



**Ying Li International Real Estate Ltd** (Formerly known as Showy International Ltd)  
(Company Registration No: 199106356W)

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**Financial Statement Announcement for 3rd Quarter ended 30 September 2008**

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**Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**INTRODUCTION**

On 26 September 2008, the Company completed the acquisition of the Fortune Court Group from Newest Luck Holdings Ltd ("Newest Luck") for a purchase consideration of S\$545.4 million ("Acquisition"). The Fortune Court Group comprises the following 3 companies:

- (1) Fortune Court Holdings Ltd
- (2) Chongqing Yingli Real Estate Development Co. Ltd
- (3) Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co. Ltd

The purchase consideration was satisfied by the allotment and issuance of 1,652.7 million new shares in the capital of the Company at S\$0.33 per share. Following the allotment and issuance of the shares, Newest Luck emerged as the single largest shareholder of the Company, owing 60.9% equity interest in the Company, thereby becoming the holding corporation of the Company.

Concurrent with the Acquisition, the Company completed the disposal of its entire existing business undertaking to Showy Pte Ltd which marked the exit of the Group from the bathroom and kitchen products and accessories.

Upon completion of the above exercises, the Company became a property development and investment company in Chongqing. Chongqing Yingli engages principally in the development, sale, rental, management and long-term ownership of high quality commercial and residential properties in Chongqing. Both internal and external resources are used to market its properties. Certain commercial properties that Chongqing Yingli has developed may be retained by it so as to enhance the value of the projects on an ongoing basis through quality property management services.

Chongqing Yingli is a specialist on the development and construction of restorative projects of old living quarters in the urban districts of Chongqing. This business model of undertaking development involving urban renewal is a special aspect of its business, with the reconstruction of old city areas into high quality and first-class design developments.

**BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**At Group level**

The Acquisition has been accounted for as a reverse acquisition and the legal subsidiaries (i.e. Fortune Court Group) are considered the acquirer for accounting purposes. Accordingly, the Group's consolidated income statement, balance sheet, statement of changes in equity and cash flow statement for the 9 months ended 30 September 2008 have been presented as a continuation of the Fortune Court Group's financial results and operations.

Since such consolidated financial statements represented a continuation of the financial statements of the Fortune Court Group's:

- (a) the assets and liabilities of the Fortune Court Group are recognised and measured in the consolidated balance sheet at their pre-combination carrying amounts;
- (b) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the Fortune Court Group immediately before the business combination;
- (c) the amount recognised as issued equity instruments in those consolidated financial statements is determined by adding to the issued equity of the Fortune Court Group immediately before the business combination, the costs of the combination of the acquisition. However, the equity structure appearing in those consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the combination; and
- (d) the comparative figures presented in these consolidated financial statements are that of consolidated financial statement of the Fortune Court Group which include Fortune Court and Chongqing Yingli assuming that the present structure existed during the previous financial year.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purposes). Therefore, the cost of the business combination for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values at 26 September 2008.

**At Company level**

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's financial statements, the investment in the legal subsidiaries (i.e. Fortune Court Group) is accounted for at cost less accumulated impairment losses in the Company's balance sheet.

The Board of Directors announces the unaudited results of the Group for the 3rd quarter and for the period from 1 April to 30 September 2008. Fortune Court acquires Chongqing Yingli toward the end of March 2008. The income and expenses presented here is for the period from 1 April to 30 September 2008 are actual (Proforma numbers were shown in the Shareholders' Circular).

	<b>Group</b>					
	3rd Qtr	3rd Qtr	Increase /	Apr to Sep	Apr to Sep	Increase /
	2008	2007	(Decrease)	2008	2007	(Decrease)
	RMB	RMB	%	RMB	RMB	%
<b>Revenue</b>	<b>18,044,010</b>	<b>33,122,872</b>	<b>(45.5%)</b>	<b>34,271,499</b>	<b>55,910,369</b>	<b>(38.7%)</b>
Cost of sales	(6,376,208)	(18,515,228)	(65.6%)	(11,620,983)	(28,760,371)	(59.6%)
<b>Gross profit</b>	<b>11,667,802</b>	<b>14,607,644</b>	<b>(20.1%)</b>	<b>22,650,516</b>	<b>27,149,998</b>	<b>(16.6%)</b>
Other income	6,459,461	6,567	n.m	511,912,832	6,567	n.m
Selling expenses	(472,529)	(1,565,145)	(69.8%)	(1,353,075)	(3,126,786)	(56.7%)
Administrative expenses (Note 2)	(9,670,287)	(2,246,338)	330.5%	(12,609,278)	(4,191,947)	200.8%
Fair Value gain on investment property	-	-	n.m	565,604	-	n.m
Finance costs	(209,402)	(142,211)	47.2%	(246,106)	(153,451)	60.4%
Non operating expenses (Note 3)	(109,835,392)	-	n.m	(117,410,072)	-	n.m
Other operating expenses	(53,256)	-	n.m	(5,198,554)	-	n.m
Share of associates' result	-	-	n.m	4,373,799	-	n.m
<b>Profit before Income Tax</b>	<b>(102,113,603)</b>	<b>10,660,517</b>	n.m	<b>402,685,666</b>	<b>19,684,381</b>	1,945.7%
Taxation	(5,285,344)	(443,719)	n.m	(8,254,904)	(3,494,886)	136.2%
<b>(Loss) / Profit for the period</b>	<b>(107,398,947)</b>	<b>10,216,798</b>	n.m	<b>394,430,762</b>	<b>16,189,495</b>	2,336.3%
<b>Attributable to:</b>						
<b>Equity holders of the parent (Note 4)</b>	<b>(107,398,947)</b>	<b>10,216,798</b>	n.m	<b>394,430,762</b>	<b>16,189,495</b>	n.m
	<b>(107,398,947)</b>	<b>10,216,798</b>	n.m	<b>394,430,762</b>	<b>16,189,495</b>	n.m

n.m - not meaningful

Note:

*Note 1* - The comparative figures for Q3 2007 and April to September 2007 are that of the Fortune Court and Chongqing Yingli only.

*Note 2* - Includes reverse takeover expenses of RMB 5.6 million.

*Note 3* - It includes goodwill written of RMB 109.4 million arises from the reverse acquisition of Fortune Court Group. Profit before income tax before goodwill written off would have been RMB 7.3 million and RMB 512.1 million for Q3 2008 and April to September 2008 respectively .

*Note 4* - Newest Luck has agreed that following the Acquisition and the Capital Injection, it will waive all its rights to receive dividends and/or other distributions (whether in the form of cash or as distributions in specie save for bonus shares) declared by the Company out of its retained earnings or profits in any particular financial year to its shareholders in respect of such number of shares held by Newest Luck as shall amount to 6.01% of the issued share capital of the Company. Therefore no minority interest is recognised at the group level.

1(b) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Notes	Group		Company	
		30-Sep-08 RMB	31-Dec-07 RMB (Note 1)	30-Sep-08 RMB	31-Dec-07 RMB
<b>ASSETS</b>					
<b>Non-current assets:</b>					
Property, plant and equipment		3,871,988	3,291,142	-	4,838,825
Investment in subsidiaries		-	-	2,637,419,990	13,345,869
Investment in associate		-	-	-	-
Investment properties		1,330,972,605	1,330,407,000	-	-
Land for development	2	357,882,042	203,706,310	-	-
<b>Total non-current assets</b>		<b>1,692,726,635</b>	<b>1,537,404,452</b>	<b>2,637,419,990</b>	<b>18,184,694</b>
<b>Current assets:</b>					
Deferred taxation		-	-	-	260,662
Development properties		37,329,114	31,599,710	-	-
Land	2	163,043,153	-	-	-
Trade and other receivables		113,968,768	107,156,505	22,472,094	11,284,273
Inventories		-	-	-	6,497,580
Cash at bank - restricted		19,680,418	12,091,948	-	-
Cash and cash equivalents		202,425,854	21,309,428	82,497,161	76,388,037
<b>Total current assets</b>		<b>536,447,307</b>	<b>172,157,591</b>	<b>104,969,255</b>	<b>94,430,552</b>
<b>Total assets</b>		<b>2,229,173,942</b>	<b>1,709,562,043</b>	<b>2,742,389,245</b>	<b>112,615,246</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves:</b>					
Capital contribution		2,637,382,294	10,738	2,637,382,294	78,761,915
Reverse acquisition reserve		(2,464,916,640)	-	-	-
Capital surplus		460,685,763	-	-	-
Statutory common reserve		151,730	464,432	-	-
Exchange fluctuation reserve		11,651,613	(1,374)	377,930	-
Retained profits		648,512,760	790,110,059	4,799,273	19,237,511
		<b>1,293,467,520</b>	<b>790,583,855</b>	<b>2,642,559,497</b>	<b>97,999,426</b>
<b>Minority interests</b>		<b>91,462,684</b>	-	-	-
<b>Total equity</b>		<b>1,384,930,204</b>	<b>790,583,855</b>	<b>2,642,559,497</b>	<b>97,999,426</b>
<b>Non-current liabilities:</b>					
Deferred taxation		203,432,148	203,290,746	-	-
Bank borrowings		293,412,506	213,140,000	-	-
Government grants		200,001	-	-	-
<b>Total non-current liabilities</b>		<b>497,044,655</b>	<b>416,430,746</b>	-	-
<b>Current liabilities:</b>					
Trade and other payables		244,556,646	178,918,305	31,109,898	13,615,828
Amount owing to a director		14,201,690	12,640,642	2,369,650	-
Amount owing to a subsidiary		-	-	66,350,200	-
Provision for taxation		64,821,717	54,648,495	-	962,078
Finance lease		-	-	-	37,914
Bank borrowings		23,619,030	256,340,000	-	-
<b>Total current liabilities</b>		<b>347,199,083</b>	<b>502,547,442</b>	<b>99,829,748</b>	<b>14,615,820</b>
<b>Total equity and liabilities</b>		<b>2,229,173,942</b>	<b>1,709,562,043</b>	<b>2,742,389,245</b>	<b>112,615,246</b>

Note:

Note 1 - The consolidated balance sheet as at 31 December 2007 only include Fortune Court and Chongqing Yingli.

Note 2 - Does not include RMB 1.66 billion for the revaluation of land for development used for the purpose of NTA calculation. This was the amount included in page 38 of the Shareholders' Circular dated 4 September 2008. Please refer to paragraph 7 of this announcement for revised calculation of Net Asset Value per ordinary share.

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

	<b>Group</b>			
	30-Sep-08		31-Dec-07	
	Secured RMB	Unsecured RMB	Secured RMB	Unsecured RMB
Amount repayable in one year or less, or on demand	23,619,030	-	-	-
Amount repayable after one year	293,412,506	-	-	-
	<u>317,031,536</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Details of any collateral**

The bank loans are secured by legal mortgage of the Group's investment properties.

Bank loans have an effective interest rate ranging from 6.6% to 8.2%.

Interest rates are repriced every 12 months.

Current bank loans are repayable within 12 months and non-current bank loans are repayable in 1 to 13 years.

All bank borrowings are denominated in RMB.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>			
	3rd Qtr 2008	3rd Qtr 2007	Apr to Sep 2008	Apr to Sep 2007
	RMB	RMB	RMB	RMB
<b>Operating activities</b>				
(Loss) / Profit before taxation	(102,113,603)	10,660,517	402,685,666	19,684,381
Adjustments for:				
Depreciation of property, plant and equipment	475,542	281,129	707,838	213,859
Fair value gain on investment property	-	-	(565,604)	-
Negative goodwill on acquisition	-	-	(485,395,842)	-
Interest expense	235,053	142,211	271,757	153,451
Interest income	(375,027)	-	(375,027)	-
Exchange difference on translation	11,653,491	-	11,652,987	-
Share of associates's result	-	-	(4,373,799)	-
Impairment of associates	-	-	5,145,295	-
Operating profit before working capital charges	(90,124,544)	11,083,857	(70,246,729)	20,051,691
(Increase) in development properties	(3,127,982)	(7,464,492)	(6,783,097)	20,914,759
(Increase) in land for development	(52,456,991)	(8,488,439)	(154,175,732)	(12,859,963)
(Increase) / Decrease in trade and other receivables	(36,221,172)	(22,552,062)	(19,118,008)	(17,321,455)
(Decrease) in trade and other payables	19,938,884	(147,101,823)	16,334,856	(166,935,692)
Cash generated from / (used in) operations	(161,991,805)	(174,522,959)	(233,988,710)	(156,150,660)
Interest paid	(235,053)	11,152,288	(271,757)	6,935,423
Interest received	375,027	-	375,027	-
Income tax paid	(110,106)	(342,550)	(2,127,214)	(952,841)
Net cash generated from / (used in) operating activities	(161,961,937)	(163,713,221)	(236,012,654)	(150,168,078)
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	(1,052,177)	-	(1,052,177)	(2,149,776)
Acquisition of Sanyawan (Note A)	-	-	(61,844,710)	-
Acquisition of Chongqing Yingli (Note A)	-	-	(59,316,014)	-
Proceed from disposal of existing business to Showy Pte Ltd	22,106,923	-	22,106,923	-
Net cash generated from / (used in) investing activities	21,054,746	-	(100,105,978)	(2,149,776)
<b>Cash flow from financing activities</b>				
New capital issued	2,624,992,608	-	2,624,992,608	-
Reverse acquisition reserve	(2,357,329,584)	-	(2,378,630,767)	-
Bank guarantee subject to restriction	(8,456,006)	3,149,939	(7,588,470)	2,816,177
Loan from bank	(388,836,990)	150,430,000	73,272,506	147,030,000
Proceed from bank loan	292,176,679	-	205,189,181	-
Net cash (used in) / generated from financing activities	162,546,707	153,579,939	517,235,058	149,846,177
Net increase in cash and cash equivalent	21,639,516	(10,133,282)	181,116,426	(2,471,677)
Cash and cash equivalent at beginning of period	180,786,338	100,534,126	21,309,428	92,872,521
Cash and cash equivalent at end of period	202,425,854	90,400,844	202,425,854	90,400,844

**Notes to cash flow statement***Note:***A Acquisition of subsidiary**

The Company acquired Chongqing Yingli Real Estate Development Co., Ltd (Chongqing Yingli) on 12 March 2008 and Chongqing Yingli acquired Chongqing Sanyawan Aquatic Products Integrative Trading Market Development Co., Ltd (Sanyawan) on 14 May 2008. The fair value of assets acquired and liabilities assumed were as follows:

	The Group Acquisition Chongqing Yingli		The Group Acquisition Sanyawan	
	At fair value	At carrying amounts	At fair value	At carrying amounts
	RMB	RMB	RMB	RMB
Net assets acquired				
Property, plant and equipment	3,084,069	3,084,069	236,507	236,507
Investment properties	1,330,407,000	1,330,407,000	-	-
Land for development	246,147,837	246,147,837	-	-
Land under development for sale	-	-	161,989,460	99,351,778
Development properties	29,543,661	29,543,661	-	-
Trade and other receivables	37,472,637	37,472,637	13,541,177	13,541,177
Amount owing by shareholder	75,755,517	75,755,517	-	-
Amount owing by related parties	9,120,532	9,120,532	-	-
Cash at bank - restricted	11,359,221	11,359,221	-	-
Cash and cash equivalents	150,092,508	150,092,508	3,455,290	3,455,290
Deferred tax	(203,290,746)	(203,290,746)	-	-
Bank borrowings	(396,307,502)	(396,307,502)	(29,780,218)	(29,780,218)
Deferred capital grants	-	-	(200,001)	(200,001)
Trade and other payables	(200,855,410)	(200,855,410)	(50,864,533)	(50,864,533)
Amount owing to holding company	-	-	(3,740,000)	(3,740,000)
Provision for taxation	(58,835,429)	(58,835,429)	-	-
Net assets of the subsidiary	<u>1,033,693,895</u>	<u>1,033,693,895</u>	<u>94,637,682</u>	<u>32,000,000</u>
Net assets attributable to Fortune Court	694,804,364			
Net assets attributable to Chongqing Yingli			65,300,000	
Purchase consideration	209,408,522		65,300,000	
Negative goodwill on consolidation	(485,395,842)		-	
Purchase consideration	209,408,522		65,300,000	
Cash and bank balances in subsidiary acquired	(150,092,508)		(3,455,290)	
Net cash (used in) acquisition	<u>59,316,014</u>		<u>61,844,710</u>	

In respect of acquisition of subsidiary of Chongqing Yingli and Sanyawan, the net amount of RMB 59.3 million and RMB 61.8 million are discharged by cash respectively.

1(d)(i) A statement (for the issuer and group) 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.

**Consolidated Statement of Changes in Equity for the period ended September 30, 2008**

Group	Capital contribution	Reverse acquisition reserve	Capital surplus	Common reserve	Exchange fluctuation reserve	Retained profits	Total attributable to equity holders of the Parent	Minority Interest	Total
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>Balance as at 1 January 2007</b>	10,738	-	-	-	(1,374)	110,480,787	110,490,151	-	110,490,151
Transfer to common reserve	-	-	-	464,432	-	(464,432)	-	-	-
Net profit for the year	-	-	-	-	-	680,093,704	680,093,704	-	680,093,704
<b>Balance as at 31 December 2007</b>	10,738	-	-	464,432	(1,374)	790,110,059	790,583,855	-	790,583,855
Issue of shares pursuant to the Acquisition (Note 1)	2,663,540,703	-	-	-	-	-	2,663,540,703	-	2,663,540,703
Reverse takeover expenses	(26,173,755)	-	-	-	-	-	(26,173,755)	-	(26,173,755)
Adjustments due to reverse acquisition	-	(2,464,916,640)	-	(312,702)	-	(536,028,061)	(3,001,257,403)	62,125,002	(2,939,132,401)
Conversion of loan stock to shares	4,608	-	460,685,763	-	-	-	460,690,371	-	460,690,371
Minority interest arising from acquisition of subsidiaries	-	-	-	-	-	-	-	29,337,682	29,337,682
Translation differences arises from conversion of assets and liabilities in a subsidiary denominated in foreign currency	-	-	-	-	11,652,987	-	11,652,987	-	11,652,987
Net profit for the period	-	-	-	-	-	394,430,762	394,430,762	-	394,430,762
<b>Balance as at 30 September 2008 (Note 2)</b>	<b>2,637,382,294</b>	<b>(2,464,916,640)</b>	<b>460,685,763</b>	<b>151,730</b>	<b>11,651,613</b>	<b>648,512,760</b>	<b>1,293,467,520</b>	<b>91,462,684</b>	<b>1,384,930,204</b>

**Statement of Changes in Equity of the Company for the period ended September 30, 2008**

Company	Capital contribution	Reverse acquisition reserve	Capital surplus	Common reserve	Exchange fluctuation reserve	Retained profits	Total attributable to equity holders of the Parent	Minority Interest	Total
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
<b>Balance as at 1 January 2007</b>	27,833,165	-	-	-	-	21,061,449	48,894,614	-	48,894,614
Issue of shares	51,610,977	-	-	-	-	-	51,610,977	-	51,610,977
Share issue expenses	(682,227)	-	-	-	-	-	(682,227)	-	(682,227)
Dividends paid	-	-	-	-	-	(4,848,123)	(4,848,123)	-	(4,848,123)
Net profit for the year	-	-	-	-	-	3,024,185	3,024,185	-	3,024,185
<b>Balance as at 31 December 2007</b>	78,761,915	-	-	-	-	19,237,511	97,999,426	-	97,999,426
Issue of shares pursuant to the Acquisition (Note 3)	2,584,794,134	-	-	-	-	-	2,584,794,134	-	2,584,794,134
Reverse takeover expenses	(26,173,755)	-	-	-	-	-	(26,173,755)	-	(26,173,755)
Translation differences of financial statement of holding company	-	-	-	-	377,930	-	377,930	-	377,930
Dividends paid	-	-	-	-	-	(4,321,578)	(4,321,578)	-	(4,321,578)
Net loss for the period	-	-	-	-	-	(10,116,660)	(10,116,660)	-	(10,116,660)
<b>Balance as at 30 September 2008 (Note 2)</b>	<b>2,637,382,294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>377,930</b>	<b>4,799,273</b>	<b>2,642,559,497</b>	<b>-</b>	<b>2,642,559,497</b>

Note:

*Note 1* - The adjustment arose from reverse acquisition accounting and represents the cost of acquisition of the Fortune Court Group by the Company (legal parent). The cost of acquisition is determined using the fair value of the issued equity of the Company before the acquisition being 127 million shares at S\$0.33 per share (This represents the fair market value of the Company as at 26 September 2008 (date of completion of acquisition)). It is deemed to be incurred by the Fortune Court Group (i.e. the acquirer for accounting purposes) in the form of equity issued to the owners of the legal parent (i.e. the acquiree for accounting purposes).

*Note 2* - Share capital reflect the equity structure of the legal parent. Capital surplus and reserves as at 30 September 2008 represents that of the Fortune Court Group (i.e. legal subsidiaries), the acquirer for accounting purposes.

*Note 3* - The Company acquired the Fortune Court Group for a consideration that is satisfied by the allotment and issuance of 1.652 billion shares at S\$0.33 per share (This represents the fair market value of the Company as at 26 September 2008 (date of completion of acquisition)).

- 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 or 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**

<b>Share capital</b>	Number of shares	RMB
<b>Ordinary shares issued and fully paid</b>		
Balance as at 1 Jan 2008	127,000,000	78,761,915
Issue of new shares	1,652,714,429	2,558,620,379
Balance as at 30 Sep 2008	<u>1,779,714,429</u>	<u>2,637,382,294</u>

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

The figures have not been audited or reviewed by the auditors.

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

Other than the adoption of FRS 103 Business Combinations pertaining to reverse acquisition accounting, the same accounting policies and methods of computation have been followed in our unaudited Proforma enlarged Group balance sheet as at 31 December 2007 as disclosed in the Circular to Shareholders of Showy International Ltd dated 4 September 2008.

- 5 If there are 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.**

Other than the adoption of FRS 103 Business Combinations pertaining to reverse acquisition accounting, the Group has applied the same accounting policies in the preparation of the financial statements for the current reporting period as compared to the unaudited Proforma enlarged balance sheet as at 31 December 2007 as disclosed in the Circular to Shareholders of Showy International Ltd dated 4 September 2008.



- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-  
 (a) Based on the weighted average number of ordinary shares on issue; and  
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	3rd Qtr 2008	3rd Qtr 2007	YTD 3Q 2008	YTD 3Q 2007
<b>Earnings per ordinary share:</b>				
(i) Based on weighted average no. of ordinary shares in issue	(0.50)	0.08	2.51	0.17
(ii) On a fully diluted basis	(0.50)	0.08	2.51	0.17
<b>Number of shares in issue:</b>				
(i) Based on weighted average no. of ordinary shares in issue	216,821,436	127,000,000	157,159,022	94,846,154
(ii) On a fully diluted basis	216,821,436	127,000,000	157,159,022	94,846,154

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

Diluted earnings per ordinary share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares during the financial period under review.

- 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 financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	30-Sep-08	31-Dec-07	30-Sep-08	31-Dec-07
Net Assets Value (RMB)	1,293,467,519	790,583,855	2,642,559,496	97,999,426
Based on existing issued share capital (RMB per share)	0.73	6.23	1.48	0.77
Net Assets Value has been computed based on the share issued of	1,779,714,429	127,000,000	1,779,714,429	127,000,000
Revised Net Assets Value (RMB) (Note 1)	3,050,474,203	790,583,855	2,642,559,496	97,999,426
Based on existing issued share capital (RMB per share)	1.71	6.23	1.48	0.77

Note 1 - Included in the revised calculation is the land revaluation of Chongqing San Ya Wan and land for development of RMB 404.6 million and RMB 1,261.0 million respectively used for the purpose of NTA calculation. NTA per share of RMB 1.55 was disclosed in the Shareholder's Circular in page 38 dated 4 September 2008.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **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**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

In our industry, the recognition of sales is project driven. Consequently, quarterly results may not be a good indication of the trend of profitability.

## PROFIT AND LOSS

	<b>Group</b>					
	3rd Qtr	3rd Qtr	Increase / (Decrease)	Apr to Sep	Apr to Sep	Increase / (Decrease)
	2008	2007		2008	2007	
	RMB	RMB	%	RMB	RMB	%
Sale of property	6,845,993	25,009,771	(72.6%)	12,778,348	37,184,340	(65.6%)
Rental income	11,198,017	8,113,101	38.0%	21,493,151	18,726,029	14.8%
	<u>18,044,010</u>	<u>33,122,872</u>	<u>(45.5%)</u>	<u>34,271,499</u>	<u>55,910,369</u>	<u>(38.7%)</u>

### Group Revenue

The Group Revenue for the Q3 2008 was RMB 18.0 million compared to RMB 33.1 million for the corresponding period ended 30 September 2007, a decreased of 45.5% or RMB 15.1 million. Similarly, Revenue for the period from April to September 2008 decreased by 38.7% or RMB 21.6 million. The decrease was mainly due to the drop in sale of development properties. Most of Chongqing Yingli properties available for sale have been sold.

### Group Revenue arising from sale of properties

For Q3 and April to September 2008, sale of properties decreased by 72.6% or RMB 18.2 million and 65.6% or RMB24.4 million respectively. This was due to the decline in the available for sale units in our development properties. Most of Chongqing Yingli properties available for sale have been sold.

### Group Revenue arising from rental income

For Q3 and April to September 2008, rental income increased by 38% or RMB 3.1 million and 14.8% or RMB 2.8 million respectively was due to new space available and new tenants secured.

### Gross profit

Gross profit of RMB 11.7 million in Q3 2008 and RMB 22.7 million for the period from April to September 2008 decreased by 20.1% and 16.6% respectively mainly due to the decline in the number of available for sale units in our development properties. Most of Chongqing Yingli properties available for sale have been sold.

### Other income

Other income for Q3 2008 increased by RMB 6.5 million mainly due to the receipts of consultancy fee earned during the period. During the period there was no foreign currency exchange gain.

Foreign currency gain in the previous period was due to the revaluation of convertible bond which, is denominated in foreign currency.

For April to September 2008, the increased of RMB 512.5 million was mainly due to the recognition of negative goodwill of RMB 485.4 million on the acquisition of Chongqing Yingli Real Estate Development Co. Ltd ("Chongqing Yingli"). This is to record the difference between the revalued NTA of Chongqing Yingli of RMB 694.8 million on the date of acquisition and the purchase consideration of RMB 209.4 million.

### Selling expenses

For the Q3 and April to September 2008, the decrease was due to the decline in marketing expenditures incurred due to the substantially lower number of properties available for sale. Most of Chongqing Yingli properties available for sale have been sold.

### Administrative expenses

For Q3 and April to September 2008, the increase in administrative expenses was mainly due to expenses incurred by the holding company, higher travelling expenses and foreign currency exchange losses as well as a one-off reverse takeover expense of RMB 5.6 million.

**Fair value gain on investment properties**

The investment properties were revalued at RMB 1,331 million by Jones Lang Lasalle Sallmanns Limited, a firm of independent qualified professional surveyors, and was based on the investment method by capitalizing the net rental income derived from the existing tenancy with due allowance for the reversionary value of the property as at 30 June 2008. This revaluation excluded the revaluation of land for development.

**Non-operating expenses**

For Q3 and April to September 2008, non-operating expenses mainly related to the following:

- 1) A charitable donation for the Sichuan earthquake. A donation was made on the rebuilding of a primary school and
- 2) Goodwill written-off of RMB 109.4 million arising from the reverse acquisition of Fortune Court Group.

**Other operating expenses**

For April to September 2008, other operating expenses comprise primarily of one-off write down of investment in an associated company. The associated company, Baijiang Industrial Development Co., Ltd, has been liquidated.

**Income tax**

The high tax liabilities from the period from April to September 2008 as compared to corresponding period in 2007 was due to the add back of non-deductible expenses.

**BALANCE SHEET****Investment property**

The investment properties were revalued at RMB 1,331 million by Jones Lang Lasalle Sallmanns Limited, a firm of independent qualified professional surveyors, and was based on the investment method by capitalizing the net rental income derived from the existing tenancy with due allowance for the reversionary value of the property as at 30 June 2008. This revaluation excluded the revaluation of land for development.

**Land for development**

Land for development is land held by the company for development into commercial and office building and has not been revalued.

**Trade and other payables**

It comprises mainly trade payables, advances for the sale of properties received from customers, deposits and option money received from the rental of property to tenants and accruals of construction cost.

**CASH FLOW STATEMENT****April to September 2008**

The net cash of RMB 236.0 million used in operating activities as compared to RMB 150.2 million in the corresponding period was due to the cost associated with the IFC project. The net cash used in investing activities of RMB 100.1 million as compared to RMB 2.1 million in the corresponding period was mainly net of cash used in the acquisition of a subsidiary Chongqing Yingli and an interest in San Ya Wan as well as cash received from the proceed from the disposal of existing business to Showy Pte Ltd. Net cash generated from financing activities of RMB 517.2 million as compared to RMB 149.8 million in the corresponding period arose from bank proceed from convertible loan and a one-off adjustment of retained earning due to reverse acquisition accounting.

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

No forecast, or a prospect statement, has been previously disclosed to shareholders.

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

**INDUSTRY BACKGROUND**

In view of the global financial crisis and the prospects of slower economic growth in the PRC, the Central Government had recently announced a stimulus package of RMB 4.0 trillion to finance programs in 10 major areas over the next two years to boost infrastructure and domestic consumption.

The government of Chongqing has announced it will invest some RMB 1.5 trillion in hard and soft infrastructure and general upgrading in Chongqing over the next three years. This investment would include part of the stimulus package which should help Chongqing to maintain a double digit GDP growth over the next three years. Of the RMB 1.5 trillion, an estimated RMB 500 billion is expected to be in construction and related industries. Of the RMB 1.5 trillion, approximately RMB 300 billion has been earmarked for the redevelopment and upgrading project on the development and construction of the urban renewal of the old living quarters in Chongqing. We believe this package will benefit Chongqing commercial properties in the near future. Of the RMB 1.5 trillion, RMB 200 billion will be directly injected from the Central Government into Chongqing. The impact of this cash injection of RMB 200 billion from the Central Government is expected to have a multiplier effect of between RMB 800 billion to RMB 1 trillion.

On the late afternoon of 26 November 2008, the People's Bank of China announced that it is lowering the one-year lending and deposit rates by 1.08%. It will also reduce the banks' reserve requirement by 1% for six major Chinese banks and by 2% for the smaller Chinese banks.

**COMPANY**

**PROFIT AND LOSS**

Rental income of the company is expected to be maintained in the near future. Rental income should rise upon the completion of the International Financial Centre.

Revenue from the sale of properties is expected to be minimal in the short term due to the strong take up rate and sharp reduction in the number of units available for sale in Future International and Bashu Cambridge.

The demolition and resettlement work of the International Financial Centre is completed. The construction and ground works has been started. It is targeted to be completed in end of year 2010.

The company has acquired another 11% share equity of San Ya Wan and completed the transfer procedures. The additional acquisition has increased the investment in San Ya Wan from 69% to 80%. Phase I of San Ya Wan is expected to be delivered to customers by end of 2008.

It has been confirmed by the Tax Authority of China after the Q3 08 that the accrual of the Land Appreciation Tax ("LAT") of approximately RMB 12 million recorded in the account will not be required. This amount will be reversed in Q4 2008.

The company will benefit in term of lower financing cost due to the bank cut in the lending and deposit rates of 1.08%. The impact of the drop in 1% bank reserve requirement rate by the bank will allows the bank to lend more freely.

However, barring unforeseen circumstances and excluding fair value adjustments, the Group is expected to remain profitable for year 2008.

**BALANCE SHEET**

With the reverse takeover exercise completed on the 26 September 2008, the Group debts gearing and net debts gearing to equity ratio is 24.5% and 8.9% respectively as at 30 September 2008.

The company has adopted a conservative approach and is taking up long-term bank borrowings. As at 30 September 2008, 92.5% of the company's total bank borrowings are long term in nature.

**11 Dividend**  
**(a) Current Financial Period Reported On**  
**Any dividend declared for the current financial period reported on?**

No dividend has been declared or recommended.

**(b) Corresponding Period of the Immediately Preceding Financial year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No dividend has been declared or recommended

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the third quarter and nine months period ended 30 September 2008 financial results to be false or misleading.

ON BEHALF OF THE DIRECTORS

Fang Ming  
Chairman and CEO

Xu Li  
Director

**BY ORDER OF THE BOARD**  
**27 November 2008**