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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)

ANNOUNCEMENT PURSUANT TO RULE 13.09(1) OF THE LISTING RULES AND THE INSIDE INFORMATION PROVISIONS

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the preliminary information currently available, the turnover of the Group for the six months ended 30 June 2015 is expected to decrease substantially as compared with that for the corresponding period in 2014.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Harmonic Strait Financial Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary information currently available, the turnover of the Group for the six months ended 30 June 2015 is expected to decrease substantially as compared with that for the corresponding period in 2014. The anticipated decrease in the turnover of the Group is primarily attributable to market

shrink of the trading business of party products for the six months ended 30 June 2015. Notwithstanding the aforesaid, it is currently expected that the net loss of the Group for the six months ended 30 June 2015 will be slightly lower than that for the corresponding period in 2014. Such a decrease in net loss of the Group is mainly attributable to (i) the reduction of finance cost resulting from the repayment of outstanding loan in an amount of HK\$147.5 million; and (ii) the financial income of approximately RMB1.9 million generated from credit guarantee and investment business of the Group.

Since the Company is still in the process of finalizing the results of the Group for the six months ended 30 June 2015, the information contained in this announcement is only based on the preliminary review by the Company's management on the unaudited management accounts of the Group, which has not been audited, reviewed or confirmed by the auditors of the Company and that the actual results for the Group may be different from what is disclosed herein. The unaudited results announcement of the Company for the six months ended 30 June 2015 is expected to be published in late August 2015.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 August, 2015

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Leung Heung Ying, Mr. Tong Nai Kan, Mr. Wong Kwong Sum and Mr. Zhao Tieliu; one non-executive director Mr. Xie Li and four independent non-executive directors, namely Mr. Cheung Wah Keung, Mr. Anthony Espina, Mr. Zhang Huadi and Mr. Ho Chun Chung, Patrick.