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HARMONY ASSET LIMITED

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 428)

(TSX Stock Symbol: HAR)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH, 2010

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 31st March, 2010 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 31st March, 2010 are summarized as follows:

- Turnover, other revenue and other gains and losses of the Group for the three months ended 31st March, 2010 were aggregated resulting in a gain of HK\$27,407,068 as compared to HK\$8,936,098 in the same period last year, representing a 207% increase.
- Profit attributable to owners of the Company for the three months ended 31st March, 2010 was HK\$24,872,447 as compared to HK\$7,426,024 in the same period last year, representing a 235% increase.
- Basic earnings per share of the Group was HK cents 63.68 for the three months ended 31st March, 2010 as compared to HK cents 19.04 in the same period last year, representing a 234% increase.

The Board of Directors of the Company is pleased to present the unaudited, condensed, consolidated results of the Group for the three months ended 31st March, 2010 with comparative figures for the corresponding period in 2009 as follows:

Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31st March, 2010

	Three months ended	
	31st March,	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Turnover	4,163,642	3,246,795
Other revenue	30,001	67,119
Other gains	23,213,425	5,622,184
	27,407,068	8,936,098
Employee benefits expenses	(630,149)	(557,995)
Depreciation of property, plant and equipment	(79,217)	(10,792)
Other operating expenses	(2,079,940)	(1,799,287)
Profit before income tax	24,617,762	6,568,024
Income tax credit	254,685	858,000
Profit for the period attributable to owners of the Company	24,872,447	7,426,024
Other comprehensive income:		
Gains on fair value changes on available-for-sale financial assets	5,412,181	777,343
Other comprehensive income for the period	5,412,181	777,343
Total comprehensive income for the period attributable to owners of the Company	30,284,628	8,203,367
Earnings per share		
Basic	63.68 cents	19.04 cents
Diluted	N/A	19.00 cents

* 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.

** No diluted earnings per share for the period has been presented as the effect of the assumed conversion of the outstanding share option is anti-dilutive.

Condensed Consolidated Statement of Financial Position

As at 31st March, 2010 and 31st December, 2009

	31st March, 2010 (Unaudited) HK\$	31st December 2009 (Audited) HK\$
Non-current assets		
Property, plant and equipment	1,385,945	1,465,162
Available-for-sale financial assets	116,266,674	110,854,493
Loans and receivables	6,424,429	6,314,135
	<u>124,077,048</u>	<u>118,633,790</u>
Current assets		
Accounts receivable and prepayments	30,529,534	17,810,465
Trading securities	75,407,706	44,930,302
Derivative financial instruments	18,137,014	21,322,735
Bank balances and cash	82,100,764	98,065,356
	<u>206,175,018</u>	<u>182,128,858</u>
Current liabilities		
Accounts payable and accruals	709,432	1,249,956
Amount due a related company	6,028,948	6,028,948
Tax payable	13,915,198	13,569,202
	<u>20,653,578</u>	<u>20,848,106</u>
Net Current assets	<u>185,521,440</u>	<u>161,280,752</u>
Total assets less current liabilities	309,598,488	279,914,542
Non-current liabilities		
Deferred tax liabilities	1,813,266	2,413,948
Net assets	<u><u>307,785,222</u></u>	<u><u>277,500,594</u></u>
Capital and reserves		
Share capital	39,058,615	39,058,615
Reserves	268,726,607	238,441,979
	<u><u>307,785,222</u></u>	<u><u>277,500,594</u></u>

* The accounting policies adopted in preparing the financial data for the three months ended 31st March, 2010 are consistent with those used in the annual consolidated financial statements of the Group for the year ended 31st December, 2009.

The financial data for the three months ended 31st March, 2010 are based on the internal records and management accounts of the Group and are unaudited.

OVERALL PERFORMANCE

For the three months ended 31st March, 2010, the Group received interest income in the aggregate amount of HK\$374,570 as compared to HK\$246,795 in the same period in the prior year, representing a 52% increase. Dividend income generated from unlisted securities was HK\$3,789,072 for the three months ended 31st March, 2010 as compared to HK\$3,000,000 in the same period in the prior year, representing a 26% increase. Turnover was HK\$4,163,642 for the three months ended 31st March, 2010 as compared to HK\$3,246,795 in the same period in the prior year, representing a 28% increase. Gain on the fair value changes on the listed securities was HK\$16,524,160 as compared to HK\$13,736,179 in the same period in the prior year, representing a 20% increase. The Group disposed of certain of its publicly traded securities to obtain a realised gain of HK\$6,774,166 (2009: nil). The Group recorded turnover, other revenue and other gains and losses of HK\$27,407,068 for the three months ended 31st March, 2010 as compared to HK\$8,936,098 in the same period in the prior year, representing a 207% increase. The profit before income tax was HK\$24,617,762 for the three months ended 31st March, 2010 as compared to HK\$6,568,024 in the same period in the prior year, representing a 275% increase. The profit attributable to shareholders of the Company was HK\$24,872,447 for the three months ended 31st March, 2010 as compared to HK\$7,426,024 in the same period in the prior year, representing a 235% 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 31st March, 2010 and the financial position of the Company as at 31st March, 2010.

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 positions.

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

Hong Kong, 14th May, 2010

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 Joseph and 3 independent non-executive directors, namely, Mr. TONG Kim Weng Kelly, Dr. WONG Yun Kuen and Mr. HO Man Kai Anthony.