



ERATAT LIFESTYLE LIMITED
(UNDER JUDICIAL MANAGEMENT)
(“COMPANY”)
(Company Registration No: 200705552D)

**NON-BINDING TERM SHEET IN RELATION TO PROPOSED
TRANSFER OF LISTING STATUS**

The Company refers to the announcement made on 13 November 2014 in respect of the order made by the Court on 6 November 2014 granting the JM an extension of time up to 15 January 2014 to comply with all the requirements in Section 227M of the Act.

Capitalised terms defined in the announcement dated 13 November 2014 have the same meaning in this announcement.

Proposed Transaction

On 30 December 2014, a non-binding term sheet (“Term Sheet”) was signed between the Company and a target company (“Target”) in relation to a proposed transaction to transfer the listing status of the Company to the Target (“Proposed Transaction”). The principal business of the Target is in real estate development (including the development of high-end and luxurious hospitality and residential real estate such as townhouses and villas) in Bali, Indonesia.

Non-binding Term Sheet

Set out below are the indicative key terms in respect of the Proposed Transaction:

1. subject to conditions to be agreed between the parties (including the conditions precedent below), the Company will transfer its listing status to the Target by way of a Scheme of Arrangement (“Scheme”) or other arrangement or compromise;
2. the Target shall issue new ordinary shares representing 10% of the enlarged issued share capital of the Target as at completion of the Proposed Transaction to the stakeholders of the Company including creditors, shareholders, the JM and / or any other parties at the discretion of the JM;
3. the indicative value of the Target together with its assets as a whole is USD68 million;
4. the Proposed Transaction shall be subject to, among others, the following conditions precedent:
 - 4.1. satisfactory financial and legal due diligence review of the Target by the JM;
 - 4.2. execution of a definitive legally binding agreement;

- 4.3. the successful completion of a Scheme or other arrangement or compromise in relation to the debts of the Company;
 - 4.4. the approvals of the shareholders and other stakeholders of the Target;
 - 4.5. the SGX-ST agreeing to transfer of the listing to, and the resumption of the trading of the ordinary shares of the Target on the SGX-Catalist board; and
 - 4.6. approvals of any other relevant governmental, regulatory and third parties; and
5. the Company and the Target are subject to exclusivity provision until 28 February 2015.

The Company will make further announcements to keep its shareholders updated on any material developments as and when appropriate.

Submitted by the Judicial Manager
For and On Behalf of the Company

Hamish Alexander Christie
Borrelli Walsh Pte Limited

12 January 2015