072,000</u></u>	<u><u>100.00</u></u>	<u><u>9,368,072,000</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Tong Nai Kan is an executive Director.
2. The Subscriber is wholly owned by Ms. Cheung.

By order of the Board
Harmonic Strait Financial Holdings Limited
Tong Nai Kan
Executive Director

Hong Kong, 18 February 2016

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Tong Nai Kan, 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.