



YING LI INTERNATIONAL REAL ESTATE LIMITED

(Formerly known as Showy International Limited)

(Incorporated in the Republic of Singapore)

(Registration No. 199106356W)

UPDATE ON THE FUNDING OF PROJECTS PROPOSED TO BE UNDERTAKEN BY THE COMPANY

The Board of Directors (the “**Board**”) of the Company would like to update shareholders of the Company (“**Shareholders**”) regarding the funding of various projects that it had stated in the circular to Shareholders dated 4 September 2008 (the “**Circular**”).

In the light of current market conditions, the Company having taken into account the interest of all shareholders, intends to scale-down the number of new shares of the Company (the “**New Shares**”) to be offered for subscription pursuant to the compliance placement proposed to be undertaken by the Company to enable the Company to comply with the shareholding and distribution spread requirements set out in the Listing Manual (the “**Compliance Placement**”). Further details of the Compliance Placement will be released in due course.

The Company is currently in discussions with various parties with a view to finalising the terms of the Compliance Placement. However, Shareholders should note that there is no certainty or assurance as at the date of this Announcement that the Compliance Placement will be completed or when it would take place. The Company will make the necessary announcements upon the Compliance Placement taking place. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their legal, financial, tax or other professional advisors if they have any doubt about the actions they should take.

In view of the reduced amount of proceeds to be raised from the Compliance Placement, the Company intends to apply the following alternative methods of funding in order to fulfill the obligations or carry out the plans of the Company:

- (a) in relation to the International Financial Centre project, the Company intends to raise the amount of approximately S\$19 million that will be required to be incurred for construction costs in the immediate term by way of bank borrowings. As indicated in the Circular, the Company expects to commence construction of this project in the last quarter of 2008 and complete the project in 2010. As at the date hereof, the Company has obtained a term sheet in relation to facilities amounting to approximately S\$30 million and intends to enter into such facilities and draw down on these facilities by the end of 2008 or by early 2009 after the resettlement process of the International Financial Centre project has been completed. The Company does not anticipate any delays in completion of the International Financial Centre project;
- (b) in relation to the Yubei Project, the Company has also secured bank borrowings, which are sufficient to meet Yubei Project’s capital requirements in the immediate term, and will proceed as planned with the development of this project; and

- (c) in relation to the other land banks currently held by the Group, such as the Jingong Restaurant Project and the Lu Zu Temple Project, the Company intends to source for alternative funding in view of the challenging equity market conditions.

The Company still has time to source for further funding as completion of the International Financial Centre project, Jingong Restaurant Project and Lu Zu Temple Project is expected to take place from 2010 onwards. The Company may source for further bank borrowings in due course, or if conditions in the equity market are favourable, raise funds through the equity market, or consider other alternative methods of raising funds or alternative sources of funds, including obtaining strategic investors to invest at project levels.

J.P. Morgan (S.E.A.) Limited is the financial adviser to the Company in relation to the reverse takeover of the Company. This announcement has been prepared and released by the Company.

By Order of the Board

Mr Christopher Chong Meng Tak
Director
15 October 2008