



HARMONY ASSET LIMITED

亨亞有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 428)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER, 2007

This announcement is made by Harmony Asset Limited on a voluntary basis to cope with the dual listing requirement in Canada. The Company shall continue to publish the quarterly financial results in future.

The financial data for the nine months ended 30th September, 2007 are based on the internal records and management accounts of the Group. These financial statements have not been audited, reviewed or otherwise verified for accuracy and completeness of information by the auditors of the Company.

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

FINANCIAL HIGHLIGHTS

The financial highlights of Harmony Asset Limited and its subsidiaries for the nine months ended 30th September, 2007 are summarised as follows:

- Turnover of the Group for the nine months ended 30th September, 2007 was HK\$3,571,634 as compared to HK\$1,829,811 in the same period last year, a 95.19% increase.
- Net profit attributable to shareholders for the nine months ended 30th September, 2007 was HK\$10,189,069 as compared to HK\$15,340,362 in the same period last year, a 33.58% decrease.
- Earning per share of the Group was HK cents 30.92 (2006: HK cents 52.50) for the nine months ended 30th September, 2007, a 41% decrease.

The Board of Directors of Harmony Asset Limited (the “Company”) is pleased to present the unaudited, condensed, consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended 30th September, 2007 with comparative figures for the corresponding period in 2006 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	For the three months ended		For the nine months ended	
	30th September,		30th September,	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$	HK\$	HK\$	HK\$
Turnover	946,926	547,003	3,571,634	1,829,811
Other revenue	344,594	663,769	891,799	9,767,356
Other (losses) and gains	(12,901,378)	6,661,631	19,135,331	12,020,324
	(11,609,858)	7,872,403	23,598,764	23,617,491
Depreciation of property, plant and equipment	(45,598)	(74,550)	(175,163)	(224,514)
Employee benefit expenses	(540,838)	(529,531)	(2,229,689)	(2,439,662)
Other operating expenses	(2,971,406)	(1,927,814)	(7,390,651)	(5,472,989)
Impairment loss on loans receivable	–	–	(3,308,261)	–
Operating (loss) profit	(15,167,700)	5,340,508	10,495,000	15,480,326
Finance costs	–	–	–	(139,964)
(Loss) profit before income tax	(15,167,700)	5,340,508	10,495,000	15,340,362
Income tax credit (expenses)	2,940,582	–	(305,931)	–
(Loss) profit for the period attributable to shareholders of the Company	(12,227,118)	5,340,508	10,189,069	15,340,362
(Loss) earnings per share				
Basic	(31.35)cents	18.28 cents	30.92 cents	52.50 cents
Diluted	N/A	18.06 cents	30.80 cents	52.09 cents

* *Basic (loss) earnings per share for the three months ended 30th September, 2007 and the nine months ended 30th September, 2007 are calculated by dividing the (loss) and profit attributable to shareholders of the Company for the relevant period by the weighted average number of the ordinary shares in issue during the three months ended 30th September, 2007 of 39,002,614 shares (Three months ended 30th September, 2006 of 29,220,474 shares) and the nine months ended 30th September, 2007 of 32,956,784 shares (Nine months ended 30th September, 2006 of 30,364,780 shares).*

No dilution effect is calculated for the three months ended 30th September, 2007 (The diluted earnings per share for three months ended 30th September, 2006 was based on 30,978,239 shares). Diluted earnings per share for the nine months ended 30th September, 2007 is calculated based on the profit attributable to shareholders, and the weighted average number of ordinary shares in issue during the nine months ended 30th September, 2007 of 33,077,840 shares (Nine months ended 30th September, 2006 of 30,364,780 shares), after adjusting for the number of diluted potential ordinary shares granted under the Company's share option scheme.

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30TH SEPTEMBER, 2007 AND 31ST DECEMBER, 2006

	As at 30th September, 2007 (Unaudited) HK\$	As at 31st December, 2006 (Audited) HK\$
Non-current assets		
Property, plant and equipment	245,422	370,792
Available-for-sale financial assets	45,455,053	43,228,573
Loans receivable	69,095,992	71,533,757
	<u>114,796,467</u>	<u>115,133,122</u>
Current assets		
Accounts receivable and prepayments	23,499,553	19,278,075
Financial assets at fair value through profit or loss	73,778,791	44,868,350
Bank balances and cash	26,600,322	18,715,933
	<u>123,878,666</u>	<u>82,862,358</u>
Current liabilities		
Accounts payable	131,794	7,429,459
Tax payable	427,433	121,502
	<u>559,227</u>	<u>7,550,961</u>
Net current assets	<u>123,319,439</u>	<u>75,311,397</u>
Net assets	<u>238,115,906</u>	<u>190,444,519</u>
Capital and reserves		
Share capital	39,002,615	29,220,475
Reserves	199,113,291	161,224,044
Total equity	<u>238,115,906</u>	<u>190,444,519</u>

* *The accounting policies adopted in preparing the financial data for the nine months ended 30th September, 2007 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31st December, 2006.*

The financial data for the nine months ended 30th September, 2007 are based on the internal records and management accounts of the Group and are unaudited.

OVERALL PERFORMANCE

For the nine months ended 30th September, 2007, the Group recorded a turnover of HK\$3,571,634 as compared to HK\$1,829,811 in the same period last year, a 95.19% increase. The interest income was HK\$2,441,634 (2006: HK\$1,600,846). Dividend received from unlisted investments was HK\$1,130,000 (2006: HK\$135,266). Gain on disposal of listed investment was HK\$3,817,624 (2006: HK\$3,403,625). The fair value gain on listed investments was HK\$14,255,302 (2006: HK\$8,612,291). The profit before income tax was HK\$10,495,000 as compared to HK\$15,340,362 in the same period last year, a 31.59% decrease. The profit attributable to shareholders was HK\$10,189,069 as compared to HK\$15,340,362 in the same period last year, a 33.58% decrease.

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, 2007 and the financial position as at 30th September, 2007.

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

By Order of the Board
Lee Fong Lit David
Chairman

Hong Kong, 12th November, 2007

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.