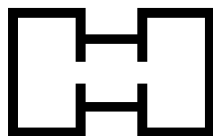


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HERALD HOLDINGS LIMITED

興利集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code : 114)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTIES

The Board is pleased to announce that on 20 March 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement for Sale and Purchase with the Vendor, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at a consideration of HK\$35,631,120.

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

INTRODUCTION

The Board is pleased to announce that on 20 March 2012, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement for Sale and Purchase with the Vendor, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at a consideration of HK\$35,631,120.

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

Date : 20 March 2012

Parties :

Purchaser : Jonell Limited, a company incorporated in Hong Kong with limited liabilities and an indirect wholly-owned subsidiary of the Company, which is principally engaged in property investment.

Vendor : Keep Up Development Limited, a company incorporated in Hong Kong with limited liabilities, which is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Properties

The Properties are located at Office Nos. 26, 27, 28, 29 and 30 on 10th Floor, One Island South, No. 2 Heung Yip Road, Hong Kong. The Properties are for non-residential use.

Consideration

The consideration for acquiring the Properties is HK\$35,631,120. The Purchaser has paid to the Vendor an initial Deposit of HK\$1,781,556 upon entering into of the Provisional Agreement for Sale and Purchase and shall pay a further deposit of HK\$1,781,556 on or before 3 April 2012.

The balance of the consideration in the amount of HK\$32,068,008 shall be paid by the Purchaser to the Vendor upon Completion of the Acquisition on or before 3 July 2012.

The consideration was determined after arm's length negotiation between the parties to the Provisional Agreement for Sale and Purchase on normal commercial terms with reference to the prevailing property market in Hong Kong and the market price of the similar properties adjacent to the Properties. There was no financial information in relation to the Properties available to the Group. The Acquisition will be funded through a combination of the Group's internal resources and a bank loan.

The Formal Agreement for Sale and Purchase shall be signed by the Vendor and the Purchaser on or before 3 April 2012.

Completion

Completion of the Acquisition will take place on or before 3 July 2012.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Properties will be used as office and warehouse of the Group's Computer Products Division in Hong Kong. The Directors consider that the Group would benefit from securing a permanent base for its Computer Products Division in Hong Kong, so as to enhance its operation and to cope with its future expansion

The Directors believe that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

The Company is an exempted company incorporated under the laws of Bermuda with limited liability and its principal subsidiaries are engaged in the manufacture, sale and distribution of toys, computer products, housewares, clocks, watches and electronic and gift products.

IMPLICATION OF THE LISTING RULES

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the notification and announcement requirements.

DEFINITIONS

“Acquisition”	the acquisition of the Properties pursuant to the terms and conditions of the Provisional Agreement for Sale and Purchase;
“Board”	the board of Directors;
“Company”	Herald Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Formal Agreement for Sale and Purchase”	The formal agreement for the sale and purchase of the Properties to be entered into between the Vendor and Purchaser in respect of the Acquisition;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Properties”	Office Nos. 26, 27, 28, 29 and 30 on 10 th Floor, One Island South, No. 2 Heung Yip Road, Hong Kong;
“Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase dated 20 March 2012 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties;
“Purchaser”	Jonell Limited, a company incorporated in Hong Kong with limited liabilities and an indirect wholly-owned subsidiary of the Company, which is the purchaser of the Properties under the Provisional Agreement for Sale and Purchase;

“Shareholders”	holders of the ordinary shares of US\$0.01 each in the capital of the Company;
“Vendor”	Keep Up Development Limited, a company incorporated in Hong Kong with limited liabilities, being the vendor of the Properties under the Provisional Agreement for Sale and Purchase;
“US\$”	United States dollar, the lawful currency of the United States of America.

By Order of the Board
Herald Holdings Limited
Cheung Tsang Kay Stan
Chairman

Hong Kong, 20 March 2012

As at the date of this announcement, the Board comprises Messrs Cheung Tsang Kay Stan, Robert Dorfman, Thong Yeung Sum Michael and Tang King Hung as executive Directors, Mr Chang Dong Song as non-executive director 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*