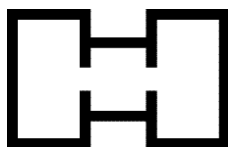


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HERALD HOLDINGS LIMITED

興利集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 114)

ANNOUNCEMENT

This announcement is made by Herald Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Future Ordinance (Chapter 571, Laws of Hong Kong) concerning disclosure of inside information and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the announcement published by the Company on 15 May 2015 (the “**Announcement**”), whereby it was announced that a Fire Accident took place on 13 May 2015 at the Factory operated by Zhuhai Herald Houseware Limited, an 80%-owned subsidiary of the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as defined as those defined in the Announcement.

The Board is pleased to announce that production at the Factory resumed on 17 June 2015 and it is estimated that over 95% of the production capacity of the Factory has been resumed on 23 June 2015. Moreover, out of the nine employees who were injured as a result of the Fire Accident, five of them have been discharged from hospital and four of them are still receiving medical treatment in hospital.

The Board has preliminarily assessed the extent of damage to the Factory and the impact on the business operation of the Group as a result of the Fire Accident. Based on the preliminary assessment of the Board, up to 23 June 2015, the total losses due to the Fire Accident are approximately HK\$3,800,000. Such losses include, among other things, losses on property, plant and equipment, inspection and safety assessment fees of the Factory, claims from customers, but exclude the losses due to the cancellation of orders by customers and from potential orders.

The Group has insurance coverage in place to cover the damage to its property, plant and equipment, as well as the loss of profits due to the interruption of the business operation of the Group. The Group is currently working with the relevant insurance company to ascertain the damages as a result of the Fire Accident. As the extent of loss will depend on the amount which the Group is able to recover from the relevant insurance company, the Group cannot ascertain the exact amount of loss at present.

Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
Herald Holdings Limited
Robert Dorfman
Chairman

Hong Kong, 23 June 2015

As at the date of this announcement, the Board comprises Messrs. Robert Dorfman, Tang King Hung and Cheung Tsang Kay Stan as executive directors of the Company; and Messrs. David Tai Chong Lie-A-Cheong, Yeh Man Chun Kent and Ng Tze Kin David as independent non-executive directors of the Company.

** For identification only*