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## **HARMONY ASSET LIMITED**

**亨亞有限公司\***

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

(HKEX Stock Code: 428)

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2014**

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

The financial data for the three months ended March 31, 2014 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, 2014 are summarised as follows:

- The Group recorded a loss of HK\$2,606,028 in turnover, other revenue and other gains and losses as compared to HK\$7,297,141 in the same period last year.
- Loss attributable to owners of the Company was HK\$5,821,887 as compared to HK\$10,599,134 in the same period last year.
- Basic loss per share of the Group was HK\$0.15 for the three months ended March 31, 2014 (2013: HK\$0.27).

\* For identification purpose only

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, 2014 with comparative figures for the corresponding period in 2013 as follows:

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the three months ended March 31, 2014*

	<b>2014</b> <b>(Unaudited)</b> <b>HK\$</b>	2013 (Unaudited) HK\$
Turnover	<b>887,043</b>	1,952,238
Other revenue	<b>174</b>	3,000
Other gains and (losses)	<b>(3,493,245)</b>	(9,252,379)
	<b>(2,606,028)</b>	(7,297,141)
Employee benefits expenses	<b>(690,729)</b>	(895,955)
Depreciation of property, plant and equipment	<b>(111,018)</b>	(173,189)
Other operating expenses	<b>(2,414,112)</b>	(2,232,849)
Loss before income tax	<b>(5,821,887)</b>	(10,599,134)
Income tax expense	<b>—</b>	—
Loss for the period attributable to owners of the Company	<b>(5,821,887)</b>	(10,599,134)
Other comprehensive income:		
Losses on fair value changes on available-for-sale financial assets	<b>(829,217)</b>	(264,926)
Other comprehensive income for the period	<b>(829,217)</b>	(264,926)
Total comprehensive income for the period attributable to owners of the Company	<b>(6,651,104)</b>	(10,864,060)
Loss per share		
Basic	<b>(HK\$0.15)</b>	(HK\$0.27)
Diluted	<b>(HK\$0.15)</b>	(HK\$0.27)

\* The calculation of basic loss per share is based on the Group’s loss attributable to owners of the Company by the weighted average number of the ordinary shares in issue during the period.

Diluted loss per share for the three months ended March 31, 2014 and 2013 are the same as the basic loss per share as there is no potential dilutive shares in issue during both periods.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at March 31, 2014 and December 31, 2013*

	<b>March 31</b> <b>2014</b> <b>(Unaudited)</b> <i>HK\$</i>	December 31 2013 (Audited) <i>HK\$</i>
<b>Non-current assets</b>		
Property, plant and equipment	595,059	689,397
Available-for-sale financial assets	78,093,551	71,150,303
Loans and receivables	22,861,912	25,181,913
Deposits for investments	3,883,515	3,883,515
	<b>105,434,037</b>	100,905,128
<b>Current assets</b>		
Loans and receivables	38,496,798	17,896,798
Accounts receivable and prepayments	19,678,509	30,910,631
Financial assets at fair value through profit or loss	54,293,509	54,235,622
Derivative financial instruments	14,383,832	14,383,832
Bank balances and cash	9,199,611	30,878,872
	<b>136,052,259</b>	148,305,755
<b>Current liabilities</b>		
Accounts payable and accruals	6,455,713	7,529,196
	<b>6,455,713</b>	7,529,196
<b>Net current assets</b>	<b>129,596,546</b>	140,776,559
<b>Total assets less current liabilities/Net assets</b>	<b>235,030,583</b>	241,681,687
<b>Capital and reserves</b>		
Share capital	39,058,615	39,058,615
Reserves	195,971,968	202,623,072
<b>Total equity</b>	<b>235,030,583</b>	241,681,687
<b>Net asset value per share</b>	<b>HK\$6.02</b>	HK\$6.19

\* The accounting policies adopted in preparing the financial data for the three months ended March 31, 2014 are consistent with those used in the annual consolidated financial statements of the Group for the year ended December 31, 2013.

The financial data for the three months ended March 31, 2014 are unaudited and based on the internal records and management accounts of the Group.

## OVERALL PERFORMANCE

For the three months ended March 31, 2014, the Group received interest income in the aggregate amount of HK\$887,043 as compared to HK\$452,238 in the same period last year, representing a 96% increase. No cash dividend was received from investments (2013: HK\$1,500,000). Turnover was HK\$887,043 for the three months ended March 31, 2014 as compared to HK\$1,952,238 in the same period last year, representing a 55% decrease. For the period ended March 31, 2014, the Group recorded a loss on fair value changes on trading securities of HK\$4,231,760 (2013: HK\$9,289,389). Realized gain on listed securities was HK\$742,114 (2013: nil). Net exchange loss for the period ended March 31, 2014 was HK\$3,599 (2013: gain of HK\$37,010). The Group recorded a loss of HK\$2,606,028 in turnover, other revenue and other gains and losses for the three months ended March 31, 2014 as compared to HK\$7,297,141 in the same period last year.

For the three months ended March 31, 2014, the loss before income tax was HK\$5,821,887 as compared to HK\$10,599,134 in the same period last year. The loss attributable to owners was HK\$5,821,887 as compared to HK\$10,599,134 in the same period last year. The loss for the three months ended March 31, 2014 was mainly due to a decrease in the fair value of the Group's trading securities.

## 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, 2014 and the financial position as at March 31, 2014.**

**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 15, 2014

*As at the date of this announcement, the Board comprises four executive directors, namely, Mr. LEE Fong Lit David, Dr. CHOW Pok Yu Augustine, Mr. CHAN Shuen Chuen Joseph and Mr. CHENG Ming Shun; and three independent non-executive directors, namely, Mr. TONG Kim Weng Kelly, Dr. WONG Yun Kuen and Mr. HO Man Kai Anthony.*