

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HARMONY ASSET LIMITED

亨亞有限公司*

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 428)

(TSX Trading Symbol: HAR)

CONTINUING CONNECTED TRANSACTION

On 24 April 2013, the Company entered into the Supplemental Agreement with the Investment Manager to amend the calculation method for the incentive fee under the Investment Management Agreement.

Investment Management Agreement and the Supplemental Agreement are conditional upon approval by the Independent Shareholders in EGM.

A circular containing, among others, further details of the Investment Management Agreement and the Supplemental Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM, will be despatched to the Shareholders on or before 10 May 2013.

Reference is made to the Company's announcements dated 11 April 2013 (the "Announcement") relating to the Investment Management Agreement. Unless otherwise expressly indicated, the capitalized terms used herein shall have the same meaning as those defined in the Announcement.

Supplemental Agreement

The Board wishes to announce that on 24 April 2013, the Company and the Investment Manager entered into an supplemental agreement (the "Supplemental Agreement") to amend the calculation method of the incentive fee under the Investment Management Agreement.

As disclosed in the Announcement, the incentive fee payable by the Company to the Investment Manager under the Investment Management Agreement in respect of each Financial Year shall be 10% of the audited net profit of the Company in the Financial Year before accrual of the incentive fee and payable within 6 months after publishing the audited accounts of the Company in the relevant Financial Year.

After entering of the Supplemental Agreement, the incentive fee payable by the Company to the Investment Manager under the Investment Management Agreement (as amended by the Supplemental Agreement) in respect of each Financial Year shall be 10% of the audited net profit of the Company in the Financial Year and for the purpose of the calculating the audited net profit of the Financial Year (i) any audited net loss of the Company in any Financial Year commencing 1 January 2013 shall be carried forward and set off against the audited net profit of the Company in subsequent Financial Years, and (ii) the audited net profit of the Financial Year shall be calculated before accrual of any incentive fee that will be payable.

Condition of the Supplemental Agreement

The Supplemental Agreement is conditional upon the approval by the Independent Shareholders of the transaction contemplated by the Investment Management Agreement as supplemented by this Supplemental Agreement at the EGM. If the condition is not satisfied on or before 31 May 2013, the Supplemental Agreement and the Investment Management Agreement shall lapse and none of the parties shall have any obligations and liabilities thereunder save for antecedent breaches of terms thereof.

Reasons for entering into the Supplemental Agreement

The Directors (excluding the Independent Board Committee who will reserve their judgment after taking advice from the Independent Financial Adviser) are of the view that the new calculation method of the incentive fee contemplated by the Supplemental Agreement will meet with the expectation of the Shareholders that any net loss of the Company will also be taken into account when calculating incentive fees payable to the Investment Manager.

Circular

A circular containing, among others, further details of the Investment Management Agreement and the Supplemental Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the recommendation of the Independent Board Committee and a notice convening the EGM, will be despatched to the Shareholders on or before 10 May 2013.

By Order of the Board
HARMONY ASSET LIMITED
Lee Fong Lit, David
Chairman

Hong Kong, 24 April 2013

* *for identification purpose only*

As at the date of this announcement, the executive directors are Mr. Lee Fong Lit, David, Dr. Chow Pok Yu, Augustine, Mr. Chan Shuen Chuen, Joseph and Mr. Cheng Ming Shun. The independent non-executive directors are Mr. Tong Kim Weng, Kelly, Dr. Wong Yun Kuen and Mr. Ho Man Kai, Anthony.