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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of Harmonic Strait Financial Holdings Limited (the “**Company**”) dated 23 June 2016 in relation to the lapse of the memorandum of understanding in relation to a possible acquisition. Unless otherwise indicated, the capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement.

The Board would like to clarify and further elaborate that with reference to the Announcement, the lapsed MOU dated 5 February 2016 entered into among the Company and Clements Enterprises Limited refers the Possible Acquisition of a target company which is principally engaged in the business of designs, development and implementation of mobile instant lottery system, and distribution of the mobile game-based lottery products in the PRC. The lapsed MOU dated 5 February 2016 is not related to the memorandum of understanding and the supplemental memorandum of understanding entered into between the Company and IZP Technologies (HK) Limited dated 23 March 2016 and 21 April 2016 respectively as announced on 23 March 2016 and 21 April 2016.

The Board also wishes to update the Shareholders of the Company and investor that the proposed transaction under the memorandum of understanding and the supplemental memorandum of understanding entered into between the Company and IZP Technologies (HK) Limited dated 23 March 2016 and 21 April 2016 respectively in relation to acquisition of the entire issued share capital of a target company (i.e. International Business Settlement Limited, formerly named as Globebill International Business Settlement Limited, “**IBS**”) is still in progress. IBS, incorporated in Hong Kong with limited liability, is committed to creating a worldwide financial settlement network targeting global markets, especially countries along the “one belt, one road” routes, to provide international clearing and settlement services for enterprises and individuals across the world. The Company is fully committed to the due diligence review in relation to the proposed acquisition. The Company will make further announcement as and other processes as required and when appropriate in accordance with the Listing Rules.

Save as stated above, all other information in the Announcement remains unchanged.

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

Hong Kong, 23 June 2016

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