HERALD HOLDINGS LIMITED
興 利 集 團 有 限 公 司 *

(Incorporated in Bermuda with limited liability)
(Stock Code: 00114)

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES

> This announcement is made pursuant to Rules 13.13 and 13.15 of the Listing Rules to disclose details of the Group's advances to certain entities, comprising Trade Receivables as detailed below, which individually exceeded 8% of the Company's Market Capitalization and/or the Group's Total Assets.

Under Rules 13.13 and 13.15 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), a disclosure obligation arises where the total advance to an entity from Herald Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") exceeds 8% of any of the Company's market capitalization or the Group's total assets.

As at 30 September 2004, the consolidated total assets value of the Group, as set out in the latest published unaudited interim report of the Company for the six months ended 30 September 2004, adjusted by the amount of interim dividend declared was HK$726,964,000 (the "Total Assets").

As at 31 December 2004, there were 613,925,763 shares of the Company in issue. Based on the average closing price of the Company's shares of HK$0.614 as stated in daily quotation sheets of the Stock Exchange for the trading days from 23 December 2004 to 30 December 2004 (both days inclusive, being the five business days immediately preceding 31 December 2004), the total market capitalization of the Company was approximately HK$376,950,000 as at 31 December 2004 (the "Market Capitalization").

According to the latest management accounts of the Group, as at 31 December 2004, the Group had trade receivables due from the following entities (the "Trade Receivables"), which individually exceeded 8% of the Market Capitalization and/or the Total Assets. Under Rules 13.13 and 13.15 of the Listing Rules, the Company's general disclosure obligation of certain particulars of the Trade Receivables as prescribed under Rule 13.15 arose.

Name of Entities	Amount of Trade Receivables	Percentage of the Market Capitalization	Percentage of the Total Assets	Note
Hasbro S.A. and Hasbro Far East Limited ("Hasbro Group")	HK$ 38,514,000	10.22%	5.3%	(a)
Sit-up Limited ("Sit-up")	HK$ 63,995,000	16.98%	8.8%	(b)
	HK$102,509,000			

Note:

(a) The Trade Receivables from Hasbro Group, which are interest-free, unsecured and have a normal repayment term not exceeding 30 days, resulted from sales of toys which are part of the Group's ordinary course of business.

(b) The Trade Receivables from Sit-up, which are interest-free, unsecured and have a normal repayment term not exceeding 60 days, resulted from sales of timepieces and electronic products which are part of the Group's ordinary course of business.

To the best of the knowledge of the Company's directors, each of Hasbro Group and Sit-up is an independent third party not connected to the directors, chief executives or substantial shareholders of the Group or any of their respective associates (as defined in the Listing Rules). The Company will fulfill the continuing disclosure obligation under Rule 13.20 of the Listing Rules so long as circumstances giving rise to such disclosure obligation continue to exist at its interim period end and/or annual financial year end. The Company's directors confirm that, save as disclosed above, the Company does not have other disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules triggered on 31 December 2004.

As at the date of this announcement, the Board comprises Messrs. George Bloch, Cheung Tsang Kay Stan, Chang Dong Song, Robert Dorfman and Thong Yeung Sum Michael as executive directors and Messrs. Denis Campbell Bray, Tsao Kwang Yung Peter and Tang King Hung as independent non-executive directors.

<div align="right">

By order of the Board
George Bloch
Chairman

</div>

Hong Kong, 7 January 2005

*   *For identification only*

Please also refer to the published version of this announcement in The Standard and Hong Kong Economic Times.