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HARMONY ASSET LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 428)

(TSX Trading Symbol: HAR)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2011

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 three months ended March 31, 2011 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 three months ended March 31, 2011 are summarised as follows:

- Turnover, other revenue and other gains and losses of the Group for the three months ended March 31, 2011 were aggregated resulting in a gain of HK\$10,189,169 as compared to HK\$27,407,068 in the same period last year, representing a 63% decrease.
- Profit attributable to owners of the Company for the three months ended March 31, 2011 was HK\$7,097,783 as compared to HK\$24,872,447 in the same period last year, representing a 71% decrease.
- Basic earnings per share of the Group was HK\$0.18 for the three months ended March 31, 2011 as compared to HK\$0.64 in the same period last year, representing a 71% decrease.

The Board of Directors of the Company (the “Board”) is pleased to present the unaudited, condensed, consolidated results of the Group for the three months ended March 31, 2011 with comparative figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2011 and March 31, 2010

	2011 (Unaudited) HK\$	2010 (Unaudited) HK\$
Turnover	4,604,839	4,163,642
Other revenue	27,127	30,001
Other gains and (losses)	5,557,203	23,213,425
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Employee benefits expenses	(544,450)	(630,149)
Depreciation of property, plant and equipment	(89,684)	(79,217)
Other operating expenses	(2,457,252)	(2,079,940)
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Profit before income tax	7,097,783	24,617,762
Income tax credit	–	254,685
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Profit for the period attributable to owners of the Company	7,097,783	24,872,447
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Other comprehensive income:		
Gains on fair value changes on available-for-sale financial assets	666,105	5,412,181
Transfer to profit or loss upon disposal of available-for-sale financial assets	(1,670,172)	–
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Other comprehensive income for the period	(1,004,067)	5,412,181
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Total comprehensive income for the period attributable to owners of the Company	6,093,716	30,284,628
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Earnings per share		
Basic	HK\$0.18	HK\$0.64
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Diluted	HK\$0.18	HK\$0.64
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* Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the period.

Diluted earnings per share for the period is the same as the basic earnings per share as the effect of the assumed conversion of the outstanding share option is anti-dilutive.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2011 and December 31, 2010

	March 31 2011 (Unaudited) HK\$	December 31 2010 (Audited) HK\$
Non-current assets		
Property, plant and equipment	2,174,817	1,160,398
Available-for-sale financial assets	57,450,364	60,201,831
Loans and receivables	23,322,896	24,796,040
Deferred tax assets	4,002,372	4,002,372
	86,950,449	90,160,641
Current assets		
Accounts receivable and prepayments	41,081,523	25,089,549
Trading securities	65,150,602	65,956,302
Derivative financial instruments	758,330	758,330
Bank balances and cash	134,928,760	141,083,888
	241,919,215	232,888,069
Current liabilities		
Accounts payable and accruals	6,536,838	6,809,600
Amount due to a related company	3,928,169	3,928,169
Tax payable	3,021,429	3,021,429
	13,486,436	13,759,198
Net current assets	228,432,779	219,128,871
Net assets	315,383,228	309,289,512
Capital and reserves		
Share capital	39,058,615	39,058,615
Reserves	276,324,613	270,230,897
Total equity	315,383,228	309,289,512
Net asset value per share	HK\$8.07	HK\$7.92

* The accounting policies adopted in preparing the financial data for the three months ended March 31, 2011 are consistent with those used in the annual consolidated financial statements of the Group for the year ended December 31, 2010.

The financial data for the three months ended March 31, 2011 are unaudited and based on the internal records and management accounts of the Group.

OVERALL PERFORMANCE

For the three months ended March 31, 2011, the Group received interest income in the aggregate amount of HK\$2,156,331 as compared to HK\$374,570 in the same period last year, representing a 476% increase. Dividend income generated from listed and unlisted securities was HK\$2,448,508 for the three months ended March 31, 2011 as compared to HK\$3,789,072 in the same period last year, representing a 35% decrease. Turnover was HK\$4,604,839 for the three months ended March 31, 2011 as compared to HK\$4,163,642 in the same period last year, representing a 11% increase. Loss on the fair value changes on the listed securities was HK\$195,081 as compared to gain of HK\$16,524,160 in the same period last year. The Group disposed of certain publicly traded securities and derivative financial instruments to obtain a realised gain of HK\$2,723,203 (2010: HK\$6,774,166). The Group recorded a net realized gain on disposal of an unlisted investment of HK\$1,670,172 (2010: nil). Recovery of impairment losses on loans and receivables previous recognised was HK\$1,103,619 (2010: nil). Net exchange gain for the period ended March 31, 2011 was HK\$255,290 (2010: loss of HK\$84,901). The Group recorded turnover, other revenue and other gains and losses of HK\$10,189,169 for the three months ended March 31, 2011 as compared to HK\$27,407,068 in the same period last year, representing a 63% decrease. The profit before income tax was HK\$7,097,783 for the three months ended March 31, 2011 as compared to HK\$24,617,762 in the same period last year, representing a 71% decrease. The profit attributable to owners of the Company was HK\$7,097,783 for the three months ended March 31, 2011 as compared to HK\$24,872,447 in the same period last year, representing a 71% decrease.

CAUTION STATEMENT

The Company's shareholders and potential investors should note that all the figures contained herein are unaudited (except otherwise stated). 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 March 31, 2011 and the financial position as at March 31, 2011.

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 positions.

By Order of the Board
Harmony Asset Limited
Lee Fong Lit David
Chairman

Hong Kong, May 13, 2011

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