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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)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the shareholders of Harmonic Strait Financial Holdings Limited (the “**Company**”) will be held at Unit B, 35/F., No. 169 Electric Road, North Point, Hong Kong on Monday, 27 June 2016 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2015;
2. To re-elect Dr. Cheung Wah Keung as an independent non-executive Director;
3. To re-elect Mr. Zhao Tieliu as an executive Director;
4. To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
5. To re-appoint Cheng & Cheng Limited as the Company’s auditor and to authorize the Board of Directors to fix its remuneration;
6. As a special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (a) the authorised share capital of the Company be increased from HK\$1,000,000,000 divided into 10,000,000,000 shares of HK\$0.1 each (“**Share(s)**”) to HK\$10,000,000,000 divided into 100,000,000,000 Shares by the creation of an additional 90,000,000,000 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.”

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

(a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to: (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of the Stock Exchange).”

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase the Shares on the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the articles of association of the Company or by any applicable laws to be held; and
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

9. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** subject to the ordinary resolutions nos. 7 and 8 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares pursuant to resolution no. 7 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 8, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 8.”

10. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 30 October 2007 (“**Share Option Scheme**”) and any other share option schemes of the Company, representing 10 per cent. of the issued share capital of the Company as at the date on which this resolution is passed:

- (a) approval be and is hereby granted for refreshing the 10 per cent. limit under the Share Option Scheme (“**Proposed Refreshment**”) and any other share option schemes of the Company provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company under the limit as refreshed hereby shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Proposed Refreshment); and
- (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

For and on behalf of the Board of
Harmonic Strait Financial Holdings Limited
Wong Kwong Sum
Executive Director

Hong Kong, 26 May 2016

Registered office:
Ugland House
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 Meeting 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 Meeting or any adjourned Meeting.
3. A form of proxy for use at the Meeting is enclosed. Whether or not you propose to attend the Meeting 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 Meeting 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 AGM 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 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 Dr. Cheung Wah Keung, Mr. Anthony Espina, Mr. Zhang Huadi and Mr. Ho Chun Chung, Patrick.