

The following announcement is made by People's Food Holdings Limited pursuant to Rule 13.49(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") representing the annual results of the Company and its subsidiaries for the year ended 31 December 2004. The figures set out in this announcement have been audited by Ernst & Young Hong Kong in accordance with the International Accounting Standards.



## PEOPLE'S FOOD HOLDINGS LIMITED

大众食品控股有限公司\*

(incorporated in Bermuda with limited liability)

(Stock Code: 708)

### ANNUAL RESULTS

For the year ended 31 December 2004

## RESULTS

The Board of Directors ("Board") of People's Food Holdings Limited (the "Company") is pleased to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2004, together with the comparative figures for the previous corresponding year, are as follows:

## PROFIT AND LOSS ACCOUNTS

Year ended 31 December 2004

	Notes	Group		Company	
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
Revenue	(3)	<b>6,532,075</b>	4,900,202	<b>226,312</b>	297,966
Cost of sales		<b>(5,455,267)</b>	(3,956,458)	<b>—</b>	—
Gross profit		<b>1,076,808</b>	943,744	<b>226,312</b>	297,966
Other revenue		<b>16,706</b>	12,259	<b>318</b>	—
Selling and distribution costs		<b>(157,108)</b>	(117,583)	<b>—</b>	—
Administrative expenses		<b>(175,978)</b>	(161,829)	<b>(6,204)</b>	(8,653)
Other operating expenses		<b>(14,107)</b>	(13,841)	<b>—</b>	—
Profit from operating activities	(4)	<b>746,321</b>	662,750	<b>220,426</b>	289,313
Finance costs		<b>(12,704)</b>	(12,622)	<b>—</b>	—
Share of profit of associates		<b>21,838</b>	—	<b>—</b>	—
Profit before tax		<b>755,455</b>	650,128	<b>220,426</b>	289,313
Tax	(5)	<b>(139,212)</b>	(98,071)	<b>—</b>	—

Net profit from ordinary activities attributable to shareholders		<u>616,243</u>	<u>552,057</u>	<u>220,426</u>	<u>289,313</u>
DIVIDENDS	(6)	<u>235,731</u>	<u>165,466</u>	<u>235,731</u>	<u>165,466</u>
EARNINGS PER SHARE					
Basic	(7)	<u>RMB0.54</u>	<u>RMB0.49</u>	<u>N/A</u>	<u>N/A</u>
Diluted		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Notes:

## 1. Impact of new and revised International Financial Reporting Standards and International Accounting Standards

The following new and revised International Financial Reporting Standard (“IFRS”) and International Accounting Standards (“IASs”) are effective for the first time for the current year’s financial statements:

- IFRS 3: “Business combinations”
- IAS 36: “Impairment of assets” (revised March 2004)
- IAS 38: “Intangible assets” (revised March 2004)

The new and revised IFRS and IASs prescribe new accounting measurement and disclosure practices. The major effects on the Group’s accounting policies and on the amounts disclosed in these financial statements of adopting these IFRS and IASs are summarised as follows:

IFRS 3 applies to accounting for business combinations for which the agreement date is on or after 31 March 2004. IFRS 3 deals with the accounting for business combinations and the ongoing accounting for goodwill acquired in business combinations. In particular, the goodwill arising from a business combination is no longer amortised, but is subject to an impairment test whilst the negative goodwill is recognised immediately in the profit and loss account.

An entity shall apply this IFRS prospectively, from the beginning of the first annual period beginning on or after 31 March 2004, to the goodwill, negative goodwill and intangible assets arising from the business combination for which the agreement date was before 31 March 2004.

As a result of the issuance of IFRS 3, IAS 36 and IAS 38 were amended to meet the new requirements. IAS 36 and IAS 38 require goodwill to be tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment. The impairment losses for goodwill are no longer allowed to be reversed. In addition, an intangible asset is required to be treated as having an indefinite useful life when, based on an analysis on the period over which the asset is expected to generate net cash inflows for the entity. An intangible asset with an indefinite useful life must not be amortised, but must instead be tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment. Further, additional disclosure of a range of information for each cash-generating unit is required that includes within its carrying amount a significant amount of goodwill or intangible assets with indefinite useful lives.

The revised IAS 36 and IAS 38 have had no significant impact to the financial statements.

## 2. Principal accounting policies

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2004.

### 3. Revenue and segment information

*For the financial year ended 31 December 2004*

	<b>Fresh and frozen meat products</b> <i>RMB'000</i>	<b>Processed meat products</b> <i>RMB'000</i>	<b>Consolidated</b> <i>RMB'000</i>
Segment revenue	<u>4,286,851</u>	<u>2,245,224</u>	<u>6,532,075</u>
Segment net profit	<u>520,076</u>	<u>348,827</u>	868,903
Unallocated corporate expenses			(139,288)
Interest income and unallocated revenue			<u>16,706</u>
Profit from operating activities			746,321
Finance costs			(12,704)
Share of profit of associates			<u>21,838</u>
Profit before tax			755,455
Tax			<u>(139,212)</u>
Net profit from ordinary activities attributable to shareholders			<u>616,243</u>

*For the financial year ended 31 December 2003*

	<b>Fresh and frozen meat products</b> <i>RMB'000</i>	<b>Processed meat products</b> <i>RMB'000</i>	<b>Consolidated</b> <i>RMB'000</i>
Segment revenue	<u>2,990,477</u>	<u>1,909,725</u>	<u>4,900,202</u>
Segment net profit	<u>388,458</u>	<u>381,989</u>	770,447
Unallocated corporate expenses			(119,956)
Interest income			<u>12,259</u>
Profit from operating activities			662,750
Finance costs			<u>(12,622)</u>
Profit before tax			650,128
Tax			<u>(98,071)</u>
Net profit from ordinary activities attributable to shareholders			<u>552,057</u>

## 4. Profit from operating activities

Profit from operating activities is arrived at after charging/(crediting):

	Group	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	5,455,267	3,965,458
Depreciation	158,834	130,423

## 5. Tax

	Group	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	139,212	98,071
Share of tax attributable to associates	—	—
	<u>139,212</u>	<u>98,071</u>

In accordance with various approval documents issued by the State Tax Bureau and the Local Tax Bureau of the People's Republic of China ("PRC"), Linyi Xincheng Jinluo Meat Products Co., Ltd. ("Linyi Xincheng"), Linyi Minsheng Food Development Co., Ltd. ("Linyi Minsheng"), Tongliao Jinluo Food Co., Ltd ("Tongliao Jinluo"), Meishan Jinluo Food Co., Ltd ("Meishan Jinluo"), Daqing Jinluo Meat Products Co., Ltd ("Daqing Jinluo"), Qiqihaer Jinluo Meat Products Co., Ltd. ("Qiqihaer Jinluo") and Dezhou Jinluo Meat Products Co., Ltd. ("Dezhou Jinluo"), wholly-owned subsidiaries of the Company, and Linyi Shansong Biological Products Company Limited ("Linyi Shansong"), an associate of the Group, established as wholly foreign-owned enterprises ("WFOEs") in the PRC, are entitled to an exemption from the PRC state and local corporate income tax for the first two profitable financial years of their operations and thereafter to a 50% relief from the state corporate income tax of the PRC for the following three financial years (the "Tax Holiday"). Xiangtan Jinluo Food Co., Ltd ("Xiangtan Jinluo"), another wholly-owned subsidiary of the Company established as a WFOE in the PRC, is entitled to an exemption from the PRC state and local corporate income tax for the first two profitable years of their operations and thereafter to a 50% relief from the state corporate income tax of the PRC for the following six financial years (the "Tax Relief"). Upon expiry of the Tax Holiday and the Tax Relief, the usual PRC corporate income tax rate of 33%, comprising a state corporate income tax rate of 30% and a local corporate income tax rate of 3%, is applicable to them.

Upon expiry of the Tax Holiday in the financial year ended 31 December 2000, Linyi Xincheng is subject to an income tax rate of 33% on its assessable profit for the year (2003: 33%).

Upon expiry of two years' tax exemption periods in the financial year ended 31 December 2002, Linyi Minsheng is subject to the reduced tax rate of 18% for the three financial years from 1 January 2003 to 31 December 2005.

Upon expiry of two years' tax exemption periods in the financial year ended 31 December 2003, Daqing Jinluo is subject to the reduced tax rate of 18% for the three financial years from 1 January 2004 to 31 December 2006.

The two years' tax exemption periods for Tongliao Jinluo, Meishan Jinluo and Xiangtan Jinluo have commenced in the financial year ended 31 December 2003 under local jurisdiction.

The two years' tax exemption periods for Qiqihaer Jinluo has not yet commenced during the year as it did not generate any net assessable profits attributable to its operations in the PRC during the year.

The two years' tax exemption periods for Dezhou Jinluo and Linyi Shansong have commenced in the financial year ended 31 December 2004 under local jurisdiction.

The effective income tax rate of the Group for 2004 was approximately 18.4% compared with 15.1% in 2003.

## 6. Dividends

	Group		Company	
	2004	2003	2004	2003
	RMB'000	RMB'000	RMB'000	RMB'000
Proposed final dividend				
— RMB0.112 per share (2003: RMB0.082 per share)	<b>126,932</b>	92,933	<b>126,932</b>	92,933
Interim dividend				
— RMB0.096 per share (2003: RMB0.064 per share)	<b>108,799</b>	72,533	<b>108,799</b>	72,533
	<b>235,731</b>	165,466	<b>235,731</b>	165,466

A final dividend of RMB0.112 per ordinary share (2003: RMB0.082 per ordinary share), amounted to approximately RMB126,932,000 (2003: RMB92,933,000), has been proposed and will be submitted for formal approval at the forthcoming annual general meeting. As such, the final dividend has not been recognised as a liability as at 31 December 2004.

The amount of proposed final dividend for the year is calculated based on 1,133,324,723 shares (2003: 1,133,324,723 shares) in issue as at the date of approval of these financial statements. The proposed final dividend for the year is subject to the final approval of the Company's shareholders at the forthcoming annual general meeting.

## 7. Earnings per share

	2004	2003
Basic	<b>RMB0.54</b>	RMB0.49
Diluted	<b>N/A</b>	N/A

Basic earnings per share is calculated based on the Group's net profit attributable to shareholders of approximately RMB616,243,000 (2003: approximately RMB552,057,000) divided by 1,133,324,723 ordinary shares of HK\$0.50 each (2003: 1,133,324,723 ordinary shares of HK\$0.5 each) in issue during the financial year.

Diluted earnings per share for the years ended 31 December 2004 and 2003 have not been calculated as no diluting events existed during these years.

## MANAGEMENT DISCUSSION AND ANALYSIS

### General

Founded in 1994, People's Food Holdings Limited (the "Company" or "People's Food") and its subsidiaries (collectively the "Group") is one of the leading producers of fresh and frozen meat and processed meat products in the PRC. The Group currently operates nine production bases, respectively in Linyi and Dezhou of Shandong Province, Meishan of Sichuan Province, Xiangtan of Hunan Province, Tongliao of Inner Mongolia Autonomous Region, Daqing, Qiqihaer and Xinglong of Heilongjiang Province and Shangqiu of Henan Province.

The Group's new production plants in Qiqihaer, Heilongjiang Province and Dezhou, Shandong Province have commenced its commercial production respectively in April and June 2004. The newly established Dezhou plant has an annual pig slaughtering capacity of approximately 250,000

tonnes and an annual fresh pork processing capacity of approximately 100,000 tonnes. The production plant in Qiqihaer has an annual capacity to slaughter approximately 90,000 tonnes of chicken and 40,000 tonnes of pigs.

The Group's meat products are distributed primarily in the PRC and marketed under the "Jinluo" brand name and trade mark.

## Review of Operations

Set out below is a breakdown of the Group's revenue, profit before tax by products for the years ended 31 December 2003 and 2004:

	Year ended 31.12.2004 <i>RMB'000</i>	Share of total	Year ended 31.12.2003 <i>RMB'000</i>	Share of total	% Change
<b>Revenue</b>					
Frozen Pork	1,551,189	23.7%	1,207,533	24.6%	28.5%
Fresh Pork	1,124,525	17.2%	638,367	13.0%	76.2%
High Temperature Meat Products ("HTMP")	1,775,559	27.2%	1,557,363	31.8%	14.0%
Low Temperature Meat Products ("LTMP")	469,665	7.2%	352,363	7.2%	33.3%
Pig by products	1,494,420	22.9%	1,036,816	21.2%	44.1%
Frozen Chicken	<u>116,717</u>	1.8%	<u>107,760</u>	2.2%	8.3%
	<u><b>6,532,075</b></u>	<b>100.0%</b>	<u><b>4,900,202</b></u>	<b>100.0%</b>	<b>33.3%</b>
<b>Profit before tax and share of profit of associates</b>					
Frozen Pork	133,057	18.1%	107,934	16.6%	23.3%
Fresh Pork	171,114	23.3%	127,026	19.5%	34.7%
HTMP	222,634	30.4%	242,796	37.3%	(8.3%)
LTMP	77,478	10.6%	79,628	12.2%	(2.7%)
Pig by products	124,944	17.0%	86,213	13.3%	44.9%
Frozen Chicken	<u>4,390</u>	0.6%	<u>6,531</u>	1.1%	(32.8%)
	<u><b>733,617</b></u>	<b>100.0%</b>	<u><b>650,128</b></u>	<b>100.0%</b>	<b>12.8%</b>

The Group's revenue increased by 33.3% to RMB6.53 billion in 2004 from RMB4.90 billion in previous year. This increase was attributable to higher market demand for the Group's products as well as improved contribution from its production plants in 2004.

### Revenue

#### High Temperature Meat Products

Sales of HTMP increased by 14.0%, from RMB1.56 billion in 2003 to RMB1.78 billion in 2004. This was due mainly to higher market demand for the Group's HTMP.

### *Fresh Pork and Low Temperature Meat Products*

Sales of Fresh Pork and LTMP continue to grow, increasing respectively by 76.2% and 33.3% in 2004 as compared to 2003. Sales of Fresh Pork for the year of 2004 was RMB1.12 billion as compared to RMB638.37 million in 2003, whilst sales of LTMP was RMB469.67 million in 2004 as compared to RMB352.36 million a year ago.

### *Frozen Pork, Frozen Chicken and Pig by products*

Sales of Frozen Pork saw a rise of 28.5% to RMB1.55 billion in 2004 as compared to RMB1.21 billion in 2003. Sale of Frozen Chicken slightly increased 8.3% to RMB116.72 million from RMB107.76 million in 2003. Revenue contribution from Pig by products also saw an increase of 44.1% from RMB1.04 billion in 2003 to RMB1.49 billion in 2004. The increase was mainly due to the higher market demand for these products.

### **Gross Profit**

Gross Profit reached RMB1.08 billion for the year ended 31 December 2004, an improvement of 14.1% as compared to RMB 943.74 million in 2003.

### **Expenses**

Distribution costs increased by 33.6% to RMB157.11 million in 2004 from RMB117.58 million in 2003. The increase in distribution costs was mainly attributable to stricter regulations on the maximum load/weight capacity per truck of products transported thereby increasing the number of trips than was previously required.

No provision has been made for any production facilities for the year ended 31 December 2004.

### **Net Profit**

The Group's net profit recorded an increase of 11.6% from RMB552.06 million in 2003 to RMB616.24 million in 2004.

The Group's newly acquired associate has contributed a profit of RMB21.8 million in the fourth quarter of FY 2004. The Management expects a full year's contribution from the associate to the profit of the Group in 2005.

### **Employees**

As at 31 December 2004, the total number of employees of the Group was approximately 18,190 (2003: 9,500) with total staff costs amounting to RMB192 million (2003: RMB83 million).

The remuneration of the employees of the Group includes salaries, bonuses and other fringe benefits. The Group has different rates of remuneration for different employees to be determined based on their performance, experience, position and other factors in compliance with the relevant PRC laws and regulations.

In 2004, the Group continued to provide its employees with opportunities to learn skills in relation to the computer technologies and business administration and provide training on the latest developments in areas such as computer technologies, personal development, laws, regulations and economics.

### **Gearing Ratio**

As at 31 December 2004, the gearing ratio of the Group was 5.6 per cent. (2003 : 7.2 per cent.), which was computed by dividing the total amount of bank loans, by the equity of the Group as at 31 December 2004.

## ***Contingent Liabilities***

As at 31 December 2004, the Group had no material contingent liabilities (2003: Nil).

## **Prospects**

The Group's newly established production plants in Dezhou, Shandong Province and in Qiqihaer, Heilongjiang Province have commenced its commercial production in June 2004 and in April 2004 respectively. These new plants have increased the pig and chicken slaughtering capacity of the Group and the Group expects these new plants to further contribute to the overall performance of the Group in 2005.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

There has been no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the year. The Company has issued a policy on dealing in the Company's shares to employees of the Company pursuant to the Best Practice Guide issued by the SGX-ST. The policy sets out the implications of insider dealing in the shares, and includes guidance to employees on dealing in the Company's shares, which is modelled after the Best Practice Guide with some modifications.

## **PRE-EMPTIVE RIGHTS**

There are no provisions for pre-emptive rights under the Company's bye-laws although there are no restrictions against such rights under the laws of Bermuda.

## **AUDIT COMMITTEE**

The Group's financial results for the year ended 31 December 2004 have been reviewed by the Audit Committee of the Company.

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE**

In the opinion of the directors, the Company has complied with the Code of Best Practice (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKSE ("HKSE Listing Rules") (which was in force prior to 1 January 2005) since the listing of the Company's shares on HKSE on 28 October 2002, except that the independent non-executive directors of the Company are not appointed for a specific term as required by paragraph 7 of the Code, but are subject to retirement and re-election in accordance with the bye-laws of the Company.

## **PUBLICATION OF INFORMATION ON THE EXCHANGE'S WEBSITE**

The annual report of the Company, which will contain all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the HKSE Listing Rules will be subsequently published on the website of the HKSE (<http://www.hkex.com.hk>) in due course.

## **BOOK CLOSURE**

In order to ascertain voting entitlements, the register of members will be closed from Tuesday, 26 April 2005 to Thursday, 28 April 2005 (both days inclusive) during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged



with the Company's Singapore Share Transfer Agent, Lim Associates (Pte) Ltd at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not later than 5:00 p.m. on Monday, 25 April 2005 in Singapore OR the Company's Hong Kong Branch Share Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 April 2005 in Hong Kong.

In order to ascertain dividend entitlements, the register of members will be closed on Wednesday, 18 May 2005. All transfers accompanied by the relevant share certificates must be lodged with the Company's Singapore Share Transfer Agent, Lim Associates (Pte) Ltd at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not later than 5:00 p.m. on Tuesday, 17 May 2005 in Singapore OR the Company's Hong Kong Branch Share Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 17 May 2005 in Hong Kong.

## **ANNUAL GENERAL MEETING**

An annual general meeting of the Company will be convened on 28 April 2005. An annual report of the Company containing a notice of the meeting will be dispatched to the shareholders in due course.

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

Hong Kong, 28 February 2005

\* *For identification purpose only*

The following announcement is a reproduction of the announcement made by People's Food Holdings Limited (the "Company") regarding the annual results of the Company and its subsidiaries for the year ended 31 December 2004 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Listing Rules (which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, the Stock Exchange of Hong Kong Limited is simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released to the other markets), the following announcement is announced by People's Food Holdings Limited simultaneously in Hong Kong and in Singapore on 28 February 2005.

*The following announcement is a reproduction of the announcement made by People's Food Holdings Limited (the "Company") regarding the annual results of the Company and its subsidiaries for the year ended 31 December 2004 pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited. In compliance with Rule 13.09(2) of the Listing Rules (which requires a listed issuer to ensure that if securities of the listed issuer are also listed on other stock exchanges, the Stock Exchange of Hong Kong Limited is simultaneously informed of any information released to any of such other stock exchanges and that such information is released to the market in Hong Kong at the same time as it is released to the other markets), the following announcement is announced by People's Food Holdings Limited simultaneously in Hong Kong and in Singapore on 28 February 2005.*

## FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

### PART I — 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.

	Notes	Group		Change %
		Year ended 31.12.2004 RMB'000 (Audited)	Year ended 31.12.2003 RMB'000 (Audited)	
Revenue	(1)	6,532,075	4,900,202	33.3
Cost of sales		<u>(5,455,267)</u>	<u>(3,956,458)</u>	37.9
Gross profit		1,076,808	943,744	14.1
Other revenue		16,706	12,259	36.3
Selling and distribution costs		(157,108)	(117,583)	33.6
Administrative expenses		(175,978)	(161,829)	8.7
Other operating expenses		<u>(14,107)</u>	<u>(13,841)</u>	1.9
Profit from operating activities		746,321	662,750	12.6
Finance costs		(12,704)	(12,622)	0.6
Share of profit of associates		<u>21,838</u>	<u>—</u>	—
Profit before tax		755,455	650,128	16.2
Tax		<u>(139,212)</u>	<u>(98,071)</u>	42.0
Net profit from ordinary activities attributable to shareholders		<u><u>616,243</u></u>	<u><u>552,057</u></u>	11.6

Note:

(1) A further analysis of the Group's revenue by products is set out in Item (13).

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

	Group		Company	
	31.12.2004 RMB'000 (Audited)	31.12.2003 RMB'000 (Audited)	31.12.2004 RMB'000 (Audited)	31.12.2003 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>				
Investments in subsidiaries	—	—	497,043	497,043
Interests in associates	245,239	—	—	—
Fixed assets	1,677,457	1,370,811	—	—
Deposits	33,775	166,461	—	—
	<u>1,956,471</u>	<u>1,537,272</u>	<u>497,043</u>	<u>497,043</u>
<b>CURRENT ASSETS</b>				
Inventories	293,990	340,899	—	—
Trade debtors	89,343	507,938	—	—
Due from subsidiaries	—	—	842,804	665,602
Deposits, prepayments and other receivables	23,603	8,869	—	—
Cash and bank balances	1,249,418	807,858	51	51
	<u>1,656,354</u>	<u>1,665,564</u>	<u>842,855</u>	<u>665,653</u>
<b>CURRENT LIABILITIES</b>				
Trade creditors	116,240	74,985	—	—
Accruals and other creditors	69,971	99,717	—	625
Due to a subsidiary	—	—	159,133	—
Interest-bearing bank loans	180,000	200,000	—	—
Provision for tax	37,969	34,000	—	—
	<u>404,180</u>	<u>408,702</u>	<u>159,133</u>	<u>625</u>
<b>NET CURRENT ASSETS</b>	<u>1,252,174</u>	<u>1,256,862</u>	<u>683,722</u>	<u>665,028</u>
	<u><u>3,208,645</u></u>	<u><u>2,794,134</u></u>	<u><u>1,180,765</u></u>	<u><u>1,162,071</u></u>
<b>CAPITAL AND RESERVES</b>				
Issued capital	603,343	603,343	603,343	603,343
Proposed final dividend	126,932	92,933	126,932	92,933
Reserves	2,478,370	2,097,858	450,490	465,795
	<u><u>3,208,645</u></u>	<u><u>2,794,134</u></u>	<u><u>1,180,765</u></u>	<u><u>1,162,071</u></u>

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

*Amount repayable in one year or less, or on demand*

As at 31/12/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
Nil	RMB180,000,000	Nil	RMB200,000,000

*Amount repayable after one year*

As at 31/12/2004		As at 31/12/2003	
Secured	Unsecured	Secured	Unsecured
Nil	Nil	Nil	Nil

*Details of any collateral*

Not applicable

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

	Group	
	Year ended 31.12.2004 RMB'000 (Audited)	Year ended 31.12.2003 RMB'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	755,455	650,128
Adjustments for:		
Depreciation	158,834	130,423
Provision/(written back of provision) for doubtful debts	(6,354)	1,900
Interest expenses	12,704	12,622
Interest income	(8,377)	(12,259)
Loss on disposal of fixed assets	8,388	6,385
Share of profit of associates	(21,838)	—
Operating profit before working capital changes	898,812	789,199
Working capital adjustments:		
Decrease in inventories	46,909	94,949
Decrease/(increase) in trade debtors	424,949	(29,621)
Increase in deposits, prepayments and other receivables	(14,734)	(129)
Increase/(decrease) in trade creditors	41,255	(1,754)
Decrease in accruals and other creditors	(29,746)	(22,345)
Cash generated from operations	1,367,445	830,299
Interest paid	(12,704)	(12,622)
Interest received	8,377	12,259
Tax paid	(135,243)	(93,990)
Net cash generated from operating activities	1,227,875	735,946

	<b>Group</b>	
	<b>Year ended</b>	<b>Year ended</b>
	<b>31.12.2004</b>	<b>31.12.2003</b>
	<i><b>RMB'000</b></i>	<i><b>RMB'000</b></i>
	<b>(Audited)</b>	<b>(Audited)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	<b>(310,685)</b>	(486,775)
Proceeds on disposal of fixed assets	<b>3,278</b>	—
Increase in deposits for acquisition of fixed assets	<b>(33,775)</b>	(88,751)
Decrease/(increase) in time deposits with original maturity of more than three months when acquired	<b>522,940</b>	(144,959)
Acquisition of associates	<b>(223,401)</b>	—
	<hr/>	<hr/>
Net cash used in investing activities	<b>(41,643)</b>	(720,485)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank loans	<b>180,000</b>	200,000
Repayment of bank loans	<b>(200,000)</b>	(200,000)
Dividends paid	<b>(201,732)</b>	(287,865)
	<hr/>	<hr/>
Net cash outflow from financing activities	<b>(221,732)</b>	(287,865)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	<b>964,500</b>	(272,404)
Cash and cash equivalents at beginning of year	<b>212,418</b>	484,822
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>1,176,918</u></b>	<u>212,418</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>1,249,418</b>	807,858
Time deposits with original maturity of more than three months when acquired	<b>(72,500)</b>	(595,440)
	<hr/>	<hr/>
	<b><u>1,176,918</u></b>	<u>212,418</u>

**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.**

*Group*

	Issued share capital <i>RMB'000</i>	Share premium account <i>RMB'000</i> <i>(Note 2)</i>	Statutory reserves <i>RMB'000</i> <i>(Note 1,2)</i>	Retained profits <i>RMB'000</i> <i>(Note 2)</i>	Proposed dividend <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 January 2003	603,343	557,229	85,045	1,068,993	215,332	2,529,942
Dividend paid — 2002 Final	—	—	—	—	(215,332)	(215,332)
Transfer to statutory reserves	—	—	56,024	(56,024)	—	—
Proposed dividend — 2003 Interim	—	—	—	(72,533)	72,533	—
Dividend paid — 2003 Interim	—	—	—	—	(72,533)	(72,533)
Proposed final dividend — 2003	—	—	—	(92,933)	92,933	—
Net profit for the year	—	—	—	552,057	—	552,057
Balance at 31 December 2003	<u>603,343</u>	<u>557,229</u>	<u>141,069</u>	<u>1,399,560</u>	<u>92,933</u>	<u>2,794,134</u>
Balance at 1 January 2004	603,343	557,229	141,069	1,399,560	92,933	2,794,134
Dividend paid — 2003 Final	—	—	—	—	(92,933)	(92,933)
Transfer to statutory reserves						
— subsidiaries	—	—	63,037	(63,037)	—	—
— associates	—	—	2,184	(2,184)	—	—
Proposed dividend — 2004 Interim	—	—	—	(108,799)	108,799	—
Dividend paid — 2004 Interim	—	—	—	—	(108,799)	(108,799)
Proposed final dividend — 2004	—	—	—	(126,932)	126,932	—
Net profit for the year	—	—	—	616,243	—	616,243
Balance at 31 December 2004	<u>603,343</u>	<u>557,229</u>	<u>206,290</u>	<u>1,714,851</u>	<u>126,932</u>	<u>3,208,645</u>
Represented by:						
Companies and subsidiaries	603,343	557,229	204,106	1,695,197	126,932	3,186,807
Associates	—	—	2,184	19,654	—	21,838
Balance at 31 December 2004	<u>603,343</u>	<u>557,229</u>	<u>206,290</u>	<u>1,714,851</u>	<u>126,932</u>	<u>3,208,645</u>

Company

	Issued share capital RMB'000	Share premium account RMB'000 (Note 2)	Accumulated losses RMB'000 (Note 2)	Proposed dividend RMB'000	Total RMB'000
Balance at 1 January 2003	603,343	557,229	(215,281)	215,332	1,160,623
Dividend paid — 2002 Final	—	—	—	(215,332)	(215,332)
Proposed dividend — 2003 Interim	—	—	(72,533)	72,533	—
Dividend paid — 2003 Interim	—	—	—	(72,533)	(72,533)
Proposed final dividend — 2003	—	—	(92,933)	92,933	—
Net profit for the year	—	—	289,313	—	289,313
Balance at 31 December 2003	<u>603,343</u>	<u>557,229</u>	<u>(91,434)</u>	<u>92,933</u>	<u>1,162,071</u>
Balance at 1 January 2004	603,343	557,229	(91,434)	92,933	1,162,071
Dividend paid — 2003 Final	—	—	—	(92,933)	(92,933)
Proposed dividend — 2004 Interim	—	—	(108,799)	108,799	—
Dividend paid — 2004 Interim	—	—	—	(108,799)	(108,799)
Proposed final dividend — 2004	—	—	(126,932)	126,932	—
Net profit for the year	—	—	220,426	—	220,426
Balance at 31 December 2004	<u>603,343</u>	<u>557,229</u>	<u>(106,739)</u>	<u>126,932</u>	<u>1,180,765</u>

Notes:

- In accordance with relevant PRC regulations, Linyi Xincheng Jinluo Meat Products Co., Ltd (“Linyi Xincheng”), Linyi Minsheng Food Development Co., Ltd (“Linyi Minsheng”), Tongliao Jinluo Food Co., Ltd (“Tongliao Jinluo”), Xiangtan Jinluo Food Co., Ltd (“Xiangtan Jinluo”), Meishan Jinluo Food Co., Ltd (“Meishan Jinluo”), Daqing Jinluo Meat Products Co., Ltd (“Daqing Jinluo”), Qiqihaer Jinluo Meat Products Co., Ltd. (“Qiqihaer Jinluo”) and Dezhou Jinluo Meat Products Co., Ltd. (“Dezhou Jinluo”), wholly-owned subsidiaries of the Company, and Linyi Shansong Biological Products Company Limited (“Linyi Shansong”), an associate of the Group, established as wholly foreign-owned enterprises (“WFOEs”) in the PRC, are required to appropriate not less than 10% of their profits after tax to the respective statutory reserves, until the respective balances of the fund reach 50% of the respective registered capitals. Subject to certain restrictions as set out in the relevant PRC regulations, their statutory reserves may be used to offset against their respective accumulated losses, if any.
- As at 31 December 2004, these consolidated reserve accounts comprised the consolidated reserves of approximately RMB2,478,370,000 (31 December 2003: approximately RMB2,097,858,000) in the consolidated balance sheet. As at 31 December 2004, these reserve accounts of the Company comprised the Company’s reserves of approximately RMB450,490,000 (31 December 2003: approximately RMB465,795,000) in the Company’s balance sheet.

**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.**

Not applicable

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

The financial statements for the year ended 31 December 2004 have been audited by Ernst & Young Hong Kong in accordance with the International Standards on Auditing.

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

The financial statements for the year ended 31 December 2004 have been audited by Ernst & Young Hong Kong and there is no qualification nor emphasis of matter in their report. (Please refer to attached Report of Auditors)

**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 following new and revised International Financial Reporting Standard ("IFRS") and International Accounting Standards ("IASs") are effective for the first time for the current year's financial statements:

- IFRS 3: "Business combinations"
- IAS 36: "Impairment of assets" (revised March 2004)
- IAS 38: "Intangible assets" (revised March 2004)

The new and revised IFRS and IASs prescribe new accounting measurement and disclosure practices. The major effects on the Group's accounting policies and on the amounts disclosed in these financial statements of adopting these IFRS and IASs are summarised as follows:

IFRS 3 applies to accounting for business combinations for which the agreement date is on or after 31 March 2004. IFRS 3 deals with the accounting for business combinations and the ongoing accounting for goodwill acquired in business combinations. In particular, the goodwill arising from a business combination is no longer amortised, but is subject to an impairment test whilst the negative goodwill is recognised immediately in the profit and loss account.

An entity shall apply this IFRS prospectively, from the beginning of the first annual period beginning on or after 31 March 2004, to the goodwill, negative goodwill and intangible assets arising from the business combination for which the agreement date was before 31 March 2004.

As a result of the issuance of IFRS 3, IAS 36 and IAS 38 were amended to meet the new requirements. IAS 36 and IAS 38 require goodwill to be tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment. The impairment losses for goodwill are no longer allowed to be reversed. In addition, an intangible asset is required to be treated as having an indefinite useful life when, based on an analysis on the period over which the asset is expected to generate net cash inflows for the entity. An intangible asset with an indefinite useful life must not be amortised, but must instead be tested for impairment annually, or more frequently if events or changes in circumstances indicate a possible impairment. Further, additional disclosure of a range of information for each cash-generating unit is required that includes within its carrying amount a significant amount of goodwill or intangible assets with indefinite useful lives.

The revised IAS 36 and IAS 38 have had no significant impact to the financial statements.



**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.**

The Group has applied the same accounting policies and methods of computation in the financial statements as at 31 December 2004.

**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.**

*Earnings per Share*

	Year ended <b>31.12.2004</b> (Audited)	Year ended 31.12.2003 (Audited)
Basic	<u><b>RMB0.54</b></u>	<u>RMB0.49</u>
Diluted	<u>N/A</u>	<u>N/A</u>

Basic earnings per share for the year ended 31 December 2004 are calculated based on the Group's net profit attributable to shareholders of approximately RMB616,243,000 (2003: approximately RMB552,057,000) divided by 1,133,324,723 ordinary shares of HK\$0.50 each (2003: 1,133,324,723 ordinary shares of HK\$0.50 each) in issue during the year.

Diluted earnings per share for the years ended 31 December 2004 and 2003 have not been calculated as no diluting events existed during these years.

**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	
	31.12.2004	31.12.2003	31.12.2004	31.12.2003
Net asset value backing per ordinary share	<b>RMB2.83</b>	RMB2.47	<b>RMB1.04</b>	RMB1.03
Net tangible asset backing per ordinary share	<b>RMB2.78</b>	RMB2.47	<b>RMB1.04</b>	RMB1.03

Net asset value and net tangible asset backing per ordinary share as at 31 December 2004 and 2003 were both based on issued share capital of 1,133,324,723 ordinary shares of HK\$0.50 each.

**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

**GENERAL**

Founded in 1994, People's Food Holdings Limited (the "Company" or "People's Food") and its subsidiaries (collectively the "Group") is one of the leading producers of fresh and frozen meat and processed meat products in the PRC. The Group currently operates nine production bases, respectively in Linyi and Dezhou of Shandong Province, Meishan of Sichuan Province, Xiangtan of Hunan Province, Tongliao of Inner Mongolia Autonomous Region, Daqing, Qiqihaer and Xinglong of Heilongjiang Province and Shangqiu of Henan Province.

The Group's new production plants in Qiqihaer, Heilongjiang Province and Dezhou, Shandong Province have commenced its commercial production respectively in April and June 2004. The newly established Dezhou plant has an annual pig slaughtering capacity of approximately 250,000 tonnes and an annual fresh pork processing capacity of approximately 100,000 tonnes. The production plant in Qiqihaer has an annual capacity to slaughter approximately 90,000 tonnes of chicken and 40,000 tonnes of pigs.

The Group's meat products are distributed primarily in the PRC and marketed under the "Jinluo" brand name and trade mark.

**RESULTS OF OPERATIONS**

**Revenue**

The Group's revenue increased by 33.3% to RMB6.53 billion in 2004, from RMB4.90 billion in previous year. This increase was attributable to higher market demand for the Group's products as well as improved contribution from its production plants in 2004.

*High Temperature Meat Products ("HTMP")*

Sales of HTMP increased by 14.0%, from RMB1.56 billion in 2003 to RMB1.78 billion in 2004. This was due mainly to higher market demand for the Group's HTMP.

*Fresh Pork and Low Temperature Meat Products ("LTMP")*

Sales of Fresh Pork and LTMP continue to grow, increasing respectively by 76.2% and 33.3% in 2004 as compared to 2003. Sales of Fresh Pork for the year of 2004 was RMB1.12 billion as compared to RMB638.37 million in 2003, whilst sales of LTMP was RMB469.67 million in 2004 as compared to RMB352.36 million a year ago.

*Frozen Pork, Frozen Chicken and Pig By-Products*

Sales of Frozen Pork saw a rise of 28.5% to RMB1.55 billion in 2004 as compared to RMB1.21 billion in 2003. Sale of Frozen Chicken slightly increased 8.3% to RMB116.72 million from RMB107.76 million in 2003. Revenue contribution from Pig By-Products also saw an increase of 44.1% from RMB1.04 billion in 2003 to RMB1.49 billion in 2004. The increase was mainly due to the higher market demand for these products.

**Gross Profit**

Gross Profit reached RMB1.08 billion for the year ended 31 December 2004, an improvement of 14.1% as compared to RMB943.74 million in 2003.

## Expenses

Distribution costs increased by 33.6% to RMB157.11 million in 2004 from RMB117.58 million in 2003 in line with sales revenue. The increase in distribution cost was mainly attributable to stricter regulations on the maximum load/weight capacity per truck of products transported thereby increasing the number of trips than was previously required.

No provision has been made for any production facilities for the year ended 31 December 2004.

## Tax

	Group	
	2004	2003
	<i>RMB'000</i>	<i>RMB'000</i>
PRC	<b>139,212</b>	98,071
Share of tax attributable to associates	<u>—</u>	<u>—</u>
	<b><u>139,212</u></b>	<b><u>98,071</u></b>

In accordance with the various approval documents issued by the State Tax Bureau and the Local Tax Bureau of the PRC, Linyi Xincheng, Linyi Minsheng, Daqing Jinluo, Tongliao Jinluo, Meishan Jinluo, Qiqihaer Jinluo and Dezhou Jinluo, wholly-owned subsidiaries of the Company, and Linyi Shansong, an associate of the Group, established as WFOEs in the PRC, are entitled to an exemption from the PRC state and local corporate income tax for the first two profitable financial years of their operations and thereafter to a 50% relief from the state corporate income tax of the PRC for the following three financial years (the "Tax Holiday"). Xiangtan Jinluo, another wholly-owned subsidiary of the Company established as a WOFE in the PRC, is entitled to an exemption from the PRC state and local corporate income tax for the first two profitable years of their operations and thereafter to a 50% relief from the state corporate income tax of the PRC for the following six financial years (the "Tax Relief"). Upon expiry of the Tax Holiday and the Tax Relief, the usual PRC corporate income tax rate of 33%, comprising a state corporate income tax rate of 30% and a local corporate income tax rate of 3%, is applicable to them.

Upon expiry of the Tax Holiday in the financial year ended 31 December 2000, Linyi Xincheng is subject to an income tax rate of 33% on its assessable profit for the year (2003: 33%).

Upon expiry of two years' tax exemption periods in the financial year ended 31 December 2002, Linyi Minsheng is subject to the reduced tax rate of 18% for the three financial years from 1 January 2003 to 31 December 2005.

Upon expiry of two years' tax exemption periods in the financial year ended 31 December 2003, Daqing Jinluo is subject to the reduced tax rate of 18% for the three financial years from 1 January 2004 to 31 December 2006.

The two years' tax exemption periods for Tongliao Jinluo, Meishan Jinluo and Xiangtan Jinluo have commenced in the financial year ended 31 December 2003 under local jurisdiction.

The two years' tax exemption periods for Qiqihaer Jinluo has not yet commenced during the year as it did not generate any net assessable profits attributable to its operations in the PRC during the year.

The two years' tax exemption periods for Dezhou Jinluo and Linyi Shansong have commenced in the financial year ended 31 December 2004 under local jurisdiction.

The effective income tax rate of the Group for 2004 was approximately 18.4% as compared to 15.1% in 2003.

### **Net Profit**

The Group's net profit recorded an increase of 11.6% from RMB552.06 million in 2003 to RMB616.24 million in 2004.

The Group's newly acquired associate has contributed a profit of RMB21.8 million of the fourth quarter of FY 2004. The Management expects a full year's contribution from the associate to the profit of the Group in 2005.

- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Not applicable

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

Not applicable

- 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.**

The Group's newly established production plants in Dezhou, Shandong Province and in Qiqihaer, Heilongjiang Province have commenced its commercial production in June 2004 and in April 2004 respectively. These new plants have increased the pig and chicken slaughtering capacity of the Group and the Group expects these new plants to further contribute to the overall performance of the Group in 2005.

## **11. Dividend**

- (a) *Current Financial Period Reported On*

*Any dividend declared for the current financial period reported on? YES*

<b>Name of Dividend</b>	<b>Interim</b>	<b>Final</b>
Dividend Type	Ordinary	Ordinary
Dividend Amount per Share (in cents)	RMB0.096	RMB0.112
Optional:— Dividend Rate (in %)	Not applicable	Not applicable
Par value of shares	HK\$0.50	HK\$0.50
Tax Rate	Not applicable	Not applicable

(b) *Corresponding Period of the Immediately Preceding Financial Year*

**Any dividend declared for the corresponding period of the immediately preceding financial year? YES**

<b>Name of Dividend</b>	<b>Interim</b>	<b>Final</b>
Dividend Type	Ordinary	Ordinary
Dividend Amount per Share (in cents)	RMB0.064	RMB0.082
Optional:— Dividend Rate (in %)	Not applicable	Not applicable
Par value of shares	HK\$0.50	HK\$0.50
Tax Rate	Not applicable	Not applicable

(c) *Date payable*

The proposed final dividend, if approved at the Annual General Meeting to be held on 28 April 2005, will be paid on 2 June 2005.

(d) *Books closure date*

In order to ascertain voting entitlements, the register of members will be closed from Tuesday, 26 April 2005 to Thursday, 28 April 2005 (both days inclusive) during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Singapore Share Transfer Agent, Lim Associates (Pte) Ltd at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not later than 5:00 p.m. on Monday, 25 April 2005 in Singapore OR the Company's Hong Kong Branch Share Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 April 2005 in Hong Kong.

In order to ascertain dividend entitlements, the register of members will be closed on Wednesday, 18 May 2005. All transfers accompanied by the relevant share certificates must be lodged with the Company's Singapore Share Transfer Agent, Lim Associates (Pte) Ltd at 10 Collyer Quay #19-08 Ocean Building, Singapore 049315 not later than 5:00 p.m. on Tuesday, 17 May 2005 in Singapore OR the Company's Hong Kong Branch Share Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 17 May 2005 in Hong Kong.

**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.

Please see below for the revenue and profit before tax by products.

	<b>Year ended 31.12.2004 RMB'000</b>	<b>Share of total</b>	Year ended 31.12.2003 RMB'000	Share of total	% Change
<b>Revenue</b>					
Frozen Pork	1,551,189	23.7%	1,207,533	24.6%	28.5%
Fresh Pork	1,124,525	17.2%	638,367	13.0%	76.2%
HTMP	1,775,559	27.2%	1,557,363	31.8%	14.0%
LTMP	469,665	7.2%	352,363	7.2%	33.3%
Pig By products	1,494,420	22.9%	1,036,816	21.2%	44.1%
Frozen Chicken	<u>116,717</u>	1.8%	<u>107,760</u>	2.2%	8.3%
	<u><b>6,532,075</b></u>	<b>100.0%</b>	<u><b>4,900,202</b></u>	100.0%	33.3%
<b>Profit before tax and share of profit of associates</b>					
Frozen Pork	133,057	18.1%	107,934	16.6%	23.3%
Fresh Pork	171,114	23.3%	127,026	19.5%	34.7%
HTMP	222,634	30.4%	242,796	37.3%	(8.3%)
LTMP	77,478	10.6%	79,628	12.2%	(2.7%)
Pig By products	124,944	17.0%	86,213	13.3%	44.9%
Frozen Chicken	<u>4,390</u>	0.6%	<u>6,531</u>	1.1%	(32.8%)
	<u><b>733,617</b></u>	<b>100.0%</b>	<u><b>650,128</b></u>	100.0%	12.8%

**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.

	<b>Group</b>		<b>Increase/ (Decrease) %</b>
	<b>Year ended 31.12.2004</b>	<b>Year ended 31.12.2003</b>	
	<b>RMB'000</b>	<b>RMB'000</b>	
(a) Revenue reported for first half year	<b>3,289,371</b>	2,266,193	45.1
(b) Operating profit after tax before minority interests reported for first half year	<b>361,598</b>	242,226	49.3
(c) Revenue reported for second half year	<b>3,242,704</b>	2,634,009	23.1
(d) Operating profit after tax before minority interests reported for second half year	<b>254,645</b>	309,831	(17.8)

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	<b>Latest Full Year (RMB'000)</b>	<b>Previous Full Year (RMB'000)</b>
Ordinary	235,731	165,466
Preference	N/A	N/A
Total:	235,731	165,466

BY ORDER OF THE BOARD  
**PEOPLE'S FOOD HOLDINGS LIMITED**  
**Ming Kam Sing**  
*Chairman*

Dated this 28 February 2005

*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)*