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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Harmonic Strait Financial Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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)

- (I) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;**
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(III) RE-ELECTION OF DIRECTOR;
AND
(IV) NOTICE OF EGM

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD.

Placing Agent



KINGSTON SECURITIES LTD.

A letter from the board of Harmonic Strait Financial Holdings Limited is set out on pages 3 to 12 of this circular. A notice convening the extraordinary general meeting of Harmonic Strait Financial Holdings Limited to be held at Unit B, 35/F., No. 169 Electric Road, North Point, Hong Kong at 3:00 p.m. on Tuesday, 21 April 2015 is set out on pages 13 to 14 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

25 March 2015

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles”	the articles of association of the Company, and “Article” shall mean an article of the Articles
“Board”	the board of Directors
“Business Days”	a day (other than Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are open for normal banking business during their normal business hours
“Company”	Harmonic Strait Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Share, and the re-election of Mr. Wong Kwong Sum as an executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$500,000,000 divided into 5,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares
“Independent Third Party(ies)”	a party(ies) who is/are independent of and not connected with the Company and its connected persons
“Last Trading Date”	18 February 2015, being the last trading date prior to the entering into the Placing Agreement
“Latest Practicable Date”	23 March 2015, being the latest practicable date for the purpose of ascertaining information contained herein

DEFINITIONS

“Long Stop Date”	30th day after the date of the EGM or 31 May 2015, whichever is earlier (or such other date as the Company and the Placing Agent may agree in writing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investors procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of up to 4,000,000,000 new Shares, in up to four (4) tranches, by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the SFO
“Placing Agreement”	a conditional placing agreement dated 23 February 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.1 per Placing Share
“Placing Shares”	a maximum of 4,000,000,000 new Shares to be placed under the Placing Agreement
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	the lawful currency of Hong Kong dollars
“%”	per cent.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. Lo Siu Leung
Mr. Tong Nai Kan
Mr. Wong Kwong Sum
Mr. Zhao Tieliu

Non-Executive Director:

Mr. Ko Ming Tung, Edward

Independent non-executive Directors:

Mr. Cheung Wah Keung
Mr. Anthony Espina
Mr. Cheng Wai Lam, James

Registered office:

P. O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman KY1-1104
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit B, 35/F.
No. 169 Electric Road
North Point
Hong Kong

25 March 2015

To the Shareholders

Dear Sir or Madam,

**(I) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
(III) RE-ELECTION OF DIRECTOR;
AND
(IV) NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 24 February 2015 in relation to, among others, the Placing Agreement entered into between the Company and the Placing Agent for the Placing of up to 4,000,000,000 Placing Shares, on a best effort basis, to the Placees at the Placing Price of HK\$0.1 per Placing Share and the proposed increase in authorised share capital of the Company from HK\$500,000,000 to HK\$1,000,000,000.

The purpose of this circular is to provide you with, among other things, further details regarding (i) the Placing Agreement; (ii) the Increase in Authorised Share Capital; (iii) the re-election of Director; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE PLACING AGREEMENT

A summary of the principal terms of the Placing Agreement is set out below:

Date:

23 February 2015

Issuer:

The Company

Placing Agent:

Kingston Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent and its associates are Independent Third Parties.

Placees

It is anticipated that the Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owner(s) will be Independent Third Parties. The Placing Agent will use its best endeavour to ensure that none of the Placees (together with parties acting in concert with him/her/it) will hold 20% or more of the voting rights of the Company as a result of the Placing.

Number of the Placing Shares

Pursuant to the Placing Agreement, up to 4,000,000,000 will be placed in up to four (4) tranches. The number of the Placing Shares to be placed for each tranche shall not be less than 500,000,000 Shares (save for the last tranche).

A maximum of 4,000,000,000 Placing Shares, which represent (i) approximately 133.67% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 57.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and completion of the Placing save for the allotment and issue of such Placing Shares).

The aggregate nominal value of the Placing Shares (with a par value of HK\$0.1 each) under the Placing will be HK\$400,000,000.

Ranking of the Placing Shares

The Placing Shares, upon issue, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of the allotment and issue of the Placing Shares.

LETTER FROM THE BOARD

Placing Price

The Placing Price of HK\$0.1 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the net liability position of the Group as at 30 June 2014.

The Placing Price represents:

- (i) a discount of approximately 13.79% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 25.93% to the closing price of HK\$0.135 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iii) a discount of approximately 14.97% to the closing price of HK\$0.1176 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date; and
- (iv) a discount of approximately 13.04% to the closing price of HK\$0.115 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date.

Placing commission

The Placing Agent will receive a placing commission of 1.0% of the aggregate amount equal to the Placing Price multiplied by the actual number of the Placing Shares being placed.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agent under normal commercial terms with reference to the prevailing market conditions.

Mandate to issue the Placing Shares

The Company proposes to seek the grant of the Specific Mandate from the Shareholders at the EGM for the allotment and issue of the Placing Shares.

Conditions precedent of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the relevant tranche of the Placing Shares;
- (ii) the passing of the resolution(s) by the Shareholders to approve the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Shares at the EGM; and

LETTER FROM THE BOARD

- (iii) the obligations of the Placing Agent under the Placing Agreement becoming unconditional and not being terminated in accordance with the terms thereof, including provision regarding the force majeure events.

As at the Latest Practicable Date, none of the conditions precedent above have been fulfilled.

Completion of the Placing

Completion of each tranche of the Placing will take place within four business days after the fulfillment and/or waiver (in respect of the condition (iii) above) of the conditions above or such later date to be agreed between the Company and the Placing Agent (the “**Completion Date**”). If the above conditions are not satisfied and/or waived (in respect of the condition (iii) above) in whole or in part by the Placing Agent prior to 5:00 p.m. on the Long Stop Date, the Placing Agreement will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder (save for the confidentiality provision) will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

Termination of the Placing

The Placing Agent reserves its right to terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

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- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation to suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.
- (i) If, at or prior to 9:00 a.m. on the Completion Date:
- (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
 - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcement(s) and/or circular(s) relating to the Placing; or
 - (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the credit guarantee and investment business in the PRC and trading business in Hong Kong.

For the credit guarantee and investment business, the Group mainly focuses on providing entrusted loans to its customers. Due to the increased inherent default risk of the overall market and the slowdown of China's economy in recent years, the Group continued to operate its credit guarantee and investment business in a very conservative manner recently. For the six months ended 30 June 2014, the Group recorded a revenue of approximately HK\$882,000 from this business segment, representing a decrease of approximately 23.90% as compared to the same period in 2013. For the trading business of the Group, it mainly focuses on paper and

LETTER FROM THE BOARD

plastic consumer products, namely party products and other printing products. For the six months ended 30 June 2014, the Group recorded a revenue of approximately HK\$53,037,000 from the trading business, representing a decrease of approximately 8.96% in comparison to the same period in 2013.

As at the Latest Practicable Date, the Company has approximately HK\$134.5 million outstanding loans which are already due with a monthly interest rate of 3%. In addition, the Company has outstanding convertible bonds in the principal amount of HK\$102 million which are due in August 2015.

Assuming the maximum of 4,000,000,000 Placing Shares are successfully placed, the gross proceeds and the net proceeds (after deduction of the relevant expenses) from the Placing will be approximately HK\$400 million and HK\$395 million, respectively. The net Placing Price will be approximately HK\$0.1 per Placing Share. The Company intends to use the net proceeds as to approximately (i) HK\$102 million for the convertible bonds repayment; (ii) HK\$141.5 million for the settlement of the outstanding amount of the loans including the interests; and (iii) the remaining for development of the existing financing platform.

Pursuant to the terms of the convertible bonds, the Company is required to redeem the remaining outstanding convertible bonds on the maturity date. In the view that the conversion price of the convertible bonds is well above the prevailing market price of the Shares, the Directors therefore proposed to use part of the proceeds from the Placing towards the redemption of the outstanding convertible bonds. The Directors are of the view that the Placing can strengthen the financial position of the Group by repaying the outstanding loans and the convertible bonds.

Despite the challenging economic condition of China in recent years, the Group is still confident to the future of the China market. In order to expand the sources of income and prospects of the Group, the Group is currently actively seeking possible investment opportunities which are related to the Group's existing businesses. The Directors are of the view that the Placing can provide working capital to the Group to widen its existing financing platform, which includes the development of (i) internet financing, (ii) asset management and (iii) insurance brokerage that target clients with various media exposure. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. As at the Latest Practicable Date, no specific investment target was identified.

The Directors consider that the terms of the Placing (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should note that completion of the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES ANNOUNCED BY THE COMPANY DURING THE PAST 12 MONTHS

Set out below are the equity fund raising activities announced by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcement	Description	Net proceeds raised (approximate)	Intended use of proceeds	Actual use of net proceeds (approximate)
5 May 2014 6 May 2014 15 May 2014 30 May 2014 9 June 2014	Subscription of new Shares under general mandate	HK\$32.9 million	General working capital of the Group and for potential acquisition activities as identified by the Group from time to time	HK\$32.9 million for general working capital
29 July 2014 4 August 2014	Subscription of new Shares under general mandate	HK\$35.7 million	General working capital of the Group and for potential acquisition activities as identified by the Group from time to time	HK\$30 million for repayment of loan and HK\$5.7 million for general working capital

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there will not be any change in the issued share capital of the Company from the Latest Practicable Date up to the completion of the Placing except for the issue and allotment of the Placing Shares, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon completion of the Placing:

	As at the Latest Practicable Date		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Market Speed Limited (<i>Note 1</i>)	213,898,000	7.15	213,898,000	3.06
Mr. Lo Siu Leung (<i>Note 2</i>)	32,000	0.00	32,000	0.00
Other Shareholders:				
— Places	—	—	4,000,000,000	57.20
— Other public Shareholders	<u>2,778,470,000</u>	<u>92.85</u>	<u>2,778,470,000</u>	<u>39.74</u>
Total	<u><u>2,992,400,000</u></u>	<u><u>100</u></u>	<u><u>6,992,400,000</u></u>	<u><u>100</u></u>

Notes:

(1) *Market Speed Limited is wholly owned by Mr. Tong Nai Kan, an executive Director.*

(2) *Mr. Lo Siu Leung is an executive Director.*

LETTER FROM THE BOARD

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The authorised share capital of the Company as at the Latest Practicable Date is HK\$500,000,000 divided into 5,000,000,000 Shares, and the existing issued share capital is HK\$299,240,000 divided into 2,992,400,000 Shares. In order to create sufficient numbers of Placing Shares for the purposes of effecting the Placing and for the future expansion and growth of the Company, the Board proposes to increase the authorised share capital of the Company from HK\$500,000,000 to HK\$1,000,000,000 by the creation of an additional 5,000,000,000 Shares. Immediately upon the Increase in Authorised Share Capital becoming effective and assuming no further Shares will be issued or no Shares will be repurchased from the Latest Practicable Date up to the EGM, the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 Shares, and the issued share capital of Company will be HK\$299,240,000 divided into 2,992,400,000 Shares. The Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

RE-ELECTION OF DIRECTOR

Pursuant to Article 114 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with such Article, Mr. Wong Kwong Sum will retire and, being eligible, will offer himself for re-election as an executive Director at the EGM.

Particulars of Mr. Wong Kwong Sum are set out as follows:

Mr. Wong Kwong Sum, aged 48, was appointed as an executive Director and a member of the executive committee of the Company by the Board on 9 March 2015. He holds a Bachelor in Business Administration of West Coast Institute of Management & Technology, and has over twenty years of experience in the construction materials supply and retail business. Mr. Wong was a director of Hong Kong Optical Company Limited. Currently, he is a committee member of the Chinese People's Political Consultative Conference — Guangzhou Baiyun District.

Mr. Wong has not entered into any director service contract with the Company and shall retire and be subject to re-election in the annual general meeting in accordance with the Articles. The annual emoluments payable to Mr. Wong is HK\$420,000 subject to annual adjustment to be determined by the Board of the Company with recommendation from the remuneration committee of the Board by reference to the performance of the Company and Mr. Wong.

Mr. Wong has not held any other directorships in public companies listed on the Stock Exchange or any other major exchanges in the last three years preceding the Latest Practicable Date. In addition, Mr. Wong does not hold any other position with the Company or other members of the Group.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Wong does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Mr. Wong has no relationships with any directors, senior management or substantial or controlling shareholder of the Company. Save as disclosed above, Mr. Wong has confirmed that there is no information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and no matter needs to be brought to the attention of the shareholders of the Company.

EGM

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Placing Share, and the re-election of Mr. Wong Kwong Sum as an executive Director.

A notice convening the EGM to be held at Unit B, 35/F., No. 169 Electric Road, North Point, Hong Kong at 3:00 p.m. on Tuesday, 21 April 2015 is set out on pages 13 to 14 of this circular.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Shareholders has a material interest in the Placing, the Increase in Authorised Share Capital, and the re-election of Mr. Wong Kwong Sum as an executive Director as at the Latest Practicable Date and as such, none of the Shareholders will be required to abstain from voting at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned thereof should you so wish.

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.

LETTER FROM THE BOARD

RECOMMENDATION

The Board is of the view that the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder, and the re-election of Mr. Wong Kwong Sum as an executive Director are in the interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of the relevant resolution(s) approving the Increase in Authorised Share Capital, the Placing Agreement and the transactions contemplated thereunder at the EGM, and the re-election of Mr. Wong Kwong Sum as an executive Director.

Yours faithfully,
For and on behalf of the Board
Harmonic Strait Financial Holdings Limited
Tong Nai Kan
Executive Director

NOTICE OF EGM

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)

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (the “**EGM**”) of Harmonic Strait Financial Holdings Limited (the “**Company**”) will be held at Unit B, 35/F., No. 169 Electric Road, North Point, Hong Kong at 3:00 p.m. on Tuesday, 21 April 2015 for the following purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the authorised share capital of the Company be increased from HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.1 each (“**Share(s)**”) to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 5,000,000,000 new Shares (the “**Increase in Authorised Share Capital**”); 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 Authorised Share Capital.”

2. “**THAT:**

- (a) the Placing Agreement (as defined in the circular of the Company dated 25 March 2015 (“**Circular**”), a copy of the Circular has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification), a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the directors of the Company be and are hereby specifically authorised to allot and issue the Placing Shares (as defined in the Circular) in accordance with the terms of the Placing Agreement; and
- (c) any one director of the Company be and is hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be in his discretion consider desirable or expedient to give effect to the Placing Agreement and all the transactions contemplated thereunder as well as in relation to the allotment and issue of the Placing Shares and to agree to such variation, amendment or waiver as are, in the opinion of such director

NOTICE OF EGM

of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Placing Agreement.”

3. to re-elect Mr. Wong Kwong Sum as an executive director of the Company.

For and on behalf of the Board of
Harmonic Strait Financial Holdings Limited
Tong Nai Kan
Executive Director

Hong Kong, 25 March 2015

Registered office:

Ugland House
South Church Street
George Town
Grand Cayman KY1-1104
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Unit B, 35/F.
No. 169 Electric Road
North Point
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or materially certified copy of such powers of attorney or authority, must be deposited with the Company's branch share registrar and transfer office in Hong Kong, 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 EGM or any adjourned EGM.
3. A form of proxy for use at the EGM is enclosed. Whether or not you propose to attend the EGM in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed on it and then deposit with the Company's branch share registrar and transfer office in Hong Kong as indicated above. Returning the completed form of proxy will not preclude you from attending the EGM and voting in person if you so wish.
4. If two or more persons are jointly registered as holders of a share, the vote of the senior person who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names stand on the Company's register of shareholders in respect of the relevant shares.
5. A shareholder holding more than one share entitled to attend and vote at the EGM need not cast the votes in respect of such shares in the same way on any resolution and therefore may vote a share or some or all such shares either for or against a resolution and/or abstain from voting a share or some or all of the shares and, subject to the terms of the instrument appointing any proxy, a proxy appointed under one or more instruments may vote a share or some or all of the shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.

As at the date of this notice, the Board comprises four executive directors, namely Mr. Lo Siu Leung, Mr. Tong Nai Kan, Mr. Wong Kwong Sum and Mr. Zhao Tieliu; one non-executive director, Mr. Ko Ming Tung, Edward; and three independent non-executive directors, namely Mr. Cheung Wah Keung, Mr. Anthony Espina and Mr. Cheng Wai Lam, James.