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PEOPLE'S FOOD HOLDINGS LIMITED

大众食品控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 708)

ANNOUNCEMENT

This announcement is made by People's Food Holdings Limited (the "Company") in relation to the queries made by the Singapore Exchange Securities Trading Limited (the "SGX") on 17 June 2004 and the Company's response thereto with regard to the trading activity of the Company's shares on the SGX. A letter dated 17 June 2004 from the SGX to the Company, a letter of reply from the Company to the SGX of the same date and an announcement of the Company dated 17 June 2004 clarifying the Company's position in respect of the issuing of a profit warning are released via website of the Monetary Authority of Singapore (the "MASNET") in Singapore on 17 June 2004.

This announcement is made by the Company in relation to the queries made by the SGX on 17 June 2004 and the Company's response thereto with regard to the trading activity of the Company's shares on the SGX.

The Company has received a letter dated 17 June 2004 from the SGX containing certain queries regarding the trading activity of the Company's shares on the SGX. The SGX has noted, and has drawn the Company's attention to, a substantial decrease in the price of the Company's shares on 17 June 2004. To ensure a fair and orderly market, the SGX has requested the Company to answer each of the following:

1. Is the Company aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which, if known, might explain the trading? If yes, the information must be announced immediately.
2. Is the Company aware of any other possible explanation for the trading?
3. Can the Company confirm its compliance with the Listing Manual of the SGX and, in particular, listing rule 703 of the Listing Manual of the SGX?

According to listing rule 703 of the Listing Manual of the SGX, an issuer must, subject to certain restrictions contained therein, announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which (a) is necessary to avoid the establishment of a false market in the issuer's securities; or (b) would be likely to materially affect the price or value of its securities.

In response to the above queries, the Company has replied to the SGX as follows:

1. The directors of the Company are not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which might explain the trading.
2. The directors of the Company are not aware of any possible explanation for the trading, other than report of the media today.
3. The directors of the Company confirm that the Company is in compliance with the Listing Manual of the SGX and, in particular, listing rule 703 of the Listing Manual of the SGX.

The letter dated 17 June 2004 from the SGX to the Company, a letter of reply from the Company to the SGX of the same date and an announcement of the Company dated 17 June 2004 clarifying the Company's position in respect of the issuing of a profit warning are released via the MASNET in Singapore on 17 June 2004.

The Company also refers to media report today which stated that the Company may be issuing a profit warning.

Management of the Company wish to state that as of today, it has no present intention of issuing any profit warning.

Management of the Company is aware of its obligation to comply with the requirements of the Listing Manual of the SGX and the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and appropriate announcement will be made as and when deemed necessary.

The following statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent decrease in the price of the shares of the Company and wish to state that we are not aware of any reasons for such decreases.

We also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), neither is the board of directors of the Company aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Company the board of directors of which individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
People's Food Holdings Limited
Ming Kam Sing
Chairman

Hong Kong, 17 June, 2004

* *For identification purpose only*

As at the date of this announcement, the board of directors of the Company comprises of Mr. Ming Kam Sing, Mr. Zhou Lian Kui and Mr. Zhou Lian Liang being the executive directors, and Mr. Chng Hee Kok, Mr. Chan King Sang and Dr. Ow Chin Hock being the independent non-executive directors.

Please also refer to the published version of this announcement in the (China Daily)