



ERATAT LIFESTYLE LIMITED
(Company Registration No: 200705552D)

STATUTORY DEMAND AGAINST THE COMPANY FROM BONDHOLDER

Reference is made to the Company's announcements dated 29 January 2014, 25 February 2014 and 30 May 2014 (the "**Earlier Announcements**"). Capitalised terms used herein and not otherwise defined shall have the same meanings as ascribed to them in the Earlier Announcements.

The Board of Directors wishes to announce that the Company has been served a statutory demand by the solicitors acting for the Bondholder ("**Demand**"), arising from the Company's failure to pay the second coupon interest under the Bonds as well as failure by the Company to pay the redemption amount for all principal and interest due under the Bonds pursuant to the Acceleration Notice. The Company has 21 days from 2 June 2014, which was the date of the Demand, to repay the aforesaid outstanding, failing which the Company shall be deemed to be unable to pay its debts and the Bondholder shall be entitled to rely on any statutory presumptions of insolvency arising therefrom and take all necessary steps, including liquidating the Company.

The Board is currently consulting its advisors and discussing with the Bondholder, and will update shareholders on any material developments in relation to the aforesaid matter.

BY ORDER OF THE BOARD
Lim Yeow Hua
Independent Director

4 June 2014