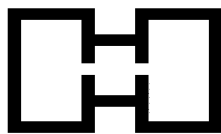


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HERALD HOLDINGS LIMITED

興利集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 114)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that it is expected that the results of the Group for the year ended 31 March 2012 may experience a significant decline as compared to the year ended 31 March 2011.

Shareholders of the Company 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(1) 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 and potential investors that it is expected that the results of the Group for the year ended 31 March 2012 may experience a significant decline as compared to the year ended 31 March 2011. Based on the information currently available, the Board considers that the decline is mainly due to the following factors:

- (i) As a result of the downturn in global stock markets, the Group recorded significant net realised and unrealised losses on trading securities for the year ended 31 March 2012 as compared to net gains of HK\$6.1 million in the previous year.
- (ii) Both sales volume and profit margin of the Group dropped for the year ended 31 March 2012 amid global economic uncertainty and rising costs of production.

The Company is still in the process of finalizing the Group’s annual results for the year ended 31 March 2012. 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 annual results of the Group for the year ended 31 March 2012 are announced.

Shareholders of the Company 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, 10 May 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*