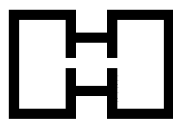


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HERALD HOLDINGS LIMITED

興利集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 00114)

Annual Results Announcement for the year ended 31 March 2026

The Board of Directors (the “Board”) of Herald Holdings Limited (the “Company”) presents the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2026, together with the comparative figures for the previous year and selected explanatory information, as follows:

Consolidated statement of profit or loss

For the year ended 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Revenue	3 & 4	801,159	703,704
Cost of sales		(578,684)	(499,192)
Gross profit		222,475	204,512
Other revenue	5	15,075	14,694
Other net income	5	31,105	15,480
Selling expenses		(16,599)	(12,785)
Administrative expenses		(177,563)	(179,959)
Net valuation losses on investment properties		(10,458)	(10,978)
Profit from operations		64,035	30,964
Finance costs	6(a)	(506)	(196)
Profit before taxation	6	63,529	30,768
Income tax (expenses)/credit	7	(10,027)	2,530
Profit for the year		53,502	33,298

	Note	2026 HK\$'000	2025 HK\$'000
Attributable to:			
Equity shareholders of the Company		53,686	32,875
Non-controlling interests		<u>(184)</u>	<u>423</u>
Profit for the year		<u>53,502</u>	<u>33,298</u>
Earnings per share	9		
Basic (HK cents)		<u>8.88</u>	<u>5.44</u>
Diluted (HK cents)		<u>8.88</u>	<u>5.44</u>

Details of dividends payable to equity shareholders of the Company are set out in note 8.

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2026

	2026 HK\$'000	2025 HK\$'000
Profit for the year	53,502	33,298
Other comprehensive income for the year		
<i>Item that is or may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong (no tax effect)	14,153	26
Other comprehensive income for the year	14,153	26
Total comprehensive income for the year	67,655	33,324
Attributable to:		
Equity shareholders of the Company	67,388	32,926
Non-controlling interests	267	398
Total comprehensive income for the year	67,655	33,324

Consolidated statement of financial position
At 31 March 2026

	Note	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Investment properties		73,837	80,383
Other property, plant and equipment		222,335	141,530
		<u>296,172</u>	221,913
Intangible assets		886	920
Other financial assets		3,500	3,500
Deferred tax assets		2,266	4,145
		<u>302,824</u>	230,478
Current assets			
Trading securities		109,899	92,056
Inventories		127,671	118,355
Trade and other receivables	10	119,780	112,732
Pledged bank balances		3,148	7,096
Cash and cash equivalents		271,893	266,105
		<u>632,391</u>	596,344
Current liabilities			
Trade and other payables and contract liabilities	11	202,310	176,239
Bank loan		3,325	-
Lease liabilities		3,494	2,813
Current tax payable		33,429	28,909
		<u>242,558</u>	207,961
Net current assets		<u>389,833</u>	388,383
Total assets less current liabilities		<u>692,657</u>	618,861

	2026	2025
	HK\$'000	HK\$'000
Non-current liabilities		
Bank loan	34,874	-
Lease liabilities	10,586	975
Deferred tax liabilities	22,915	25,032
Provision for long service payments	2,857	2,814
	71,232	28,821
	621,425	590,040
NET ASSETS		
CAPITAL AND RESERVES		
Share capital	47,150	47,150
Reserves	560,995	529,877
Total equity attributable to equity shareholders of the Company	608,145	577,027
Non-controlling interests	13,280	13,013
TOTAL EQUITY	621,425	590,040

Notes:

1. Basis of preparation

The consolidated results set out in this announcement do not constitute the Group's annual financial statements for the year ended 31 March 2026 but are extracted from those financial statements.

The annual financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") ("Listing Rules").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties, equity investments classified as other financial assets, and financial instruments classified as trading securities are stated at their fair value.

2. Changes in accounting policies

The Group has applied amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Revenue

The principal activities of the Group are the manufacture, sale and distribution of toys, computer products, clocks, watches, and electronic and gift products.

Disaggregation of revenue from contracts with customers by major product lines is as follows:

	2026 HK\$'000	2025 HK\$'000
Revenue from sale of goods within the scope of HKFRS 15		
Disaggregated by major product lines		
– Toys	463,661	393,155
– Computer products	93,270	98,111
– Timepieces	244,228	212,438
	<u>801,159</u>	<u>703,704</u>

Disaggregation of revenue from contracts with customers by geographic markets is disclosed in note 4(c).

The Group's customer base includes one (2025: one) customer with whom transactions have exceeded 10% of the Group's revenue. During the year, revenue from sales of toys to this customer amounted to approximately HK\$344,478,000 (2025: HK\$274,285,000). For both years, the sales arose mainly in the North America geographical region in which the toys division is active.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its revenue from sales of goods as the performance obligation is part of a contract that has an original expected duration of one year or less.

4. Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

Toys	:	The manufacture, sale and distribution of toy products.
Computer Products	:	The manufacture and sale of computer products.
Timepieces	:	The sale and distribution of clocks, watches, and electronic and gift products.
Investments	:	The investment in debt and equity securities, managed funds and other financial assets.
Others	:	The leasing of properties to group companies and third parties to generate rental income and to gain from the appreciation in the properties' values in the long term.

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2026 and 2025 is set out below:

	2026					
	Toys	Computer Products	Timepieces	Investments	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	463,661	93,270	244,228	-	-	801,159
Inter-segment revenue	-	-	-	-	4,056	4,056
Reportable segment revenue	463,661	93,270	244,228	-	4,056	805,215
Reportable segment profit	14,481	967	24,967	18,861	15,826	75,102
Interest income	1,302	595	987	-	43	2,927
Interest expense	-	-	(66)	-	(383)	(449)
Dividend income on listed securities	-	-	-	3,094	-	3,094
Depreciation and amortisation for the year	(9,503)	(2,129)	(2,844)	-	(5,158)	(19,634)
Reportable segment assets	257,124	116,662	168,756	116,549	201,552	860,643
Additions to non-current segment assets during the year	2,480	1,661	11,528	-	82,530	98,199
Reportable segment liabilities	143,645	22,318	38,977	-	40,132	245,072

Note : Included in the amount of reportable segment profit under Others segment, the amount of HK\$22,871,000 is related to pre-tax gains from surrender of two pieces of land together with the buildings. Please refer to note 5 for details.

2025

	Toys HK\$'000	Computer Products HK\$'000	Timepieces HK\$'000	Investments HK\$'000	Others HK\$'000	Total HK\$'000
Revenue from external customers	393,155	98,111	212,438	-	-	703,704
Inter-segment revenue	-	-	-	-	3,550	3,550
Reportable segment revenue	393,155	98,111	212,438	-	3,550	707,254
Reportable segment profit/(loss)	16,953	(1,000)	21,808	17,642	(10,194)	45,209
Interest income	2,637	863	420	-	72	3,992
Interest expense	(45)	-	(90)	-	-	(135)
Dividend income on listed securities	-	-	-	3,474	-	3,474
Depreciation and amortisation for the year	(13,973)	(2,322)	(2,610)	-	(5,292)	(24,197)
Reportable segment assets	312,581	108,992	144,018	102,652	124,137	792,380
Additions to non-current segment assets during the year	1,783	488	1,845	-	-	4,116
Reportable segment liabilities	129,415	17,178	26,227	-	1,777	174,597

(b) Reconciliations of reportable segment revenue, profit, interest income, interest expense, assets and liabilities

	2026 HK\$'000	2025 HK\$'000
Revenue		
Reportable segment revenue	805,215	707,254
Elimination of inter-segment revenue	(4,056)	(3,550)
Consolidated revenue	<u>801,159</u>	<u>703,704</u>
Profit		
Reportable segment profit	75,102	45,209
Unallocated corporate expenses	(11,573)	(14,441)
Consolidated profit before taxation	<u>63,529</u>	<u>30,768</u>
Interest income		
Reportable segment interest income	2,927	3,992
Unallocated corporate interest income	431	744
Consolidated interest income	<u>3,358</u>	<u>4,736</u>
Interest expense		
Reportable segment interest expense	449	135
Unallocated corporate interest expense	57	61
Consolidated interest expense	<u>506</u>	<u>196</u>
Assets		
Reportable segment assets	860,643	792,380
Deferred tax assets	2,266	4,145
Unallocated corporate assets	72,306	30,297
Consolidated total assets	<u>935,215</u>	<u>826,822</u>
Liabilities		
Reportable segment liabilities	245,072	174,597
Current tax payable	33,429	28,909
Deferred tax liabilities	22,915	25,032
Unallocated corporate liabilities	12,374	8,244
Consolidated total liabilities	<u>313,790</u>	<u>236,782</u>

(c) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties and other property, plant and equipment and intangible assets ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of investment properties and other property, plant and equipment, and based on the location of operations in the case of intangible assets.

	Revenue from external customers		Specified non-current assets	
	2026 HK\$'000	2025 HK\$'000	2026 HK\$'000	2025 HK\$'000
Hong Kong (place of domicile)	74,680	60,552	133,205	56,777
North America	359,073	324,572	-	-
United Kingdom	118,455	97,501	20,286	11,330
Europe (excluding United Kingdom)	94,067	74,632	-	-
Asia (excluding Chinese Mainland and Hong Kong)	40,070	34,297	512	-
Chinese Mainland	86,469	85,292	143,055	154,726
Others	28,345	26,858	-	-
	726,479	643,152	163,853	166,056
	801,159	703,704	297,058	222,833

5. Other revenue and other net income

	2026 HK\$'000	2025 HK\$'000
Other revenue		
Rental income	4,950	5,090
Interest income from deposits with banks	3,358	4,736
Dividend income from listed securities	3,094	3,474
Ancillary income	2,297	123
Sales of scrap materials	1,081	1,041
Others	295	230
	<u>15,075</u>	<u>14,694</u>
Other net income		
Net gain on disposal of property, plant and equipment (note)	23,458	393
Net realised and unrealised gains on trading securities	15,767	14,668
Net foreign exchange (loss)/gain	(8,072)	637
Change in fair value of other financial assets	-	(500)
Gains on early termination of leases	-	181
Others	(48)	101
	<u>31,105</u>	<u>15,480</u>

Note: On 28 April 2025, the Company announced that Herald Investments (China) Company Limited (“Herald Investments”), an indirectly wholly-owned subsidiary of the Company, has entered into the relocation compensation agreements with Baihe Town Planning, Construction and Ecological Environment Protection Office (“Baihe Land Office”), pursuant to which Herald Investments has agreed to surrender in aggregate two pieces of land to Baihe Land Office in return for the payment by Baihe Land Office of the relocation compensation. The total relocation compensation was approximately HK\$23.0 million (RMB20.9 million) and received in July 2025. The Group recognised the pre-tax gain on surrender of two pieces of land together with buildings thereon with the amount of HK\$22,871,000. The remaining portion is related to other net gain on disposal of property, plant and equipment.

6. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	2026 HK\$'000	2025 HK\$'000
(a) Finance costs		
Interest on bank loan	383	-
Interest on lease liabilities	123	196
	<u>506</u>	<u>196</u>
(b) Other items		
Amortisation of intangible assets	34	34
Cost of inventories	578,684	499,192
Depreciation		
- owned property, plant and equipment	9,723	14,010
- right-of-use assets	9,877	10,153
(Reversal of impairment losses)/ impairment losses on trade debtors	(187)	97
Rentals receivable from investment properties less direct outgoings of HK\$72,000 (2025: HK\$67,000)	(4,878)	(5,023)
	<u>(4,878)</u>	<u>(5,023)</u>

7. Income tax expense/(credit)

	2026 HK\$'000	2025 HK\$'000
Hong Kong Profits Tax	4,815	1,247
Taxation outside Hong Kong	4,674	(182)
Land Appreciation Tax	1,991	-
Deferred tax	(1,453)	(3,595)
	<u>10,027</u>	<u>(2,530)</u>

The provision for Hong Kong Profits Tax for 2026 is calculated at 16.5% (2025: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2025.

The provision for Hong Kong Profits Tax for 2026 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2025/26 subject to a maximum reduction of HK\$3,000 for each business (2025: a maximum reduction of HK\$1,500 was granted for the year of assessment 2024/25 and was taken into account in calculating the provision for 2025).

Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

During the year ended 31 March 2026, the Group recognised a pre-tax gain on surrender of two pieces of land together with buildings thereon (the “Disposal”) with the amount of HK\$22,871,000 (note 5). The Land Appreciation Tax and Corporate Income Tax in relation to the Disposal amounted to approximately HK\$1,991,000 and HK\$2,510,000, respectively.

8. Dividends payable to equity shareholders of the Company attributable to the year

	2026 HK\$'000	2025 HK\$'000
Interim dividend declared and paid of HK3 cents (2025: HK3 cents) per share	18,135	18,135
Final dividend proposed after the end of the reporting period of HK3 cents (2025: HK3 cents) per share	18,135	18,135
	<u>36,270</u>	<u>36,270</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$53,686,000 (2025: HK\$32,875,000) and the weighted average number of shares of 604,491,000 (2025: 604,491,000) in issue during the year.

(b) Diluted earnings per share

There were no dilutive potential shares in existence during the years ended 31 March 2026 and 2025, and therefore the diluted earnings per share is the same as the basic earnings per share.

10. Trade and other receivables

Included in trade and other receivables are trade debtors and bills receivable (based on the invoice date and net of loss allowance) with the following ageing analysis as of the end of the reporting period:

	At 31 March 2026 HK\$'000	At 31 March 2025 HK\$'000
Within 3 months	94,196	99,964
4 to 6 months	6,777	576
7 to 12 months	462	859
Trade debtors and bills receivable, net of loss allowance	<u>101,435</u>	101,399
Deposits, prepayments and other receivables	18,345	11,333
	<u>119,780</u>	<u>112,732</u>

Trade debtors and bills receivable are normally due within 90 days from the date of billing.

11. Trade and other payables and contract liabilities

Included in trade and other payables and contract liabilities are trade creditors and bills payable (based on the invoice date) with the following ageing analysis as of the end of the reporting period:

	At 31 March 2026 HK\$'000	At 31 March 2025 HK\$'000
Within 1 month	11,030	11,641
Over 1 month but within 3 months	3,928	3,182
Over 3 months	212	186
Trade creditors and bills payable	15,170	15,009
Accruals and other payables	173,101	153,274
	188,271	168,283
Contract liabilities		
- forward sales deposits	14,039	7,956
	202,310	176,239

All of the trade and other payables and contract liabilities are expected to be settled or recognised as income within one year.

12. Non-adjusting event after the reporting period

- (a) Subsequent to the end of the reporting period, the directors proposed a final dividend. Further details are disclosed in note 8.
- (b) On 7 June 2026, a fire accident took place at a Hong Kong warehouse operated by a subsidiary of the Group. The Group has preliminarily assessed the extent of damage to the warehouse as a result of the fire accident. Based on the preliminary assessment, the total losses due to the fire accident would not exceed HK\$4.6 million. Such losses include, among other things, losses on inventories and claims from the building management office for the damaged equipment and fixtures.

The Group has insurance coverage in place to cover the losses attributable to the fire accident. The Group is currently working with the relevant insurance companies to ascertain the damages as a result of the fire accident. The actual losses to be reflected in the Group's financial statements for the year ending 31 March 2027 will depend on the amount which the Group is able to recover from the insurance companies.

BUSINESS REVIEW

The revenue of the Group for the year ended 31 March 2026 was HK\$801 million which was 14% up from HK\$704 million in the previous year. The Group recorded a net profit attributable to the equity shareholders of the Company amounting to HK\$53.7 million as compared with HK\$32.9 million a year earlier, and this increase was mainly attributable to a one-off gain after tax of approximately HK\$18.4 million arising from the disposal of two pieces of land together with the buildings thereon in Shanghai (“Disposal”). Details of the Disposal are set out in note 5, and further analysis of the operating results is set out in the following paragraphs.

Toys Division

Despite the revenue of the Toys Division for the year ended 31 March 2026 increasing by 18% year-on-year from HK\$393 million to HK\$464 million, the division’s operating profit decreased from HK\$17.0 million a year earlier to HK\$14.5 million for the year under review due to rising operating costs and continual price pressure from customers.

Computer Products Division

The Computer Products Division’s revenue for the year ended 31 March 2026 fell 5% year-on-year from HK\$98 million to HK\$93 million. Nevertheless, with the cost savings achieved during the year, the division recorded an operating profit of HK\$1.0 million in comparison with an operating loss of HK\$1.0 million a year earlier.

Timepieces Division

The business of the Timepieces Division performed well and recorded a revenue of HK\$244 million for the year ended 31 March 2026, representing a 15% year-on-year increase from HK\$212 million last year. The sales of licenced brand watches continue to demonstrate strong growth in Europe and Asia, leading to a surge in the operating profit to HK\$25.0 million this year from HK\$21.8 million last year.

Other Investments

For the year ended 31 March 2026, the Group recognised net realised and unrealised gains on trading securities of HK\$15.8 million (2025: HK\$14.7 million). The dividend from trading securities amounted to HK\$3.1 million for the year (2025: HK\$3.5 million). At 31 March 2026, the Group’s trading securities amounted to HK\$110 million (2025: HK\$92 million).

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group continues to maintain its sound financial health. At the end of the financial year, the Group had a strong financial position with healthy liquidity. At 31 March 2026, the total assets amounted to HK\$935 million (2025: HK\$827 million) which were financed by current liabilities of HK\$243 million (2025: HK\$208 million), non-current liabilities of HK\$71 million (2025: HK\$29 million), non-controlling interests of HK\$13 million (2025: HK\$13 million) and equity attributable to the Company’s equity shareholders of HK\$608 million (2025: HK\$577 million).

At 31 March 2026, the Group's cash balances including pledged bank balances aggregated to HK\$275 million, up from HK\$273 million a year ago. The current assets at 31 March 2026 amounted to HK\$632 million (2025: HK\$596 million). The inventories increased from HK\$118 million to HK\$128 million and the trade and other receivables increased from HK\$113 million to HK\$120 million. The trading securities at 31 March 2026 amounted to HK\$110 million (2025: HK\$92 million).

At 31 March 2026, the Group's current liabilities amounted to HK\$243 million (2025: HK\$208 million). Certain trading securities and bank deposits amounting to HK\$112 million (2025: HK\$98 million), along with certain properties with a carrying amount of HK\$118 million (2025: HK\$40 million), were also pledged to banks to secure banking facilities granted to the Group. At 31 March 2026, the Group has a mortgage loan balance of HK\$38 million (2025: Nil), which was secured by a Group's property with a carrying value of HK\$80 million. The mortgage loan balance is repayable by fixed monthly instalments with maturity date in December 2035.

The Group monitors its capital structure on the basis of gearing ratio, which is calculated as a percentage of total liabilities over total assets. The gearing ratio of the Group as at 31 March 2026 was 34% (2025: 29%). At 31 March 2026, the Group's working capital ratio, an indicator of liquidity represented by a ratio between the current assets and the current liabilities, was 2.61 as compared to 2.87 last year. The quick ratio, another ratio that gauges the short-term liquidity and measured by trade debtors and bills receivable and cash and cash equivalent over current liabilities, decreased to 1.54 from 1.77 in the previous year.

CONTINGENT LIABILITIES

As at 31 March 2026, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign exchange risks primarily through sales and purchases that are denominated in a foreign currency, such as Renminbi, United States dollars and Pound Sterling. Management monitors the Group's exposure to currency risk and will consider hedging significant foreign currency exposure should the need arise.

PROSPECT AND GENERAL OUTLOOK

Raw materials and logistics costs remain elevated with the uncertainties in the Middle East region. Together with the price pressure from customers, the rising labour costs and the appreciation of Renminbi, the profit margin of the Group's businesses might be further squeezed.

Despite the challenging business environment, the management is confident that the Group will weather the impact and strive to achieve a solid result in the year ending 31 March 2027.

DIVIDEND

At the forthcoming Annual General Meeting to be held on 17 September 2026, the directors will recommend a final dividend of HK3 cents per share (2025: HK3 cents). Together with the interim dividend of HK3 cents (2025: HK3 cents), the dividend payment for the year of HK6 cents (2025: HK6 cents) would represent an annual return of 10.5% (2025: 13.3%) on the Company's average share price of HK\$0.57 (2025: HK\$0.45) in the year ended 31 March 2026.

The final dividend which will amount to HK\$18.1 million is calculated on the total number of shares in issue as at 29 June 2026, being the latest practicable date prior to the announcement of the results.

REGISTER OF MEMBERS

The Annual General Meeting is scheduled to be held on Thursday, 17 September 2026, and the record date for attending and voting at the Annual General Meeting is Thursday, 17 September 2026. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 11 September 2026 to Thursday, 17 September 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be able to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers of shares, accompanied by the relevant share certificates, are lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 September 2026.

The proposed final dividend is subject to the passing of the ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is Monday, 5 October 2026. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 2 October 2026 to Monday, 5 October 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be qualified for the proposed final dividend, shareholders should ensure that all transfers of shares, accompanied by the relevant share certificates, are lodged with Tricor Investor Services Limited for registration no later than 4:30 p.m. on Wednesday, 30 September 2026. The payment of final dividend, if approved at the Annual General Meeting, will be made on Friday, 16 October 2026.

EMPLOYEES

As at 31 March 2026, the number of employees of the Group was approximately 126 in Hong Kong, 2,127 in Chinese Mainland and 34 in Europe. The Group ensures that its employees' remuneration packages are competitive. Employees are rewarded based on their performance and experience and the prevailing industry practice. Total staff costs for the year amounted to HK\$318,531,000 (2025: HK\$280,568,000).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2026.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

AUDIT COMMITTEE

The audit committee reports to the Board and currently comprises three independent non-executive directors, namely Dr Ng Tze-Kin, David, being the chairman, Mr Lie-A-Cheong Tai-Chong, David and Ms Wong Sau-Ling. The audit committee meets with the Group's senior management and external auditor regularly to discuss audit matters. The audit committee also reviews the effectiveness of the risk management and internal control systems. The annual results of the Group have been reviewed by the audit committee of the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee which currently comprises two independent non-executive directors, namely Dr Ng Tze-Kin, David, being the chairman, and Ms Wong Sau-Ling and one executive director, namely Mr Lai Man-Pun. The terms of reference of the remuneration committee have been included on the Company's website.

NOMINATION COMMITTEE

The nomination committee consists of two executive directors, namely Mr Robert David Dorfman, being the chairman, and Mr Gershon Dorfman and three independent non-executive directors, namely Mr Lie-A-Cheong Tai-Chong, David, Dr Ng Tze-Kin, David and Ms Wong Sau-Ling. The primary roles of the nomination committee are to determine the policy for the nomination of directors, to review the structure, size and composition of the Board and to make recommendations to the Board on the appointment or re-appointment of directors.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year ended 31 March 2026.

MODEL CODE OF SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of the Company's directors, all directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.heraldgroup.com.hk). The 2026 annual report containing all the information required by the Listing Rules will be dispatched to the shareholders and published on the Stock Exchange's website and the Company's website in due course.

By Order of the Board
Robert David Dorfman
Chairman

Hong Kong, 29 June 2026

As at the date of this announcement, the Board of Directors of the Company comprises Mr Robert David Dorfman, Mr Lai Man-Pun, Dr Cheung Tsang-Kay, Stan and Mr Gershon Dorfman as executive directors; and Mr Lie-A-Cheong Tai-Chong, David, Dr Ng Tze-Kin, David and Ms Wong Sau-Ling as independent non-executive directors.

**For identification only*