

TASTYFOOD HOLDINGS LTD  
 FIRST INTERIM RESULTS FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
 FOR THE SIX MONTHS PERIOD ENDED 30 SEPTEMBER 2005 (FROM 1 APRIL 2005 - 30 SEPTEMBER 2005)

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF INTERIM RESULTS

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

	1.04.2005 to 30.09.2005		1.04.2004 to 30.09.2004		1.04.2005 to 30.09.2005		1.04.2004 to 30.09.2004		GROUP 1.04.2005 to 30.09.2005	1.04.2004 to 30.09.2004	%
	Continuing operations		Discontinuing operations		Discontinuing operations		Discontinuing operations				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000			
Turnover	0	0	0	4,779	4,779	3,528	4,779	4,779			(26)
Cost of sales	0	0	0	(3,257)	(3,257)	(2,607)	(3,257)	(3,257)			(20)
Gross profit	0	0	0	1,522	1,522	921	1,522	1,522			(39)
Other income including interest income	0	411	24	(397)	24	24	14	14			71
Selling and marketing costs	0	(202)	(862)	(1,267)	(862)	(862)	(1,469)	(1,469)			(41)
Administrative costs	(218)	(190)	(534)	(625)	(752)	(752)	(815)	(815)			(8)
Other operating costs	0	(4)	(48)	(113)	(48)	(48)	(117)	(117)			(59)
Loss from operating activities	(218)	15	(499)	(880)	(717)	(717)	(865)	(865)			(17)
Finance costs	(5)	(14)	(129)	(120)	(134)	(134)	(134)	(134)			0
Loss from operations before taxation	(223)	1	(628)	(1,000)	(851)	(851)	(999)	(999)			(15)
Taxation	0	0	0	0	0	0	0	0			0
Loss after taxation	(223)	1	(628)	(1,000)	(851)	(851)	(999)	(999)			(15)
Minority interests	0	0	0	0	0	0	0	0			0
Net loss for the period/year	(223)	1	(628)	(1,000)	(851)	(851)	(999)	(999)			(15)



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 Company Level

\* The cancellation of DBS overdraft facility of up to S\$0.5 million under Tastyfood Holdings Ltd is being upon activation of a similar facility under Tastyfood Industries (S) Pte Ltd.

Group Level

\*\* The overall net current liabilities increase by 20% (or S\$0.66 million) due mainly to the increase in loan from a director and an increase in bank borrowings.

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

	As at 30.9.05		As at 31.03.2005	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	4,807	242	4,410	190
Amount repayable after one year	21	0	54	0

a) The Singapore subsidiary's term loans, bills payable, trust receipts and bank overdraft are secured by fixed deposit pledged with a bank and corporate guarantee of \$3,638,000 issued by the holding company.

The pledged fixed deposit of S\$1,538,000 is in the name of Lim Chee Tet, while the balance of S\$1,164,222 fixed deposit pledged in the name of Tastyfood Industries (S) Pte Ltd.

- (i) Fixed Deposit - S\$12,638 Interest rate : 0.7%
- (ii) Fixed Deposit - S\$990,538 Interest rate : 1.72%
- (iii) Fixed Deposit - S\$161,046 Interest rate : 1.0825%

Corporate Guarantee shall be limited to S\$3,850,000 executed by the Group, in which term loan bearing 5.25% and bank overdraft bearing 5.75%. The bank overdrafts, bills payable, trust receipts and term loans bear interest from 5.25% to 5.75% per annum.

b) The China subsidiaries' short term loan and bills payable are secured by leasehold land and buildings and plant & machineries and Value Added Tax Refund, bear interest of 7.254% per annum.

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

**Consolidated Statement of CashFlow for the six months ended 30 September 2005**  
(In Singapore Dollars)

	1.04.2005		1.04.2004		1.04.2005		1.04.2004		GROUP	
	to	to	to	to	to	to	to	to	to	Total
	30.09.2005	30.9.2004	30.09.2005	30.9.2004	30.09.2005	30.9.2004	30.09.2005	30.9.2004	30.09.2005	30.9.2004
	Continuing operations		Discontinuing operations		Total		Total		Total	
	S\$'000		S\$'000		S\$'000		S\$'000		S\$'000	
<b>Cash flows from operating activities</b>										
Loss before taxation	(223)	(411)	(628)	(588)	(851)	(999)				
Adjustments for:										
Loss/(gain) on disposal of property, plant and equipment	0	0	3	0	3	0				
Depreciation of property, plant and equipment	0	5	401	450	401	455				
Foreign currency translation adjustments	0	0	286	(61)	286	(61)				
Interest expenses	0	15	134	119	134	134				
Interest income	0	0	(8)	(5)	(8)	(5)				
	(223)	(391)	188	(85)	(35)	(476)				
<b>Operating (loss) / profit before reinvestment in working capital</b>	28	(22)	43	773	71	751				
Decrease / (increase) in debtors	0	0	124	(183)	124	(183)				
Decrease / (increase) in stocks	292	(66)	(511)	21	(219)	(45)				
<b>Cash (used in) / generated from operations</b>	97	(479)	(156)	525	(59)	46				
Income tax paid	0	0	0	0	0	0				
Interest paid	0	(15)	(134)	(119)	(134)	(134)				
Interest received	0	0	8	5	8	5				
<b>Net cash (used in) / provided by operating activities</b>	97	(494)	(282)	411	(185)	(83)				
<b>Cash flows from investing activities</b>										
Addition in property, plant and equipment	0	0	(17)	(138)	(17)	(138)				
Proceed from fixed deposits	0	0	(22)	0	(22)	0				
Proceed from sale of property, plant and equipment	0	0	0	0	0	0				
<b>Net cash (used in)/provided by investing activities</b>	0	0	(39)	(138)	(39)	(138)				
<b>Cash flows from financing activities</b>										
Repayment of term loans	0	0	(33)	(37)	(33)	(37)				
Increase / (Repayment) of hire purchase creditors	0	0	(26)	(28)	(26)	(28)				
Decrease bills payable and trust receipts	0	0	431	(430)	431	(430)				
Increase of amount owing to a director	0	0	214	728	214	728				
<b>Net cash used in financing activities</b>	0	0	586	233	586	233				
<b>Net (decrease)/ increase in cash and cash equivalents</b>	97	(494)	265	506	362	12				
Effect on exchange rate changes on balances held in foreign currencies					34	4				
Cash and cash equivalents at beginning of financial year					17	(152)				
<b>Cash and cash equivalents at end of financial year</b>					413	(136)				

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1(c)(i) A statement ( for the issuer and group) showing either(i) all 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.

Group	Ordinary shares \$'000	Share premium reserve \$'000	Statutory reserve \$'000	translation adjustments reverse \$'000	Capital reserve \$'000	Accumulated losses \$'000	Total shareholders' equity \$'000
<b>Balance at 1.04.2004</b>	16,323	4,684	100	875	812	(21,064)	1,730
Foreign currency translation adjustment				33		(999)	33
Loss for the year						(999)	(999)
<b>Balance at 30.9.2004</b>	16,323	4,684	100	908	812	(22,063)	764
<b>Balance at 1.04.2005</b>	16,323	4,684	100	858	812	(22,702)	75
Foreign currency translation adjustment during the period				86		(851)	86
Loss for the period						(851)	(851)
<b>Balance as at 30.9.2005</b>	16,323	4,684	100	944	812	(23,553)	(690)

Company	Ordinary shares \$'000	Share premium reserve \$'000	Accumulated losses \$'000	Total shareholders' equity \$'000
<b>Balance at 1.4.2004</b>	16,323	4,684	(26,950)	(5,943)
Loss for the year			(959)	(959)
<b>Balance at 30.9.2004</b>	16,323	4,684	(27,909)	(6,902)
<b>Balance at 1.04.2005</b>	16,323	4,684	(28,317)	(7,310)
Loss for the period			(429)	(429)
<b>Balance at 30.9.2005</b>	16,323	4,684	(28,746)	(7,739)

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1(c)(ii) 1 Details of any changes in the company's share capital arising from rights is 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 immediately preceding financial year.

There have been no changes in the Company's issued share capital

2 Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

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

3 Where the figures have been audited or reviewed, the auditors' report (including any qualification 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 applied the new Singapore Financial Reporting Standards, such as FRS 39, of accounting policies and methods of computation in the financial statements for the current reporting year compared with the audited financial statements for the year ended 31 March 2005. The adoption of these new Financial Reporting Standards is not expected to have significant impact to the results of the Group.

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.

Not Applicable.

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
	1.04.05 to
	30.9.05
	(In cents)
	1.04.04 to
	30.9.04
	(In cents)

Earnings per ordinary share for the year based on net loss attributable to members of the Company

(i) Based on weighted average number of ordinary shares in issue (0.52) (0.61)

(ii) On a fully diluted basis NA NA

The Earning Per Share for the period from 1 April 2004 to 30 September 2004 and 1 April 2005 to 30 September 2005 were computed based on the share capital of 163,225,700 shares of \$0.10 each.

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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 current period reported on and immediately preceding financial year.

	30.09.2005	31.03.2005
Net asset value per ordinary share -group (cents)	(0.42)	0.05
Net asset value per ordinary share -company (cents)	(4.74)	(4.48)

The Earning Per Share and Net Asset Value Per Share as at 30 September 2005 and 31 March 2005 were computed based on the share capital of 163,225,700 shares of S\$0.10 each.

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 discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of group during the current period reported on.

a) Group turnover for the 6 months from 1 April 2005 to 30 September 2005 was recorded as S\$3.52 million, a total reduction of 26% (or S\$1.25 million) compared with the S\$4.78 million in the previous corresponding period.

Non export group sales showed a decrease of 47% (or S\$1.21 million). The main reason of such reduction in sales came from the China sales. This decline in orders was due to intense competition in China.

China sales showed an overall reduction of 48% (or S\$0.94 million), of which, Beijing recorded a reduction in sales of 79% (or S\$0.13 million) while other areas of China recorded a reduction in sales of 45% (or S\$0.81 million). The Group is restructuring the activities of Beijing and is actively looking into improving the customer relationship.

Although the Group's gross profit margins showed a reduction of 5.8% caused by higher material cost, the overall operating costs were reduced by 29% (or S\$0.74 million), the bulk of the decrease mainly came from a lower promotional and advertising expenses, and lower freight and handling expenses.

The Group's losses for the 6 months period ended 30 September 2005 was recorded as S\$0.85 million, a 15% (or S\$0.15 million) improvement compared to the same period of S\$1.0 million loss due mainly to the reduced overall operating costs as explained above.

b) As of 30 September 2005, Group's net current liabilities increased by S\$0.66 million, from S\$3.36 million to S\$4.03 million, approximately 20%, compared to the same corresponding period due mainly to the increase in loan from a director from S\$0.95 million to S\$1.19 million and an increase in bank borrowings from S\$4.60 million to S\$5.05 million, caused by lower turnover and low liquidity.

As a result, the net tangible asset of the Group was recorded as negative of S\$0.69 million as compared to the corresponding period of S\$0.07 million. At Company level, due mainly to amounts owing to subsidiary companies, the net assets were shown as negative S\$7.74 million, as compared with 31 March 2005 of negative S\$7.31 million.

Consolidated statement of cash flow showed a lower cash usage in investing activities and operating activities and a higher cash generated from financing activities because of the financing from bank borrowings, resulting in a positive net increase in cash of S\$0.36 million for the 6 months period ended 30 September 2005 compared with the previous corresponding period of S\$0.01 million.

Where it is stated that as at 30 September 2005, the Group's and the Company's current liabilities exceeded their current assets by S\$4.03 million and S\$0.49 million, respectively, and the Company's total liabilities exceeded its total assets by S\$7.74 million. The Group incurred a loss of S\$0.85 million for the period ended 30 September 2005. The ability of the Company and the Group to continue as going concerns is dependent on the successful disposal by the Company of its entire interests in the three wholly-owned subsidiaries to a major shareholder, who will continue to give financial support to the Group.

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

NA

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

The Group continues to operate in a highly competitive environment and is currently developing other lines of new products targeting consumers who are health-conscious seeking healthy nutritious food.

The Group is currently actively sourcing for additional funding for its working capital requirements and new product development.

Announcements were made on 29 October 2004 and 3 November 2004 respectively on the subject of the sale by the Company of its three subsidiaries to Joe Health Food Pte Ltd (the "Purchaser") under a Sale Agreement dated 29th October 2004 between the Company (the "Vendor"), the Purchaser and Mr Lim Chee Tet (the "Principal").

The completion date of the Sale Agreement has been extended to 14 November 2006 by way of an Addendum Agreement dated 14 November 2005. A further announcement will be made in due course upon the completion of the sale of subsidiaries of the Company.

As mentioned in the previous announcements, the Company is currently in the process of identifying and considering suitable assets and businesses to be acquired by the Company. The Company has received a few offers of potential proposed targets and the board is currently reviewing the same. The board will make suitable announcement when it has finalised its decision.

**11 Dividend**

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

None

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

None

**(c) Whether the dividend is before tax, net of tax or tax exempt**

Not Applicable.

**(d) Date payable**

Not Applicable.

**(e) Books closure date**

Not Applicable.

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

No dividend has been declared

**BY ORDER OF THE BOARD**

**LIM CHEE TET**  
**MANAGING DIRECTOR**  
14.11.2005