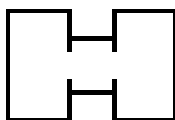


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## HERALD HOLDINGS LIMITED

興利集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 114)**

### POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a significant increase in the net profit attributable to Shareholders for the six months ended 30 September 2009 as compared to the same period in 2008.

**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”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group is expected to record a significant increase in the net profit attributable to Shareholders for the six months ended 30 September 2009 as compared to the same period in 2008. Based on the information currently available, the Board considers that the increase is mainly due to the following factors:

- (i) As a result of the rebound in global stock markets, the Group had net realised and unrealised gains on trading securities as compared to net losses of HK\$8 million for the corresponding period in 2008.
- (ii) The Houseware Division turned a year-ago loss into a profit in the first half. For the same period a year earlier, the division specifically made a provision of HK6.7 million for bad debts from a major customer which went into administration in November 2008.
- (iii) The Toy Division had better-than-expected results in the first half because of lower material costs and higher production efficiency.

Despite the favorable results in the first half, the turnover of the Group in October 2009 dropped 25% over the same month in 2008. In addition, the overall orders at the end of October 2009 also fell 26% from those at the same time in 2008. With the decline of both sales and orders on hand, the management has some concerns about the results of the Group in the second half.

The Company is still in the process of finalizing the Group's interim results for the six months ended 30 September 2009. The information contained in this announcement is only based on the Company's preliminary review of the management accounts of the Group, which have not been audited or reviewed by the Company's auditors. Further details of the Group's performance will be disclosed as and when the interim results of the Group for the six months ended 30 September 2009 are announced.

**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**  
**Cheung Tsang Kay Stan**  
*Chairman*

*Hong Kong, 27 November 2009*

*As at the date of this announcement, the Board comprises Messrs. Cheung Tsang Kay Stan, Robert Dorfman, Thong Yeung Sum Michael and Chang Dong Song as executive directors, and Messrs. Tang King Hung, David Tai Chong Lie-A-Cheong and Yeh Man Chun Kent as independent non-executive directors.*

*\*For identification only.*