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## HERALD HOLDINGS LIMITED

興利集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 00114)**

### POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available, the Group is expected to record a significant increase in net profit for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015.

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

This announcement is made by Herald Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinances (Chapter 571, Laws of Hong Kong) (the “SFO”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the information currently available, the Group is expected to record a significant increase in net profit for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015. Such increase is primarily attributable to a gain before tax of approximately HK\$251 million on disposal of properties in Shenzhen (“Disposal”). The total amount of Land Appreciation Tax and Corporate Income Tax in relation to the Disposal is estimated to be approximately HK\$73 million. The properties were owned by a non-wholly owned subsidiary in which the Group has 60% interest, and other details of the Disposal are disclosed in the circular dated 29 April 2016.

Despite the above one-off gain and hence favorable results in the first half of the fiscal year, the Group’s overall orders at the end of October 2016 fell 30% from those at the same time in 2015. With weaker orders on hand, the management has some concerns about the results of the Group in the second half of the fiscal year.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 September 2016. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the management accounts of the Group and other information currently available, which have not been audited or reviewed by the Company's auditors. Further details of the Group's financial information will be disclosed in the interim results announcement to be published by the end of November 2016.

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

By order of the Board  
**Herald Holdings Limited**  
**Robert Dorfman**  
*Chairman*

*Hong Kong, 9 November 2016*

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

*\*For identification only*