



CHINA ERATAT SPORTS FASHION LTD

(Company Registration No: 200705552D)

FOR IMMEDIATE RELEASE

CHINA ERATAT DELIVERS OUTSTANDING FIRST QUARTER RESULTS FY09Q1 NET PROFIT ROSE 100.4% TO RMB28.4 MILLION

RMB ('000)	3 months ended 30 June		
	2008	2007	% Change
Revenue	169,809	86,490	96.3%
Gross Profit	50,059	26,377	89.8%
Taxation	(4,359)	(1,963)	122.1%
Net Profit	28,401	14,171	100.4%
EPS (RMB cents)*	7.23	4.89	

* FY08Q1 based on pre-invitation share capital of 290,029,357 shares
FY09Q1 based on post-invitational weighted average shares of 392,955,036



Revenue jumped 96.3% to RMB169.8 million
Net Profit surged 100.4% to RMB28.4 million
Sales from sports footwear increased 121.1% to RMB108.8 million
Retail locations increased to 1639

SINGAPORE, 8 August, 2008 – 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, recorded a 96.3% jumped in revenue to RMB169.8 million in the first quarter this year (“1Q09”) as compared to RMB86.5 in the first quarter last year (“1Q08”). The Group’s net profit soared 100.4% to RMB28.4 million in 1Q09 from RMB14.2 million in 1Q08.

The increase in revenue was attributable to (i) the increase in sales of sports footwear and apparel, (ii) the success of its product development and marketing efforts and (iii) the expansion of its distribution network. Sports footwear segment has recorded RMB59.6 million or 121.1% increase to RMB108.8 million in 1Q09 as compared to RMB49.2 million in 1Q08. The sports apparel segment has achieved 63.5% increase in revenue to RMB61.0 million in 1Q09 from RMB37.3 million in 1Q08.

China Eratat's gross profit rose by 89.8% to RMB50.1 million in 1Q09 from RMB26.4 million in 1Q08. The Group's overall gross profit margin decreased marginally from 30.5% in 1Q08 to 29.5% in 1Q09, mainly due to higher cost of sales of footwear as approximately 28% of its footwear in 1Q09 was outsourced to third party manufacturers in the PRC, as compared to approximately 7% in 1Q08.

Mr Lin Jiancheng (林建程), Executive Chairman & CEO of China Eratat commented, "We are very encouraged by the positive results which has indeed given us a boost to strive further. We are expecting 2 new footwear production lines to commence production within 2Q09. These new production lines will enable us to produce an additional 240,000 pairs of footwear per month, which we believe will enable us to meet our growing demand. In addition, we will continue to be innovative in our marketing strategies and product development so as to increase our shareholders equity."

In its next phase of expansion, the Group intends to add 4 new footwear production lines progressively. These are expected to commence full operation by end of 2008. With these new footwear production lines, the Group's production capacity will further increase to approximately 11.5 million pairs per annum. In addition, 50 new apparel production lines and more retail locations will also be added by end of FY2009.

In expanding its distribution network, China Eratat has significantly increased its retail locations of its ERATAT products from 1471 (comprising 1430 via PRC distributors and 41 via direct sales to retailers) as at end of FY08 to 1639 retail locations (comprising 1620 via PRC distributors and 19 via direct sales to retailers) as at the end of 1Q09. The Group has also appointed 3 new distributors in Hunan, Liaoning and Shanghai during 1Q09.

OUTLOOK

China Eratat believes that with rising affluence, PRC consumers (particularly in the mass-market consumer segment) will increasingly seek higher quality and well-branded sportswear products that are perceived as premium quality products. Coupled with the rising popularity of sports and an increasing interest towards sports and leisure-centered lifestyles, trendy sportswear is becoming a fashion statement for the urban youth and adults. These augur well for the Group as it has developed strong brand equity and marketing positioning for its ERATAT brand of products. In addition, the rising emphasis on sports and leisure-centered lifestyles in the PRC in recent years amidst the run-up towards the Beijing Olympics in August 2008 is also expected to continue thereafter.

The Group had in April 2008 launched the Beijing Olympics theme song called "加油中国". This was commissioned by the Beijing Olympics Committee, with the aim of rallying the entire China population to support its Olympics athletes during the Games. The creation of this song and music video was solely sponsored by the Group. It will be telecast continuously nationwide from May 2008 onwards until the Olympics in August 2008 in China over 150 television stations, 18 satellite stations, as well as in various media (such as newspapers and magazines, internet websites and radio stations) that will be covering the Beijing Olympics. The Group can also utilize the eight athletes who appeared in the music video for our own Eratat advertising and promotional activities for the next 2 years.

Recently, together with Anhui TV (安徽卫视), China Eratat has jointly launched a new TV reality programme called “Eratat Mountain Climbing Show” (鳄莱特登山运动会). This programme will be solely sponsored by the Group, and will engage the TV audience to actively participate in the reality show. The programme will be shown weekly on Anhui TV channel from July to December 2008. This is in line with China Eratat’s market strategy to focus on its target customers, namely, the youths and adults.

China Eratat believes that this wide coverage by the media can accelerate the awareness of ERATAT brand exponentially across China.

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 1639 specialty stores and retail locations through its PRC distributors. 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.

ISSUED BY	:	CHINA ERATAT SPORTS FASHION LIMITED
CONTACT	:	MS KELLYN TAN
DESIGNATION	:	VP – INVESTOR RELATIONS
AT TELEPHONE	:	+65 98500882
EMAIL	:	kellyntan@eratatgroup.com