



CHINA ERATAT SPORTS FASHION LIMITED

(Company Registration No: 200705552D)

FOR IMMEDIATE RELEASE

CHINA ERATAT SCORE HIGH IN FIRST QUARTER RESULTS

- Revenue grew by more than 50%
- Overall gross profit margin rose to 31.6%
- Net profit increased by 24.7% to RMB35.4 million

(RMB'000)	3 months ended 30 June		
	FY2010Q1	FY2009Q1	CHANGE
REVENUE	259,735	169,809	52.9%
GROSS PROFIT	82,081	50,059	64.0%
TAXATION	(13,440)	(4,359)	208.3%
NET PROFIT	35,404	28,401	24.7%
EPS (RMB cents) *	8.53	7.23	
EPS (SGD cents) #	1.85	1.57	

* Both Qtr based on issued shares of 414,912,514

Exchange rate at S\$1.00 = RMB4.60

SINGAPORE, 30 July, 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 announced its revenue soared 52.9% to RMB259.7 million in the first quarter this financial year (“**FY10Q1**”).

The increase in revenue was contributed by the higher sales from both footwear and sports apparel segments, which the Group attributed it to its strong product development capability and its sales and marketing strategies in penetrating into its existing and new markets. The Group’s footwear and sports apparel segments contributed RMB159.5 million or 61.4% and RMB100.2 million or 38.6% of the total revenue respectively in FY10Q1.

China Eratat posted a surge of 64.0% in gross profit to RMB82.1 million in FY10Q1. The Group's overall gross profit margin has also inched up from 29.5% in FY09Q1 to 31.6% in FY10Q1, which was mainly because only 18% of its footwear production had been outsourced to third party manufacturers in PRC as compared to 29% in FY09Q1. In addition, sales of third party brand footwear had also dropped to 3% of total revenue in FY10Q1 as compared to 7% in FY09Q1.

The Group's selling and distribution expenses, which represented about 10.0% (FY09Q1: 7.8%) of the overall revenue, increased by RMB9.9 million to RMB26.1 million in FY10Q1. The increase was mainly due to the increasing intensity in advertising and promotional activities, which had contributed to the higher sales volume, as well as the increase in apparel product development expenditure in expanding its apparel product range.

In line with higher revenue and gross profits contributed from their business activities, the Group's profit before income tax grew by 49.1% to RMB48.8 million in FY10Q1. Net profit increased by 24.7% to RMB35.4 million in FY10Q1 from RMB28.4 million in FY09Q1.

Commented Mr Lin Jiancheng (林建程), Executive Chairman & CEO of China Eratat, "We will continue to heighten the visibility of our ERATAT brand name through effective media exposure in the PRC. We will also continue to enhance and strengthen our product development capabilities so as to offer a broader product range to suit our target consumers."

Following the success of its first series reality shows called "Eratat Mountain Climbing Show" (鳄莱特登山运动会), which was being telecasted nationwide last year, China Eratat planned to continue its collaboration with Anhui TV (安徽卫视) by sponsoring the second series reality show called "Eratat Life Sports Show" (鳄莱特生活运动会). This programme aims to engage China Eratat's target audience to actively participate in witty sports games in the shows. The reality shows will be telecast nationwide in the PRC from April to November 2009. Advertisements of Eratat brand will also be shown multiple times on the station daily, which the Group believes that it will significantly increase its brand awareness 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 1645 locations as at the end of FY10Q1.

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 9850 0882
EMAIL	:	kellyntan@eratatgroup.com