



CHINA ERATAT SPORTS FASHION LIMITED
(Company Registration No: 200705552D)

INCREASE IN THE REGISTERED CAPITAL OF A SUBSIDIARY COMPANY

The Board of Directors (the “**Board**”) of China Eratat Sports Fashion Limited (the “**Company**”) is pleased to announce that the Company has increased the registered capital of its wholly owned subsidiary, Eratat (Fujian) Light Industry Development Co., Ltd (鳄莱特 (福建) 轻工发展有限公司) (“**Fujian Eratat**”), by HK\$620,000, thereby increasing its registered capital from HK\$10.88 million to HK\$11.50 million, effective from 10 December 2009.

The purpose of the capital increase is to extend the company’s registered business to include manufacturing and distribution of footwear, apparel and accessories. The capital increase is funded internally and the Company’s interest in Fujian Eratat remains unchanged at 100%.

The above transaction is not expected to have any material impact on the net tangible assets or earnings per share of the Company and the Group for the current financial year ending 31 March 2010. None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction.

By Order of The Board

Lin Jiancheng (林建程)
Executive Chairman and CEO
24 December 2009

The initial public offering of the Company's shares was sponsored by Kim Eng Capital Pte. Ltd. who assumes no responsibility of the content of this announcement.