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## **Harmony Asset Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(HKEX Stock Code: 428)

(TSX Stock Symbol: HAR)

### **THIRD QUARTER RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2009**

This announcement is made by Harmony Asset Limited (the “Company”) to comply with Canadian securities law and Toronto Stock Exchange requirements.

The financial data for the nine months ended 30th September, 2009 are based on the internal records and management accounts of the Company and its wholly owned subsidiaries (the “Group”). The financial data and statements have not been audited, reviewed or otherwise verified for accuracy and completeness of information by the auditor of the Company.

The Company’s shareholders and potential investors are urged to exercise caution in dealing in the shares of the Company and should consult their own professional advisers if they are in doubt as to their investment position.

#### **FINANCIAL HIGHLIGHTS**

The financial highlights of the Group for the nine months ended 30th September, 2009 are summarized as follows:

- Turnover, other revenue and other gains and losses of the Group for the nine months ended 30th September, 2009 were aggregated resulting in a gain of HK\$107,309,912 as compared to the loss of HK\$5,884,769 in the same period last year, representing a 1,924% increase.
- Net profit attributable to equity holders for the nine months ended 30th September, 2009 was HK\$77,512,813 as compared to the loss of HK\$19,248,371 in the same period last year, representing a 503% increase.
- Basic earnings per share of the Group was HK cents 198.69 for the nine months ended 30th September, 2009 as compared to a loss of HK cents 49.35 in the same period last year, representing a 503% increase.

The Board of Directors (the “Board”) of the Company is pleased to present the unaudited, condensed, consolidated results of the Group for the nine months ended 30th September, 2009 with comparative figures for the corresponding period in 2008 as follows:

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
*AS AT 30TH SEPTEMBER, 2009 AND 31ST DECEMBER, 2008*

	<b>30th September, 2009 (Unaudited) HK\$</b>	31st December, 2008 (Audited) HK\$
<b>Non-current assets</b>		
Property, plant and equipment	76,312	136,886
Available-for-sale financial assets	78,542,352	68,058,932
Loans and receivables	7,152,038	20,077,507
	<u>85,770,702</u>	<u>88,273,325</u>
<b>Current assets</b>		
Accounts receivable and prepayments	33,463,389	19,383,342
Financial assets at fair value through profit or loss	86,647,344	72,896,629
Bank balances and cash	80,235,563	10,252,785
	<u>200,346,296</u>	<u>102,532,756</u>
<b>Current liabilities</b>		
Accounts payable and accruals	8,092,415	1,786,655
Tax payable	17,738,959	2,825,920
	<u>25,831,374</u>	<u>4,612,575</u>
<b>Net Current assets</b>	<u>174,514,922</u>	<u>97,920,181</u>
<b>Total assets less current liabilities</b>	<b>260,285,624</b>	186,193,506
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,845,598	2,651,742
<b>Net assets</b>	<u><u>257,440,026</u></u>	<u><u>183,541,764</u></u>
<b>Capital and reserves</b>		
Share capital	39,058,615	39,002,615
Reserves	218,381,411	144,539,149
	<u><u>257,440,026</u></u>	<u><u>183,541,764</u></u>

The accounting policies adopted to prepare the financial statements for the nine months ended 30th September, 2009 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31st December, 2008.

The financial statements for the nine months ended 30th September, 2009 are unaudited and based on the internal records and management accounts of the Group.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED 30TH SEPTEMBER, 2009**

	Three months ended 30th September,		Nine months ended 30th September,	
	2009 (Unaudited) HK\$	2008 (Unaudited) HK\$	2009 (Unaudited) HK\$	2008 (Unaudited) HK\$
<b>Turnover</b>	<b>812,693</b>	1,966,340	<b>5,562,492</b>	9,678,077
<b>Other revenue</b>	<b>2,999,333</b>	78,415	<b>3,132,452</b>	531,070
<b>Other gains (losses)</b>	<b>(14,554,878)</b>	(35,824,529)	<b>98,614,968</b>	(16,093,916)
	<b>(10,742,852)</b>	(33,779,774)	<b>107,309,912</b>	(5,884,769)
<b>Operating expenses</b>				
Employee benefit expenses	(557,502)	(948,982)	(1,874,460)	(4,765,838)
Depreciation of property, plant and equipment	(7,016)	(32,602)	(60,574)	(94,918)
Other operating expenses	(5,580,697)	(2,900,605)	(12,755,170)	(9,608,096)
<b>Operating profit (loss)</b>	<b>(16,888,067)</b>	(37,661,963)	<b>92,619,708</b>	(20,353,621)
Finance costs	–	–	–	(96)
<b>Profit (loss) before income tax</b>	<b>(16,888,067)</b>	(37,661,963)	<b>92,619,708</b>	(20,353,717)
Income tax (expenses) credit	<b>1,071,076</b>	3,417,972	<b>(15,106,895)</b>	1,105,346
<b>Profit (loss) for the period attributable to equity holders of the Company</b>	<b>(15,816,991)</b>	(34,243,991)	<b>77,512,813</b>	(19,248,371)
	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
<b>Earnings (loss) per share</b>				
Basic <sup>1</sup>	<b>(40.52)</b>	(87.80)	<b>198.69</b>	(49.35)
Diluted <sup>2</sup>	<b>N/A</b>	N/A	<b>198.52</b>	N/A <sup>3</sup>

- <sup>1</sup> Basic earnings (loss) per share is calculated by dividing the profit (loss) attributable to equity holders of the Company by the weighted average number of the ordinary shares in issue during the period.
- <sup>2</sup> Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period after adjusting for the number of diluted potential ordinary shares granted under the Company's share option scheme.
- <sup>3</sup> No diluted earnings per share for the nine months ended 30th September, 2008 has been presented as the effect of the assumed conversion of the outstanding share options is anti-dilutive.

## **OVERALL PERFORMANCE**

For the nine months ended 30th September, 2009, the Group received interest income in the aggregate amount of HK\$926,492 as compared to HK\$3,372,761 in the same period last year, representing a 73% decrease. Dividend income generated from the listed and unlisted securities was HK\$4,636,000 as compared to HK\$6,305,316 in the same period last year, representing a 26% decrease. Turnover, or interest and dividend income, for the period was HK\$5,562,492 as compared to HK\$9,678,077 in the same period last year, representing a 43% decrease. Net realised gain on disposal of listed securities was HK\$105,418,596 as compared to HK\$6,006,606 in the same period last year, representing a 1,655% increase. Gain on the fair value changes on the listed securities was HK\$19,782,881 as compared to a loss of HK\$22,076,038 in the same period last year, representing a 190% increase. Turnover, other revenue and other gains and losses of the Group for the nine months ended 30th September, 2009 were aggregated resulting in a gain of HK\$107,309,912 as compared to the loss of HK\$5,884,769 in the same period last year, representing a 1,924% increase.

For the nine months ended 30th September, 2009, the Group's profit before income tax was HK\$92,619,708 as compared to a loss of HK\$20,353,717 in the same period last year, representing a 555% increase. The profit attributable to equity holders was HK\$77,512,813 as compared to the loss of HK\$19,248,371 in the same period last year, representing a 503% increase.

## **CAUTION STATEMENT**

**The Company's shareholders and potential investors should note that all the figures contained herein are unaudited. Accordingly, figures contained in this announcement should in no way be regarded as any assurance on the financial results of the Group for the period ended 30th September, 2009 and the financial position as at 30th September, 2009.**

**The Company's shareholders and potential investors are urged to exercise caution in dealing in the shares of the Company and consult their own professional advisers if they are in doubt as to their investment position.**

By Order of the Board  
**Lee Fong Lit David**  
*Chairman*

Hong Kong, 13th November, 2009

*As at the date of this announcement, the Board of Directors comprises 4 executive directors, namely, Mr. LEE Fong Lit David, Dr. CHOW Pok Yu Augustine, Dr. LAM Andy Siu Wing JP, Mr. CHAN Shuen Chuen and 3 independent non-executive directors, namely, Mr. TONG Kim Weng Kelly, Dr. WONG Yun Kuen and Mr. HO Man Kai Anthony.*