



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

**APPROVAL FROM SGX FOR EXTENSION OF TIME TO COMPLY WITH RULE
705(2) OF THE LISTING MANUAL**

The Company refers to its announcements made on 13 October 2014 and 20 January 2015.

Capitalised terms defined in the abovementioned announcements have the same meaning in this announcement.

On 14 May 2015, the Company made an application to SGX-ST for extension of time until 31 December 2015 to comply with, inter alia, Rule 705(2) of the Listing Manual to release announcement of the unaudited financial statements of the Company for the financial quarter ending 31 March 2015 (“1QFY2015 Requirement”).

On 20 May 2015, SGX-ST replied that it has no objection to the Company’s application for extension of time subject to the following:

- (a) the Company providing updates via SGXNET on material developments in the Company, including details of any reverse takeover proposals, the JM’s effort to ascertain and establish the financial position of the Group and prepare the accounts of the Company, and plans of the JM to obtain necessary financial resources to comply with the Listing Requirements;
- (b) the Company announcing period of extension granted, the reasons for seeking the extension of time and the conditions as required under Listing Rule 107;
- (c) submission of a written confirmation from the Company that the extension of time does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (d) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company.

The JM's effort to ascertain and establish the financial position of the Group and prepare the accounts of the Company

The Company's announcement made on 20 January 2015 describes that:

1. the Company was unable to obtain the necessary bank statements and records in relation to the discrepancies in the HMW Cash Balance and the inconsistencies in the ABC bank statements in order to ascertain and establish the financial position of the Group and prepare the accounts of the Company; and
2. the Company has not yet obtained the necessary financial resources to comply with the Listing Requirements.

On 24 July 2014, the JM passed the necessary shareholder resolutions pursuant to which the existing legal representative and directors of the subsidiaries of the Company in the PRC ("PRC Subsidiaries") were replaced with the JM's representatives. The aim of this change of legal representative and directors was to enable the JM to take control of the PRC Subsidiaries and investigate into their affairs. This change of legal representative and directors of the PRC Subsidiaries was completed and registered with the Administration for Industry and Commerce in the PRC on 28 October 2014.

The JM then made enquiries of ABC Bank including Chendai Branch and ABC HQ and requested that ABC Bank provide the JM with bank statements and records in respect of the bank accounts of HMW. However, the JM was unable to obtain any information or document from ABC Bank because ABC Bank required the original business licenses of the PRC Subsidiaries. These original business licenses are in Mr Lin's possession. Mr Lin refused to handover the original business licenses to the JM.

PRC legal advice obtained by the JM indicates that the JM and the Company need to make court application in PRC in order to obtain the original business licenses of the PRC Subsidiaries and the ABC Bank bank statements and records.

The Company does not have any asset realisation to date. The listing status of the Company is likely to be its only material realisable asset from which the JM may be able to obtain the necessary financial resources to make the PRC court application and to obtain bank statements and records from ABC Bank.

Transfer of Listing Status

The JM had been seeking interest in the Company's listing status since his appointment. The Company signed a non-binding term sheet with a group of target companies ("Targets") on 2 April 2015 in respect of a proposed transfer of the Company's listing status ("Proposed Listing Transfer"). The JM has been in negotiations with the Targets and the parties are now finalising a definitive legally binding agreement in respect of the Proposed Listing Transfer.

Extension of Time

The Company sought the extension of time to comply with the 1QFY2015 Requirement for the following reasons:

1. the Company has not yet obtained the necessary bank statements and records in order to ascertain and establish the financial position of the Group and prepare the accounts of the Company;
2. the Company has not yet obtained the necessary financial resources to comply with the 1QFY2015 Requirement; and
3. the JM required more time to finalise the definitive legally binding agreement and the Statement of Proposal in relation to the Proposed Listing Transfer.

In this light, the JM requires time until 31 December 2015 in order for the JM to:

4. facilitate the Proposed Listing Transfer and obtain the necessary financial resources;
5. make court application in the PRC and obtain bank statements and records in relation to the discrepancies in the HMW Cash Balance and the inconsistencies in the ABC bank statements;
6. ascertain and establish the financial position of the Group; and
7. comply with the 1QFY2015 Requirement.

Written Confirmation from the Company

The Company has provided written confirmation to SGX-ST that:

1. the extension of time does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
2. the Company is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

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

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

Hamish Alexander Christie
Borrelli Walsh Pte Limited

22 May 2015