

SHOWY INTERNATIONAL LIMITED

Registration No. 199106356W

UNAUDITED FINANCIAL STATEMENTS FOR HALF YEAR ENDED 30 JUNE 2008**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a)(i) Income Statement**

	Group		Change
	6 months ended		
	30.06.08	30.06.07	
	S\$'000	S\$'000	%
Revenue	4,867	4,880	(0.3)
Other Items of Income			
Interest Income	80	84	(4.8)
Other Credits	5	73	(93.2)
Other Items of Expense			
Raw Materials and Consumables Used	(2,746)	(2,563)	7.1
Changes in Inventories of Finished Goods, Work in Progress and Raw Materials	147	129	14.0
Employee Benefits Expense	(921)	(779)	18.2
Depreciation Expense	(132)	(127)	3.9
Interest Expense	n.m.	(6)	
Other Expenses	(612)	(500)	22.4
Other Charges	(350)	(567)	(38.3)
Profit Before Tax from Continuing Operations	338	624	(45.8)
Income Tax Expense	(238)	(123)	93.5
Profit from Continuing Operations, Net of Tax	100	501	(80.0)

n.m. not meaningful

1(a)(ii) Notes to Income Statement

	Group	
	6 months ended	
	30.06.08	30.06.07
	S\$'000	S\$'000
<u>Other Credits</u>		
Gain on disposal of plant and equipment	-	73
Other income	5	
	<u>5</u>	<u>73</u>
<u>Other Charges</u>		
Allowance on impairment of trade receivables (loss)	(80)	(69)
Inventories written down	(191)	(450)
Loss on disposal of plant and equipment	(2)	-
Impairment loss on plant and equipment	(27)	-
Bad debts written off trade receivables	(4)	-
Foreign exchange adjustment losses	(46)	(48)
	<u>(350)</u>	<u>(567)</u>

1(b)(i) Balance Sheet

	Group		Company	
	30.06.08 S\$'000	31.12.07 S\$'000	30.06.08 S\$'000	31.12.07 S\$'000
ASSETS				
Non-current assets				
Property, Plant and Equipment	1,009	1,130	951	1,021
Investments in Subsidiaries	-	-	2,398	2,816
Deferred Tax Assets	-	137	-	55
Total Non-Current Assets	1,009	1,267	3,349	3,892
Current Assets				
Inventories	1,477	1,521	1,303	1,371
Trade and Other Receivables, Current	2,300	2,280	2,371	2,381
Cash and Cash Equivalents	16,641	17,399	15,520	16,118
Total Current Assets	20,418	21,200	19,194	19,870
Total Assets	21,427	22,467	22,543	23,762
EQUITY AND LIABILITIES				
Equity				
Share Capital	16,619	16,619	16,619	16,619
Retained Earnings	2,942	3,654	3,240	4,059
Other Reserves	(112)	(129)	-	-
Total Equity	19,449	20,144	19,859	20,678
Current Liabilities				
Income Tax Payable	93	203	93	203
Trade Payables, Current	1,885	2,112	2,591	2,873
Current Portion of Finance Leases	-	8	-	8
Total Current Liabilities	1,978	2,323	2,684	3,084
Total Liabilities	1,978	2,323	2,684	3,084
Total Equity and Liabilities	21,427	22,467	22,543	23,762

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.06.08		As at 31.12.07	
Secured	Unsecured	Secured	Unsecured
-	-	S\$8,000	-

Amount repayable after one year

As at 30.06.08		As at 31.12.07	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

The above borrowings were amounts payable for finance leases which were secured against plant and equipment with a total net book value of S\$265,288 as at 31 December 2007.

1(c) Cash Flow Statement

	Group	
	6 months ended	
	30.06.08	30.06.07
	S\$'000	S\$'000
Cash Flows From Operating Activities		
Profit Before Tax	338	624
Loss/(Gain) on Disposal of Plant and Equipment	2	(73)
Depreciation Expense	132	127
Impairment Loss on Plant and Equipment	27	-
Interest Income	(80)	(84)
Interest Expense	n.m.	6
Operating Cash Flows Before Changes in Working Capital	419	600
Cash Restricted in Use over 3 Months	(4)	(292)
Trade and Other Receivables, Current	(20)	128
Inventories	44	320
Trade Payables, Current	(227)	107
Net Cash Flows From Operations Before Interest and Tax	212	863
Income Tax Paid	(211)	(158)
Net Cash Flows From Operating Activities	1	705
Cash Flows From Investing Activities		
Disposal of Plant and Equipment	-	126
Purchase of Plant and Equipment	(36)	(264)
Interest Received	80	84
Net Cash Flows From (Used In) Investing Activities	44	(54)
Cash Flows From Financing Activities		
Dividends Paid	(812)	(1,023)
Proceeds from Issuing Shares, net of Share Issue Expenses	-	10,746
Finance Leases Repayments	(8)	(87)
Interest Paid	n.m.	(6)
Net Cash (Used In) From Financing Activities	(820)	9,630
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries		
	13	54
Net (Decrease) Increase in Cash and Cash Equivalents	(762)	10,335
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	16,807	5,949
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	16,045	16,284
Cash and Cash Equivalents, Balance Sheet	16,641	16,576
Cash Restricted In Use over 3 Months	(596)	(292)
Cash and Cash Equivalents, Cash Flow Statement	16,045	16,284

n.m. not meaningful

1(d)(i) A statement showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital S\$'000	Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
Group				
Current Period:				
Opening Balance at 1 January 2008	16,619	(129)	3,654	20,144
Exchange Differences on Translating Foreign Operations Recognised Directly in Equity	-	17	-	17
Profit for the Period	-	-	100	100
Total Recognised Income and Expense for the Period	-	17	100	117
Dividends Paid	-	-	(812)	(812)
Total Other Movements in Equity	-	-	(812)	(812)
Closing Balance at 30 June 2008	16,619	(112)	2,942	19,449
Previous Period:				
Opening Balance at 1 January 2007	5,873	(148)	3,865	9,590
Exchange Differences on Translating Foreign Operations Recognised Directly in Equity	-	75	-	75
Profit for the Period	-	-	501	501
Total Recognised Income and Expense for the Period	-	75	501	576
Issue of Share Capital	10,890	-	-	10,890
Share Issue Expenses	(144)	-	-	(144)
Dividends Paid	-	-	(1,023)	(1,023)
Total Other Movements in Equity	10,746	-	(1,023)	9,723
Closing Balance at 30 June 2007	16,619	(73)	3,343	19,889
Company				
Current Period:				
Opening Balance at 1 January 2008	16,619	-	4,059	20,678
Loss for the Period	-	-	(7)	(7)
Total Recognised Income and Expense for the Period	-	-	(7)	(7)
Dividends Paid	-	-	(812)	(812)
Total Other Movements in Equity	-	-	(812)	(812)
Closing Balance at 30 June 2008	16,619	-	3,240	19,859
Previous Period:				
Opening Balance at 1 January 2007	5,873	-	4,444	10,317
Profit for the Period	-	-	647	647
Total Recognised Income and Expense for the Period	-	-	647	647
Issue of Share Capital	10,890	-	-	10,890
Share Issue Expenses	(144)	-	-	(144)
Dividends Paid	-	-	(1,023)	(1,023)
Total Other Movements in Equity	10,746	-	(1,023)	9,723
Closing Balance at 30 June 2007	16,619	-	4,068	20,687

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There was no change in the Company's issued share capital during the six months ended 30 June 2008.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice

The above financial statements have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has consistently applied the same accounting policies and methods of computation adopted in the last audited financial statements for FY2007.

5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

There were no changes in the accounting policies and methods of computation used in the preparation of the financial statements in this announcement.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	30.06.08	30.06.07
(i) Based on weighted average number of ordinary share in issue	0.08 cents	0.64 cents
(ii) On a fully diluted basis	0.08 cents	0.64 cents

The basic and fully diluted earnings per share for the periods above have been calculated based on the weighted average number of ordinary shares as at 30 June 2008 of 127,000,000 (2007 : 78,502,762) ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.06.08	31.12.07	30.06.08	31.12.07
Net asset value per ordinary share based on existing issued capital as at the respective period	15.31 cents	15.86 cents	15.64 cents	16.28 cents

The net asset value per share for the periods above have been calculated based on the Company's issued share capital of 127,000,000 (2007 : 127,000,000) ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

Turnover

The Group's turnover was S\$4.9 million in the first half of FY2008, or a marginal decline of 0.3% compared to the first half of FY2007. The result must be considered satisfactory given current consumer concerns and the general slowdown in economic activity.

Interest income was also marginally down by 4.8% and at around S\$80,000 over the same comparative period. Interest income was marginally lower due to lower cash holdings. Cash holdings fell from S\$17.4 million to S\$16.6 million due to dividend payment and a reduction of debt (note there is no interest payable), despite better inventory and receivable management.

Other credits were significantly lower than the equivalent FY2007 period. In first half FY2007 there was a one-off gain on the disposal of a motor vehicle.

Expenses

Raw materials and consumables used, net of changes in inventories, rose by 6.8% to S\$2.6 million. This rise was in line with higher raw material prices worldwide, notably for steel and plastics. Higher oil prices have also resulted in higher carriage charges, which further contribute to higher landed raw material costs.

Employee benefits expense increased by 18.2% to S\$0.9 million mainly due to a provision for non-executive directors' fees totaling S\$125,000 in the first half of FY2008. These fees are provisional and subject to approval at the Annual General Meeting next year.

Other expenses increased by 22.4% to S\$612,000 mainly due to higher professional fees, increase in repair and maintenance expenses, and higher travelling and transportation costs. The rise in oil prices contributed to the increase in travelling and transportation costs incurred in the first half of FY2008.

Other charges were significantly lower than the equivalent FY2007 period mainly due to the reduction in inventories written down in the first half of FY2008.

Profit

As a result of the above factors, the Group's profit before tax for the first half of FY2008 declined by 45.8% to S\$338,000 from the equivalent FY2007 period.

Income tax expenses rose by a significant 93.5% as compared to the equivalent FY2007 period. The sharp rise was due entirely to the write-off of the S\$137,000 in deferred tax assets. A deferred tax asset is created on the basis of anticipated future income tax benefit arising from past losses and temporary differences from capital allowances. Such benefits, however, may only accrue if the shareholders remain substantially unchanged. On 7 July 2008, we announced that we have entered into a proposed reverse take-over transaction. In the event that such a reverse take-over occurs, any future income tax benefits will be loss. Thus the decision to write-off the deferred tax asset.

As a result of higher income tax expense, the Group's profit after tax for the first half of FY2008 declined by 80.0% to S\$100,000 from the previous period.

Balance Sheet

The Group's total non-current assets decreased by S\$258,000 mainly due to the reversal of deferred tax assets mentioned above.

Total current liabilities decreased by S\$345,000 due to the reduction in income tax payable and accrued liabilities.

Cash Flow Statement

The Group's total unrestricted cash and cash equivalents as at 30 June 2008 decreased by S\$239,000 mainly due to the payment of final dividend for FY2007.

9. Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results

The actual results for period ended 30 June 2008 were in line with the prospect statement disclosed to the shareholders on 18 February 2008.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the company in the next reporting period and the next 12 months

As announced on 7 July 2008, we have entered into a conditional sale and purchase agreement with Newest Luck Holdings Limited, Leap Forward Holdings Limited, Tan Hoo Lang and Tan Fuh Gih for the proposed acquisition by the Company of the entire issued and paid-up capital of Fortune Court Holdings Limited, and the allotment and issue of shares in the Company as consideration for such acquisition, resulting in the reverse take-over of the Company. We have also entered into a business transfer agreement to dispose of Showy's existing business, assets, transferred employees, its shareholding interest in Showy Overseas Pte. Ltd., and all liabilities

as defined in the agreement in its entirety to Showy Pte. Ltd., a company wholly-owned by Mr Lim Hong Ching and Mdm Yeo Sock Kon, both of whom are currently directors and controlling shareholders of the Company. Both proposed transactions are subject to, amongst others, the whitewash waiver approval by SIC, shareholders' approval and approval in-principal for the listing of the consideration shares by SGX.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	0.079 cents per ordinary share (one-tier tax exempt)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

22 August 2008.

(d) Books closure date

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 3 Church Street #08-01 Samsung Hub Singapore 049483 up to 5.00 p.m. on 13 August 2008 will be registered before entitlements to the Dividend is determined.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

15. A breakdown of sales as follows:-

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

17. Confirmation pursuant to Rule 705(4) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the unaudited financial statements for the period ended 30 June 2008 to be false or misleading.

BY ORDER OF THE BOARD

Lim Hong Ching
Managing Director

28 July 2008