



CHINA ERATAT SPORTS FASHION LTD

(Company Registration No: 200705552D)

FOR IMMEDIATE RELEASE

CHINA ERATAT FY2009 NINE MONTHS RESULTS SURPASSED ENTIRE FINANCIAL YEAR OF FY2008



9 months performance surpassed entire FY08

9M revenue surged 92.1% to RMB610.2 million

9M net profit escalated 92.8% to RMB100.9 million

(RMB '000)	3 months ended 31 December			9 months ended 31 December		
	FY093Q	FY083Q	Change	FY099M	FY089M	Change
Revenue	227,587	121,108	87.9%	610,248	317,599	92.1%
Gross Profit	69,924	37,151	88.2%	185,352	95,651	93.8%
Taxation	(5,258)	(2,426)	116.7%	(14,699)	(7,062)	108.1%
Net Profit	40,238	19,190	109.7%	100,858	52,303	92.8%
EPS (RMB cts)*	9.87	6.62	49.2%	24.74	18.03	37.2%
EPS (SGD cts)#	2.15	1.44	49.2%	5.38	3.92	37.2%

* FY083Q based on pre-invitation share capital of 290,029,357 shares

FY093Q based on post-invitational weighted average shares of 414,912,514

FY089M based on pre-invitation share capital of 290,029,357 shares

FY099M based on post-invitational weighted average shares of 407,646,586

Exchange rate at S\$1.00 = RMB4.60

SINGAPORE, 13 February 2009 – SGX mainboard-listed China Eratat Sports Fashion Limited (中国鳄莱特运动时尚有限公司) (“**China Eratat**” and together with its subsidiaries, the “**Group**”), a leading sports fashion footwear and apparel company based in Jinjiang, Fujian Province, PRC, today reported a surge of 87.9% and 92.1% in revenue for its third quarter (“**FY093Q**”) and the nine months period (“**FY099M**”) of this financial year respectively.

The Group achieved a record revenue of RMB610.2 million in FY099M, representing an increase of 92.1% from RMB317.6 million in the same period last year (i.e. “**FY089M**”). The increase was contributed by strong sales from both products segments. Its sports footwear increased by 98.9% from RMB206.4 million in FY089M to RMB410.6 million in FY099M, while sales from sports apparel segment, which has been gaining steady popularity in the PRC, also

increased by 79.5% from RMB111.2 million in FY089M to RMB199.6 million in FY099M. This was mainly attributed to the increase in consumer demand in the PRC, as well as the success in the Group's product development, marketing efforts and sales strategies to further penetrate into its existing and new markets, which had also played an important role in generating such excellent results.

China Eratat recorded a 93.8% increase in its gross profit from RMB95.7 million in FY089M to RMB185.4 million in FY099M, while its overall gross profit margin improved from 30.1% in FY089M to 30.4% in FY099M. The improvement in gross profit margin was contributed by the footwear segment, because there was lesser footwear being outsourced to third party manufacturer in the PRC as additional new footwear production lines had commenced operations during FY099M. The Group had outsourced 22% of its footwear in FY099M as compared to 35% in FY089M.

Selling and distribution expenses, which represented approximately 9.3% in FY099M (FY089M: 8.5%) of its overall revenue, increased by 101.5% from RMB28.2 million in FY089M to RMB56.8 million in FY099M, was attributed to increase in advertising and promotional activities, which had in turn led to higher sales volume.

With higher sales volumes and strong growth contributed from their business activities, the Group reported an increase of RMB56.2 million or 94.7% in its profit before income tax from RMB59.4 million in FY089M to RMB115.6 million in FY099M. Its profit before income tax margin increased from 18.7% in FY089M to 18.9% in FY099M.

Commented Mr Lin Jiancheng (林建程), Executive Chairman & CEO of China Eratat, "We are very encouraged by the strong sales performance and it has spurred us to be more creative and innovative in our business strategies. Despite the current economic condition, we strongly believe in and will persevere in building strong brand equity for our company so that we are able to generate good returns for our shareholders in the coming years."

In line with its marketing strategy in capturing its target consumers (namely youths and adults), China Eratat has since 2008 collaborated with China's second most popular satellite TV station,

Anhui TV (安徽卫视), in launching a TV reality programme called “Eratat Mountain Climbing Show” (鳄莱特登山运动会), which was telecast weekly on Anhui TV from July to December 2008. This programme was solely sponsored by China Eratat to engage its target audience to actively participate in the reality shows. The programme was overwhelmingly received by the TV audience in the last season, thus the Group has proceeded to launch a new series called “Eratat Life Sports Show” (鳄莱特生活运动会), which is scheduled to telecast from April to November 2009. Throughout Anhui TV, advertising and promotional clips will also be shown multiple times daily to create awareness of Eratat brand and the new programme. We believe that such wide coverage by the media can accelerate awareness of Eratat brand exponentially across China. Moreover, our bi-annual trade fairs, which were held in April and September 2008, have shown encouraging response from our PRC distributors with their increasing orders. We received approximately RMB500 million worth of orders during the September trade fair, which is expected to be delivered from January to June 2009.

About China Eratat Sports Fashion Limited

China Eratat is principally engaged in the design, manufacture and distribution of sports footwear, and the design and distribution of sports apparel under its well-established proprietary brand “ERATAT” (“鳄莱特”). The Group’s products are designed for a wide range of activities catering to the sports and casual lifestyles. With its strong focus on brand management, product development and quality, the Group has received numerous awards which include “China Best Public Image Brand” in 2006. Eratat products are sold across 21 provinces/cities in 1655 specialty stores and retail locations (comprising 1600 via PRC distributors and 55 via direct sales to retailers) as at the end of FY099M. In addition, the Group also produces sports footwear products under third party brands for sale to its export distributors.

Note :

This release may contain predictions, estimates or other information that may be considered forward-looking statements. Actual results may differ materially from those currently expected because of a number of factors. These factors include (without limitation) changes in general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, changes in operating expenses, including employee wages and raw material prices, governmental and public policy changes, social and political turmoil and major health concerns. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

China Eratat is listed on SGX-ST on 17 April, 2008. Kim Eng Capital Pte. Ltd. is the Manager, Underwriter and Placement Agent for the IPO.

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