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## YARDWAY GROUP LIMITED

啟帆集團有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 646)

### ANNOUNCEMENT

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

The Directors wish to inform the public that the Company is informed by Mr. Fong that he is in the process of the Negotiation with a potential purchaser for the sale of all or part of the Shares. **There is no assurance that the Negotiation will result in a disposal of any Shares by Mr Fong and the transaction may or may not materialise.** Further announcement will be made in accordance with the Listing Rules and the Takeovers Code should there be any development on the Negotiation as and when appropriate.

**Shareholders of the Company and potential investors in the Company are advised to exercise caution when dealing in the Shares.**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 2:30 p.m. on 12 June 2007 pending release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 June 2007.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")

The directors ("Directors") of Yardway Group Limited ("Company") wish to inform the public that the Company is informed by Mr. Fong Kit Wah, Alan ("Mr. Fong"), who is a controlling shareholder of the Company and an executive Director, that he is in the process of preliminary negotiation ("Negotiation") with a potential purchaser for the sale of all or part of the shares in the Company ("Shares"). As at the date of this announcement, Mr. Fong was interested in 133,732,000 Shares, representing about 47.43% of the total issued Shares. The Negotiation is still in preliminary stage. **There is no assurance that the Negotiation will result in a disposal of any Shares by Mr. Fong and the transaction may or may not materialise.** Further announcement will be made in accordance with the Listing Rules and the Codes on Takeover and Mergers ("Takeovers Code") should there be any development on the Negotiation as and when appropriate.

The Directors noted the increase in share price and the trading volume on 12 June 2007 of the Shares. The Directors wish to state that, save as disclosed above, they are not aware of any reasons for such increase.

The Directors also confirm that save as disclosed above, there are no negotiations or agreements relating to the intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules and that they are not 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.

As the date of this announcement, the Company's share capital comprises 281,986,000 Shares and 9,614,000 share options in issue. Save as disclosed herein, the Company has no other relevant securities (as defined in the Takeovers Code) in issue. The associates (as defined in the Takeover Code) of the Company should disclose their dealings in the securities of the Company in compliance with the Takeovers Code.

Stockbrokers, banks and others who deal in securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules in the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day periods is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates (as defined in the Takeovers Code) and other persons themselves to initiate disclosure of their own dealing, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive (as defined in the Takeovers Code) in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive (as defined in the Takeovers Code) with relevant information as to those dealing, including identities of clients, as part of that co-operation.

**Shareholders of the Company and potential investors in the Company are advised to exercise caution when dealing in the Shares.**

At the request of the Company, trading in the Shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") has been suspended with effect from 2:30 p.m. on 12 June 2007 pending release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:30 a.m. on 13 June 2007.

*As at the date of this announcement, the executive Directors are Mr. Fong Kit Wah, Alan, Mr. Rourke James Grierson, Ms. Cheung Miu Sin; the non executive Director is Mr. Yin Jie and the independent non-executive Directors are Mr. Wong Man Chung, Francis, Ms. Fung Siu Wan, Stella and Mr. Chan Ting Kwong.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.*

By order of the board of directors of  
Yardway Group Limited  
Fong Kit Wah, Alan  
Executive Director