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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 net profit attributable to the equity Shareholders of not more than HK\$21 million for the six months ended 30 September 2020 (six months ended 30 September 2019: a net loss attributable to the equity Shareholders of HK\$6.1 million).

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 net profit attributable to the equity Shareholders of not more than HK\$21 million for the six months ended 30 September 2020 (six months ended 30 September 2019: a net loss attributable to the equity Shareholders of HK\$6.1 million) due to:

- savings achieved through vigorous cost controlling measures;
- the net realised and unrealised gains on trading securities of approximately HK\$4.9 million (six months ended 30 September 2019: net realised and unrealised losses on trading securities of HK\$4.4 million); and
- the net foreign exchange gains of HK\$2.3 million (six months ended 30 September 2019: net foreign exchange losses of HK\$4.2 million).

Despite the favorable results in the first half of the fiscal year, the Group's revenue in October 2020 declined by 13% as compared to the same month in 2019 while the Group's overall orders at the end of October 2020 also fell by 6% from those at the same time in 2019. Together with the uncertainties amid the coronavirus, 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 2020. 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 2020.

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, 10 November 2020

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

**For identification only*