



PEOPLE'S FOOD HOLDINGS LIMITED

大众食品控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 708)

PUBLICATION OF OVERSEAS REGULATORY ANNOUNCEMENTS

The following announcement is a reproduction of the announcement made in Singapore by the Company regarding the unaudited financial results of the Company and its subsidiaries and associates for the three months ended 30 September, 2005. Pursuant to Rule 705(2) of the Listing Manual, the Company is required to announce its financial statements for each of the first three quarters of its financial year. In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the following announcement is made by the Company simultaneously in Singapore and in Hong Kong on 8 November, 2005.

The following announcement is a reproduction of the announcement made in Singapore by People's Food Holdings Limited (the "Company") regarding the unaudited financial results of the Company and its subsidiaries and associates for the three months ended 30 September, 2005. Pursuant to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual"), the Company is required to announce its financial statements for each of the first three quarters of its financial year. In compliance with Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 made by the Company simultaneously in Singapore and in Hong Kong on 8 November, 2005.

The Board of Directors ("Board") of the Company is pleased to announce the third quarter results of the Company, its subsidiaries and associates (the "Group") for the period ended 30 September, 2005, together with the comparative figures for the previous corresponding period, are as follows:

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2005

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.

Group Income Statement for the period ended 30 September 2005. These figures have not been audited.

	Notes	Group					
		Three months period ended 30.09.2005 RMB'000	Three months period ended 30.09.2004 RMB'000	Increase/ (Decrease) %	Nine months period ended 30.09.2005 RMB'000	Nine months period ended 30.09.2004 RMB'000	Increase/ (Decrease) %
Revenue	(1)	2,008,030	1,877,742	6.9	5,752,961	5,167,113	11.3
Cost of sales		<u>(1,754,125)</u>	<u>(1,587,282)</u>	10.5	<u>(5,013,289)</u>	<u>(4,273,686)</u>	17.3
Gross Profit		253,905	290,460	-12.6	739,672	893,427	-17.2
Other revenue		2,703	3,656	-26.1	10,349	10,681	-3.1
Selling and distribution costs	(2)	(31,099)	(47,082)	-33.9	(86,938)	(119,034)	-27.0
Administrative expenses	(3)	(20,123)	(57,510)	-65.0	(65,155)	(144,853)	-55.0
Other operating expenses		<u>—</u>	<u>(4,464)</u>	N.M.	<u>(1,832)</u>	<u>(14,294)</u>	-87.2
Profit from operating activities		205,386	185,060	11.0	596,096	625,927	-4.8
Finance costs		(2,505)	(3,660)	-31.6	(7,553)	(10,229)	-26.2
Share of profit of associates		22,269	—	N.M.	71,148	—	N.M.
Gain on deemed disposal of associates		<u>—</u>	<u>—</u>	N.M.	<u>78,376</u>	<u>—</u>	N.M.
Profit before tax		225,150	181,400	24.1	738,067	615,698	19.9
Tax		<u>(47,049)</u>	<u>(35,294)</u>	33.3	<u>(141,541)</u>	<u>(107,994)</u>	31.1
Net profit from ordinary activities attributable to shareholders		<u>178,101</u>	<u>146,106</u>	21.9	<u>596,526</u>	<u>507,704</u>	17.5

NM: Not Meaningful

Notes:

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

3Q 2005 compared to 3Q 2004

- (1) Selling prices were adjusted by approximately 1% or RMB20 million to reflect collection of goods by bulk buyers.
- (2) Selling and distribution costs decreased as a result of lower transportation costs. A change in distribution method where most bulk buyers are responsible for collection of goods had reduced transportation costs.
- (3) Administrative expenses were lower due partly to a relocation of depreciation charges (approximately RMB13 million) to cost of sales

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	
	Unaudited 30.09.2005 RMB'000	Audited 31.12.2004 RMB'000	Unaudited 30.09.2005 RMB'000	Audited 31.12.2004 RMB'000
NON-CURRENT ASSETS				
Investments in subsidiaries	—	—	497,043	497,043
Interests in associates	394,763	245,239	—	—
Fixed assets	2,192,071	1,677,457	—	—
Deposits	<u>34,726</u>	<u>33,775</u>	<u>—</u>	<u>—</u>
	<u>2,621,560</u>	<u>1,956,471</u>	<u>497,043</u>	<u>497,043</u>

	Group		Company	
	Unaudited 30.09.2005 RMB'000	Audited 31.12.2004 RMB'000	Unaudited 30.09.2005 RMB'000	Audited 31.12.2004 RMB'000
CURRENT ASSETS				
Inventories	668,004	293,990	—	—
Trade debtors	53,172	89,343	—	—
Due from subsidiaries	—	—	1,083,546	842,804
Deposits, prepayments and other receivables	29,888	23,603	—	—
Cash and bank balances	516,940	1,249,418	24	51
	<u>1,268,004</u>	<u>1,656,354</u>	<u>1,083,570</u>	<u>842,855</u>
CURRENT LIABILITIES				
Trade creditors	217,491	116,240	—	—
Accruals and other creditors	88,968	69,971	4,180	—
Due to a subsidiary	—	—	395,571	159,133
Interest-bearing bank loans	180,000	180,000	—	—
Provision for tax	51,923	37,969	—	—
	<u>538,382</u>	<u>404,180</u>	<u>399,751</u>	<u>159,133</u>
NET CURRENT ASSETS	<u>729,622</u>	<u>1,252,174</u>	<u>683,819</u>	<u>683,722</u>
	<u>3,351,182</u>	<u>3,208,645</u>	<u>1,180,862</u>	<u>1,180,765</u>
CAPITAL AND RESERVES				
Issued capital	601,753	603,343	601,753	603,343
Proposed dividend	—	126,932	—	126,932
Reserves	2,749,429	2,478,370	579,109	450,490
	<u>3,351,182</u>	<u>3,208,645</u>	<u>1,180,862</u>	<u>1,180,765</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 30.09.2005		As at 31.12.2004	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
NIL	180,000	NIL	180,000

Amount repayable after one year

As at 30.09.2005		As at 31.12.2004	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
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			
	Unaudited Three months period ended 30.09.2005 RMB'000	Unaudited Three months period ended 30.09.2004 RMB'000	Unaudited Nine months period ended 30.09.2005 RMB'000	Unaudited Nine months period ended 30.09.2004 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	225,150	181,400	738,067	615,698
Adjustments for:				
Depreciation	42,235	39,264	116,530	116,432
Provision for doubtful debts	—	2,600	—	8,000
Loss on disposal of fixed assets	1,474	6,758	1,474	15,164
Interest expenses	2,452	3,660	7,500	10,229
Interest income	(760)	(3,656)	(2,813)	(10,681)
Share of profit of associates	(22,269)	—	(71,148)	—
Gain on deemed disposal of associates	—	—	(78,376)	—
Operating profit before working capital changes	248,282	230,026	711,234	754,842
Working capital adjustments:				
Decrease/ (increase) in trade debtors	26,870	(54,553)	36,171	(49,279)
Decrease/ (increase) in inventories	35,075	122,673	(374,014)	114,242
Decrease/ (increase) in deposits, prepayments and other receivables	(357)	(1,724)	(6,285)	(3,628)
Increase in trade creditors	55,209	(5,985)	101,251	8,099
Increase/ (decrease) in accruals and other creditors	19,537	1,951	18,997	(11,605)
Cash generated from operations	384,616	292,388	487,354	812,671
Interest paid	(2,452)	(3,660)	(7,500)	(10,229)
Interest received	760	3,656	2,813	10,681
Tax paid	(8,979)	(33,200)	(127,587)	(105,055)
Net cash generated from operating activities	373,945	259,184	355,080	708,068
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(229,081)	(113,039)	(632,618)	(367,360)
Decrease/ (increase) in deposits for acquisition of fixed assets	(1,864)	50,324	(951)	129,934
Decrease/ (increase) in time deposits with original maturity of more than three months when acquired	—	6,465	72,500	7,850
Net cash used in investing activities	(230,945)	(56,250)	(561,069)	(229,576)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of bank loans	70,000	70,000	93,000	93,000
Repayment of bank loans	(70,000)	(70,000)	(93,000)	(93,000)
Dividends paid	(314,230)	(108,799)	(441,162)	(201,732)
Repurchases of shares	—	—	(12,827)	—
Net cash used in financing activities	(314,230)	(108,799)	(453,989)	(201,732)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of period	688,170	395,043	1,176,918	212,418
CASH AND CASH EQUIVALENTS AT END OF PERIOD	516,940	489,178	516,940	489,178
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	516,940	1,076,768	516,940	1,076,768
Time deposits with original maturity of more than three months when acquired	—	(587,590)	—	(587,590)
Cash and cash equivalents at end of period	516,940	489,178	516,940	489,178

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 RMB'000	Share premium account RMB'000 (Note 2)	Capital redemption reserves RMB'000 (Note 2)	Statutory reserves RMB'000 (Note 1, 2)	Retained profits RMB'000 (Note 2)	Proposed dividend RMB'000	Total RMB'000
Balance at 1 July 2004	603,343	557,229	—	169,646	1,623,782	108,799	3,062,799
Dividend paid — 2004 Interim	—	—	—	—	—	(108,799)	(108,799)
Transfer to statutory reserves	—	—	—	10,222	(10,222)	—	—
Net profit for the period	—	—	—	—	146,106	—	146,106
Balance at 30 September 2004	<u>603,343</u>	<u>557,229</u>	<u>—</u>	<u>179,868</u>	<u>1,759,666</u>	<u>—</u>	<u>3,100,106</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)
Proposed dividend — 2004 Interim	—	—	—	—	(108,799)	108,799	—
Dividend paid — 2004 Interim	—	—	—	—	—	(108,799)	(108,799)
Transfer to statutory reserves	—	—	—	38,799	(38,799)	—	—
Net profit for the period	—	—	—	—	507,704	—	507,704
Balance at 30 September 2004	<u>603,343</u>	<u>557,229</u>	<u>—</u>	<u>179,868</u>	<u>1,759,666</u>	<u>—</u>	<u>3,100,106</u>
Represented by:							
Company and subsidiaries	603,343	557,229	—	179,868	1,759,666	—	3,100,106
Associates	—	—	—	—	—	—	—
As at 30 September 2004	<u>603,343</u>	<u>557,229</u>	<u>—</u>	<u>179,868</u>	<u>1,759,666</u>	<u>—</u>	<u>3,100,106</u>

Group

	Issued share capital RMB'000	Share premium account RMB'000 (Note 2)	Capital redemption reserves RMB'000 (Note 2)	Statutory reserves RMB'000 (Note 1, 2)	Retained profits RMB'000 (Note 2)	Proposed dividend RMB'000	Total RMB'000
Balance at 1 July 2005	601,753	545,992	1,590	236,859	1,786,887	314,230	3,487,311
Dividend paid — 2005 Interim	—	—	—	—	—	(314,230)	(314,230)
Transfer to statutory reserves	—	—	—	12,220	(12,220)	—	—
— subsidiaries	—	—	—	12,220	(12,220)	—	—
— associates	—	—	—	2,227	(2,227)	—	—
Net profit for the period	—	—	—	—	155,832	—	155,832
— subsidiaries	—	—	—	—	155,832	—	155,832
— associates	—	—	—	—	22,269	—	22,269
Balance at 30 September 2005	<u>601,753</u>	<u>545,992</u>	<u>1,590</u>	<u>251,306</u>	<u>1,950,541</u>	<u>—</u>	<u>3,351,182</u>
Balance at 1 January 2005	603,343	557,229	—	206,290	1,714,851	126,932	3,208,645
Dividend paid — 2004 Final	—	—	—	—	—	(126,932)	(126,932)
Proposed dividend — 2005 Interim	—	—	—	—	(314,230)	314,230	—
Dividend paid — 2005 Interim	—	—	—	—	—	(314,230)	(314,230)
Repurchases of shares	(1,590)	(11,237)	—	—	—	—	(12,827)
Transfer to capital redemption reserves	—	—	1,590	—	(1,590)	—	—
Transfer to statutory reserves	—	—	—	37,901	(37,901)	—	—
— subsidiaries	—	—	—	37,901	(37,901)	—	—
— associates	—	—	—	7,115	(7,115)	—	—
Net profit for the period	—	—	—	—	525,378	—	525,378
— subsidiaries	—	—	—	—	525,378	—	525,378
— associates	—	—	—	—	71,148	—	71,148
Balance at 30 September 2005	<u>601,753</u>	<u>545,992</u>	<u>1,590</u>	<u>251,306</u>	<u>1,950,541</u>	<u>—</u>	<u>3,351,182</u>
Represented by:							
Company and subsidiaries	601,753	545,992	1,590	242,007	1,866,854	—	3,258,196
Associates	—	—	—	9,299	83,687	—	92,986
As at 30 September 2005	<u>601,753</u>	<u>545,992</u>	<u>1,590</u>	<u>251,306</u>	<u>1,950,541</u>	<u>—</u>	<u>3,351,182</u>

Company

	Issued share capital <i>RMB'000</i>	Share premium account <i>RMB'000</i> <i>(Note 2)</i>	Capital redemption reserves <i>RMB'000</i> <i>(Note 2)</i>	Retained profits/ (Accumulated losses) <i>RMB'000</i> <i>(Note 2)</i>	Proposed dividend <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 July 2004	603,343	557,229	—	(96,533)	108,799	1,172,838
Dividend paid — 2004 Interim	—	—	—	—	(108,799)	(108,799)
Net profit for the period	—	—	—	112,825	—	112,825
Balance at 30 September 2004	<u>603,343</u>	<u>557,229</u>	<u>—</u>	<u>16,292</u>	<u>—</u>	<u>1,176,864</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)
Net profit for the period	—	—	—	216,525	—	216,525
Balance at 30 September 2004	<u>603,343</u>	<u>557,229</u>	<u>—</u>	<u>16,292</u>	<u>—</u>	<u>1,176,864</u>

Company

	Issued share capital <i>RMB'000</i>	Share premium account <i>RMB'000</i> <i>(Note 2)</i>	Capital redemption reserves <i>RMB'000</i> <i>(Note 2)</i>	Retained profits/ (Accumulated losses) <i>RMB'000</i> <i>(Note 2)</i>	Proposed dividend <i>RMB'000</i>	Total <i>RMB'000</i>
Balance at 1 July 2005	601,753	545,992	1,590	(295,615)	314,230	1,167,950
Dividend paid — 2005 Interim	—	—	—	—	(314,230)	(314,230)
Net profit for the period	—	—	—	327,142	—	327,142
Balance at 30 September 2005	<u>601,753</u>	<u>545,992</u>	<u>1,590</u>	<u>31,527</u>	<u>—</u>	<u>1,180,862</u>
Balance at 1 January 2005	603,343	557,229	—	(106,739)	126,932	1,180,765
Dividend paid — 2004 Final	—	—	—	—	(126,932)	(126,932)
Proposed dividend — 2005 Interim	—	—	—	(314,230)	314,230	—
Dividend paid — 2005 Interim	—	—	—	—	(314,230)	(314,230)
Repurchases of shares	(1,590)	(11,237)	—	—	—	(12,827)
Transfer to capital redemption reserves	—	—	1,590	(1,590)	—	—
Net profit for the period	—	—	—	454,086	—	454,086
Balance at 30 September 2005	<u>601,753</u>	<u>545,992</u>	<u>1,590</u>	<u>31,527</u>	<u>—</u>	<u>1,180,862</u>

Notes :

- In accordance with relevant PRC regulations, the Group's wholly owned subsidiaries: 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"), Dezhou Jinluo Meat Products Co., Ltd. ("Dezhou Jinluo") and Changchun Jinluo Meat Products Co., Ltd ("Changchun Jinluo"), being wholly foreign-owned enterprises established 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 30 September 2005, these consolidated reserve accounts comprised the consolidated reserves of approximately RMB2,749,429,000 (30 September 2004: approximately RMB2,496,763,000) in the consolidated balance sheet. As at 30 September 2005, these reserve accounts of the Company comprised the Company's reserves of approximately RMB579,109,000 (30 September 2004: approximately RMB573,521,000) 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 figures have neither been audited nor reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 financial statements for the three months and nine months period ended 30 September 2005 have been prepared in accordance with the accounting policies consistent with those adopted by the Group in its financial statements for the year ended 31 December 2004.

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.**

	Group			
	Unaudited Three months period ended 30.09.2005	Unaudited Three months period ended 30.09.2004	Unaudited Nine months period ended 30.09.2005	Unaudited Nine months period ended 30.09.2004

Earnings per ordinary share of the group:

(a) Based on weighted average number of ordinary shares on issue; and	RMB0.16	RMB0.13	RMB0.53	RMB0.45
(b) On a fully diluted basis	N/A	N/A	N/A	N/A

Basic earnings per share for the three months period ended 30 September 2005 are calculated based on the Group's net profit attributable to shareholders of approximately RMB178,101,000 (3Q 2004: approximately RMB146,106,000) divided by 1,130,324,723 ordinary shares of HK\$0.50 each (3Q 2004: 1,133,324,723 ordinary shares of HK\$0.50 each) in issue during the period.

Basic earnings per share for the nine months period ended 30 September 2005 are calculated based on the Group's net profit attributable to shareholders of approximately RMB596,526,000 (nine months period ended 30 September 2004: approximately RMB507,704,000) divided by the weighted average number of 1,132,017,031 ordinary shares of HK\$0.50 each (nine months period ended 30 September 2004: 1,133,324,723 ordinary shares of HK\$0.50 each) in issue during the period.

Diluted earnings per share for the three months and the nine months period ended 30 September 2005 and 2004 have not been calculated as no diluting events existed during these periods.

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	
	Unaudited 30.09.2005	Audited 31.12.2004	Unaudited 30.09.2005	Audited 31.12.2004
Net asset value per ordinary share based on issued share capital at the end of:	RMB2.96	RMB2.83	RMB1.04	RMB1.04

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, the Company 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 has announced in June 2005 the construction of a new production plant in Jiutai, Jinlin Province. This plant will have an annual pig slaughtering capacity of approximately 250,000 tonnes, chicken slaughtering capacity of approximately 90,000 tonnes, High Temperature Meat Products of approximately 30,000 tonnes, Low Temperature Meat Products of approximately 30,000 tonnes and Fresh Pork production capacity of approximately 100,000 tonnes per annum. The management expects the construction to be completed by the end of 2005.

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

3Q 2005 compared to 3Q 2004

The Group's revenue increased by 6.9% from RMB1.88 billion in 3Q FY2004 to RMB2.01 billion in 3Q FY2005. This increase was volume driven, due to improved contribution from its production plants in the quarter of the year under review.

High Temperature Meat Products ("HTMP")

Sales of HTMP increased substantially by 47.3%, from RMB429.7 million in 3Q FY2004 to RMB633.0 million in 3Q FY2005 and was mainly attributable 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 24.9% and 41.5% in 3Q FY2005 as compared to 3Q FY2004. Sales of Fresh Pork for the third quarter of FY2005 was RMB380.1 million as compared to RMB304.3 million in 3Q FY2004, whilst sales of LTMP was RMB176.8 million in 3Q FY2005 as compared to RMB125.0 million in the previous corresponding period, due to higher market demand.

Frozen Pork and Pig By-Products

Sales of Frozen Pork saw a decrease of 12.4% to RMB442.3 million in 3Q FY2005 as compared to RMB504.9 million in 3Q FY2004. Revenue contribution from Pig By-Products also saw a decline of 28.1% from RMB473.4 million in 3Q FY2004 to RMB340.4 million in 3Q FY2005. The fall was due to higher market demand for Fresh Pork and LTMP.

Gross Profit

3Q 2005 compared to 3Q 2004

Gross Profit reached RMB253.9 million in 3Q FY2005, a drop of 12.6% as compared to RMB290.5 million in corresponding period in 3Q FY2004.

The reduction in Gross Profit in 3Q FY2005 was due to a reallocation of depreciation charges of approximately RMB13 million to cost of sales and the adjustment in the selling price of products of RMB20 million to reflect self collection by bulk buyers.

A change in product mix of higher sales of HTMP with lower margins also affected Gross Profit.

Expenses

3Q 2005 compared to 3Q 2004

Selling and distribution costs decreased by 33.9% to RMB31.1 million in 3Q FY2005 from RMB47.1 million in 3Q FY2004 due to lower transportation cost. The change in distribution method in which most bulk buyers are responsible for collection of goods had reduced transportation cost of the Group. Administrative expenses were reduced to RMB20.1 million in 3Q FY2005, due partly to stringent cost controls and partly to lower depreciation charge attributable to administrative expenses following an amount of approximately RMB13 million charged to cost of sales, on a review of assets allocated for production purposes. Other operating expenses fell sharply due to a drop in provision for doubtful debts and research and development expenditure.

Tax

In accordance with the various approval documents issued by the State Tax Bureau and the Local Tax Bureau of the PRC, the Group's operating subsidiaries Linyi Xincheng, Linyi Minsheng, Daqing Jinluo, Tongliao Jinluo, Meishan Jinluo, Qiqihaer Jinluo, Dezhou Jinluo and Changchun Jinluo, being

wholly-owned subsidiaries of the Company, established as wholly foreign-owned enterprises (“WOFEs”) in the PRC and Linyi Shansong Biological Products Company Limited (“Linyi Shansong”), an associate of the Group, established as WOFEs in the PRC, are entitled to an exemption from the PRC state and local corporate income tax of 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 (“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 (2004: 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% of 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% of 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 commenced in the financial year ended 31 December 2003 under local jurisdiction and upon the expiry of two years’ tax exemption periods in the financial year ended 31 December 2004, Tongliao Jinluo, Meishan Jinluo and Xiangtan Jinluo are subject to the reduced tax rate of 18% for the three financial years from 1 January 2005 to 31 December 2007.

The two years’ tax exemption periods for Qiqihaer Jinluo commenced in the financial year ended 31 December 2004 under local jurisdiction.

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

The effective income tax rate of the Group for 3Q FY 2005 was approximately 20.9% as compared to 19.5% in 3Q FY 2004. The effective income tax rate of the Group for the first nine months of 2005 was approximately 19.2% as compared to 17.5% in the first nine months of 2004.

Share of profit of associates

Net profit of the Group’s associate company, Pine Agritech Limited (“Pine”) reached RMB60.6 million in 3Q FY2005. The Group’s share of profit from associates saw a contribution of RMB22.3 million in 3Q FY2005.

Net Profit

3Q 2005 compared to 3Q 2004

The Group’s net profit reached RMB178.1 million in 3Q FY2005, an increase of 21.9% as compared to RMB146.1 million in 3Q FY2004.

- (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.**

For FY2005, Management will continue its focus on sales and marketing efforts, purchase integration and the expansion of production scale and markets. The Group will continue to expand geographically in the PRC and to develop higher value products in order to maintain its margins.

At the same time, Management will monitor closely livestock related diseases and maintain strict quality control and quarantine procedures to minimise any potential effects on its production.

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) *Date payable*

Not applicable

- (d) *Books closure date*

Not applicable

12. **If no dividend has been declared/recommendeded, 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.

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

	Three months period ended 30.09.2005 RMB'000	% of total	Three months period ended 30.09.2004 RMB'000	% of total	% Change
Revenue					
Frozen Pork	442,356	22.0%	504,870	26.9%	-12.4%
Fresh Pork	380,087	18.9%	304,315	16.2%	24.9%
HTMP	633,031	31.5%	429,702	22.9%	47.3%
LTMP	176,831	8.8%	125,002	6.7%	41.5%
Pig By products	340,435	17.0%	473,389	25.2%	-28.1%
Frozen Chicken	<u>35,290</u>	1.8%	<u>40,464</u>	2.1%	-12.8%
	<u>2,008,030</u>	100.0%	<u>1,877,742</u>	100.0%	6.9%
Profit before tax and Share of profit of associates					
Frozen Pork	40,014	19.7%	41,839	23.1%	-4.4%
Fresh Pork	44,477	21.9%	44,284	24.4%	0.4%
HTMP	66,179	32.6%	39,675	21.9%	66.8%
LTMP	26,322	13.0%	17,726	9.8%	48.5%
Pig By products	24,792	12.2%	37,069	20.4%	-33.1%
Frozen Chicken	<u>1,097</u>	0.6%	<u>807</u>	0.4%	35.9%
	<u>202,881</u>	100.0%	<u>181,400</u>	100.0%	11.8%
	Nine months period ended 30.09.2005 RMB'000	% of total	Nine months period ended 30.09.2004 RMB'000	% of total	% Change
Revenue					
Frozen Pork	1,485,617	25.8%	1,293,977	25.1%	14.8%
Fresh Pork	1,109,977	19.3%	755,053	14.6%	47.0%
HTMP	1,558,664	27.1%	1,369,614	26.5%	13.8%
LTMP	464,693	8.1%	369,397	7.1%	25.8%
Pig By products	1,065,372	18.5%	1,310,524	25.4%	-18.7%
Frozen Chicken	<u>68,638</u>	1.2%	<u>68,548</u>	1.3%	0.1%
	<u>5,752,961</u>	100.0%	<u>5,167,113</u>	100.0%	11.3%

	Nine months period ended 30.09.2005 RMB'000	% of total	Nine months period ended 30.09.2004 RMB'000	% of total	% Change
Profit before tax, Share of profit of associates and Gain on deemed disposal of associates					
Frozen Pork	137,190	23.3%	113,859	18.5%	20.5%
Fresh Pork	127,617	21.7%	122,602	19.9%	4.1%
HTMP	164,343	27.9%	196,987	32.0%	-16.6%
LTMP	71,078	12.1%	66,344	10.8%	7.1%
Pig By products	85,998	14.6%	114,237	18.6%	-24.7%
Frozen Chicken	2,317	0.4%	1,669	0.2%	38.8%
	<u>588,543</u>	100.0%	<u>615,698</u>	100.0%	-4.4%

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.

Refer to Item (13) above

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*)

	Latest Full Year (RMB'000)	Previous Full Year (RMB'000)
Ordinary	314,230	235,731
Preference	0	0
Total:	314,230	235,731

BY ORDER OF THE BOARD
PEOPLE'S FOOD HOLDINGS LIMITED
MING KAM SING
CHAIRMAN

Hong Kong, 8 November 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 **China Daily**.*