

DETAILS OF PRINCIPAL SUBSIDIARIES

Name of company	Place/country of incorporation	Place/country of operation	Particulars of issued and fully paid up capital/ registered capital	Percentage of ownership interest held by		Principal activities
				company	subsidiaries	
Herald Group Limited	The British Virgin Islands	Hong Kong	1 share of US\$1 each	100	–	Investment holding
Herald (Hong Kong) Limited	Hong Kong	Hong Kong	10,000 shares of HK\$0.15 each	–	100	Investment holding
Herald China Investments Limited	Hong Kong	Hong Kong	1,000,000 shares of HK\$1 each	–	100	Investment holding
Herald Investments (China) Company Limited @	The People's Republic of China ("PRC")	PRC	Registered capital of US\$11,500,000	–	100	Investment holding
Herald Metal and Plastic Works Limited	Hong Kong	Hong Kong	100 ordinary shares of HK\$10 each	–	100	Manufacture of toys
			1,953,000 deferred shares of HK\$10 each	–	100	
Dongguan Herald Metal and Plastic Company Limited @	PRC	PRC	Registered capital of HK\$35,400,000	–	100	Manufacture of toys
Shenzhen Herald Metal and Plastic Company Limited #	PRC	PRC	Registered capital of HK\$23,500,000	–	60	Manufacture of toys
Herald Datanetics Limited	Hong Kong	Hong Kong	1,128,000 shares of HK\$10 each	–	100	Manufacture of computer heads
Zhuhai Herald Datanetics Limited #	PRC	PRC	Registered capital of HK\$38,000,000	–	75	Manufacture of computer heads
Herald Engineering Services Inc.	United States of America	United States of America	75,000 shares of US\$0.4 each	–	100	Engineering service
Herald Houseware Limited	Hong Kong	Hong Kong	5,000,000 shares of HK\$1 each	–	100	Trading of housewares
Herald Metal Products Company Limited #	PRC	PRC	Registered capital of US\$1,650,000	–	51	Manufacture of housewares

DETAILS OF PRINCIPAL SUBSIDIARIES (CONTINUED)

Name of company	Place/country of incorporation	Place/country of operation	Particulars of issued and fully paid up capital/ registered capital	Percentage of ownership interest held by company subsidiaries		Principal activities
Zhuhai Herald Houseware Limited #	PRC	PRC	Registered capital of HK\$30,000,000	–	80	Manufacture of housewares
Pilot Housewares (U.K.) Limited	United Kingdom	United Kingdom	800,000 shares of GBP1 each	–	100	Sales and distribution of housewares
Zeon Limited	United Kingdom	United Kingdom	433,750 ordinary shares of GBP1 each	–	100	Sales and distribution of clocks, watches and electronic products
			1,250,000 12.5% cumulative redeemable preference shares of GBP1 each	–	100	
			165,417 preferred shares of GBP1 each	–	100	
Zeon Far East Limited	Hong Kong	Hong Kong	2 shares of HK\$1 each	–	100	Trading of clocks and watches
Herald Electronics Limited	Hong Kong	Hong Kong	1,000,000 shares of HK\$1 each	–	100	Trading of clocks and watches
Shanghai Herald Electronics Company Limited #	PRC	PRC	Registered capital of RMB3,200,000	–	75	Manufacture of clocks and watches
Herald Marketing Limited	Hong Kong	Hong Kong	3,000,000 shares of HK\$1 each	–	100	Marketing
Jonell Limited	Hong Kong	Hong Kong	2 shares of HK\$10 each	–	100	Property investment
Premium Account Limited	The British Virgin Islands	PRC	2 shares of US\$1 each	–	100	Property investment

Equity joint ventures registered under the laws of the PRC as Sino-foreign Joint Venture Enterprises.

@ Wholly-Owned Foreign Investment Enterprise registered under the laws of the PRC.