



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 pursuant to Rule 13.09(2) of the Listing Rules.

With reference to market rumours about outbreaks in the PRC of Hand, Foot & Mouth disease and the bird flu virus affecting its operations, the Board would like to state that the operations of the Group have not been affected by the abovementioned diseases.

The Board has noted that the recent decrease in the price and increase in trading volume of the shares of the Company on the Singapore Exchange Securities Trading Limited and wishes to state that the Board is not aware of any reason for such decrease in the price and increase in trading volume.

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules.

With reference to market rumours about outbreaks in the People's Republic of China (“**PRC**”) of Hand, Foot & Mouth disease and the bird flu virus affecting its operations, the Board of Directors of the Company (the “**Board**”) would like to state that the operations of the Group have not been affected by the abovementioned diseases.

The Board will however continue to closely monitor the situation and make the necessary announcements should there be any developments.

The Board would also like to highlight that as part of the Group's normal course of business, its management constantly monitors reports of viral outbreaks in the PRC. Furthermore, as the Group's production facilities are located all over the PRC, the management is able to quickly respond to such outbreaks if needed, by isolating and quarantining its facility in an affected area, with minimal or no impact on the other remaining facilities.

The Board has noted that the recent decrease in the price and increase in trading volume of the shares of the Company on the Singapore Exchange Securities Trading Limited and wishes to state that the Board is not aware of any reason for such decrease in the price and increase in trading volume.

It has been come to the attention of the Board that there may be certain other market rumours about the operations and affairs of the Company.

The Board takes a very serious view of any malicious or false rumours about the Company and will be carrying out investigations in relation to such rumours as well as the source of these rumours and will report the matter to the Stock Exchange of Hong Kong Limited, the Singapore Exchange Trading Securities Limited and the relevant Commercial Affairs Department for their necessary action.

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

Hong Kong, 1st June, 2005

** 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 Kin 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**)*