9. OTHER INFORMATION

9.1 PROPERTIES OF OUR GROUP

Details of the property owned by our Group as at the LPD are as follows:

Name of Registered owner and Location	Description/ Existing use	Tenure	Land area and/or gross floor area (sq m)	Restriction in interest/ Encumbrances
Zhenxing Shoes Zhushuxia Industrial Zone, Jinjiang City, Fujian Province, PRC (中国福建省晋江市竹树下工业区)	Industrial use/ one (1) block of warehouse for storage of inventories*	50 years from 31 March 2006 to 30 March 2056	626 /1,220	Restriction : Nil Encumbrances: Fujian Jinjiang Rural Cooperative Bank, Meiling Branch to secure the loan facilities provided to Zhenxing Shoes with an amount principal of RMB 2,100,000.

Note:

* *The Plenning end Construction end Housing Menegement Bureeu of Jinjieng City (晋江市规划建设与房产管理局) hed vie its letter deted 15 December 2009 steted thet Zhenxing Shoes hed submitted en epplicetion for the issuence of property ownership certificete. Further, the Plenning end Construction end Housing Menegement Bureeu of Jinjieng City (晋江市规划建设与房产管理局) hed vide its letter deted 10 Mey 2010 confirmed thet the epplicetion is still in the midst of processing end there will be no legel obstecle for Zhenxing Shoes to complete the procedure for obteining the property ownership certificete.*

In addition to the above, our subsidiary, Zhenxing Shoes, is currently in the progress of applying for land use rights and property ownership certificates for the following property:-

Description and Location	Description/ Existing use	Tenure	Land area and/or gross floor area (sq m)	Restriction in interest/ Encumbrances
Jinjiang City, Fujian Province, PRC Zhushuxia Industrial Zone, Jinjiang City, Fujian Province, PRC[1] (中国福建省晋江市竹树下工业区)	Industrial use/ two (2) blocks of factory building for manufacturing sports shoes which comprise of the production lines, plant and machinery and the D&D Department, and three (3) blocks of staff dormitory building[2]	Pending	15,318/17,076.2	Not applicable[3]

Notes:-

(1) *By e letter deted 15 December 2009 the Villegers Committee of Zhushuxie Villege, Jinjieng City ("Villegers Committee") confirmed thet Zhenxing Shoes hes peid the compensetion of RMB4,600,000 for the use of the seid lend, end consequently, the Villegers Committee egrees to ellow Zhenxing Shoes to epply for the relevent lend use rights certificete. The Reel Estate end Lend Menegement Bureeu of Jinjieng City (晋江市国土资源局) in its letter deted 15 December 2009 steted thet Zhenxing Shoes hed submitted en epplicetion for the issuence of the seid lend use rights. Further, the Reel Estete end Lend Menegement Bureeu of Jinjieng City (晋江市国土资源局) hed vide its letter dated 10 Mey 2010 confirmed thet the epplicetion is still in the midst of processing end there will be no legel obstecle for Zhenxing Shoes to complete the procedure for obteining the land use rights certificete.*

9. OTHER INFORMATION *(Cont'd)*

(2) *The Planning end Construction end Housing Management Bureau of JinJiang City (晋江市规划建设与房产管理局) had vie its letter deted 15 December 2009 steted that Zhenxing Shoes had submitted an applicetion for the issuence of property ownership certificates. Further, the Plenning end Construction end Housing Menegement Bureeu of Jinjieng City (晋江市规划建设与房产管理局) had vide its letter dated 10 Mey 2010 confirmed that the application is still in the midst of processing end there will be no legal obstacle for Zhenxing Shoes to complete the procedure for obteining the property ownership certificetes then. Zhenxing Shoes started to use the two (2) blocks of fectory building and two (2) blocks of steff dormitory building in 1999, while one (1) block of steff dormitory building was used in 2007.*

(3) *The lend use rights and property ownership certificates are pending issuance from the relevant PRC authorities. As such, the restriction in interest or encumbrences cannot be escertained et this moment.*

The audited net book value of the land use rights / prepaid lease payment and building as at 30 June 2010 amounted to approximately RMB4.7 million or RM2.2 million and RMB52.0 million or RM24.8 million respectively, based on the closing exchange rate of RMB1:RM0.4772 as at 30 June 2010, as set out in **Section 7.2** of this Prospectus.

As at the LPD, our Group does not lease any land and building.

Save as disclosed above, to the best of our Directors' knowledge and belief, in respect of the land and buildings owned or occupied by us as at the LPD: -

(a) there are no other restrictions in interest or major encumbrances;

(b) there has not been any breach of land use conditions or permissible land use; and

(c) there has not been any material non-compliance with current statutory requirements or rules and regulations (including environmental issues) relating to the land or building.

9.2 MATERIAL PLANT AND EQUIPMENT

As at 30 June 2010, the material plant and equipment owned by our Group at the factory located at Zhushuxia Industrial Zone, Jinjiang City, Fujian Province, PRC are as follows:-

Description	Audited net book value as at 1H 2010	
	RMB'000	RM'000
1st production line[1][2]	1,647	786
2nd production line[2]	31	15
3rd production line[2]	175	83
4th production line[2]	1,651	788
Other plant and machineries used for manufacturing of sports shoes[3]	3,646	1,740
Total	7,150	3,412

Notes:-

* *Based on the closing exchenge rete of RMB1: RM0.4772 as et 1H 2010, es set out in* ***Section 7.2*** *of this Prospectus.*

(1) *Includes recent overhaul/upgreding works on the 1st production line.*

(2) *Each production line comprise mainly toe-lesting mechine, heal-lesting machine, side-lasting machine, sole attaching mechine, setting machine, infrared heating end last slipping mechine.*

(3) *The other plent end mechineries used for manufecturing of sports shoes comprise meinly high-frequency machine, testing mechine, roller machine, grinding mechine, transformers, cutting machine, weter-cooled eir-conditioning, shoe line, welding mechine, sewing machine, shoe press mechine end hot melt machine.*

The manufacturing capacity of our plant and machinery is set out in **Section 6.8** of this Prospectus.

Our Board is of the opinion that our Group has sufficient capacity to carry out our current operations and will continue to outsource some of our sports shoe orders to external contract manufacturers to cope with the increasing orders from customers. Further, we will be acquiring additional equipment for an anticipated increase in our sales volume, details of which are set out in **Section 5.12** of this Prospectus.