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(incorporated in the Cayman Islands with limited liability) (the "Company") Stock Code : 646

ANNOUNCEMENT IN PURSUANCE OF RULES 13.13 and 13.15 OF THE LISTING RULES

The Directors announce the details of trading receivables from a customer pursuant to Rules 13.13 and 13.15 of the Listing Rules. As at the date of this announcement, such trading receivables amounted to US\$788,580 (equivalent to approximately HK\$6,150,924).

The following disclosure is made by Yardway Group Limited (the "**Company**") in compliance with the disclosure requirements under Rules 13.13 and 13.15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

As at the date of this announcement, the Company and its subsidiaries (the "Group") had trading receivables ("Receivables") for sales of a self contained mobile welding machine ("Machine") due from a customer namely, China Construction Import & Export Corp. ("CCIEC"). The amount of the Receivables is approximately US\$788,580 (equivalent to approximately HK\$6,150,924 and to 90% of the contract value of the Machine). As at the date of this announcement, there are 280,000,000 shares of the Company in issue. Based on the average closing price of the Company's shares of HK\$0.158 as stated in the Stock Exchange's daily quotation sheets for the trading days from 10 November 2004 to 16 November 2004 (both days inclusive), being the five business days immediately preceding the date of this announcement, the total market capitalisation of the Company as at the date of this announcement. Accordingly, the Receivables amounted to approximately 13.90% of the total market capitalisation of the Company as at the date of this announcement, the Company as at the date of this announcement. As the Receivables exceed 8% of the total market capitalisation of the Company as at the date of this announcement according to Rules 13.13 and 13.15 of the Listing Rules.

CCIEC is an independent third party not connected to the directors, chief executive or substantial shareholders of the Company, or their respective subsidiaries or associates, as defined in the Listing Rules. The Receivables are unsecured and interest free and primarily arose from sales to CCIEC transacted during the financial year ended 31 March 2005. Approximately 89% of the Receivables are agreed to be settled by way of irrevocable letter of credit drawn at sight which will be settled upon the fulfillment of various conditions, including but not limited to the issue of bill of lading and relevant invoice, packing list, quality and quantity certificate issued by manufacturers, etc. and the remaining approximately 11% of the Receivables will be settled by way of cash after the issue of certificate of final acceptance of the Machine and the date of which are not determined yet.

The Company will fulfill the continuing disclosure obligation under Rule 13.20 of the Listing Rules so long as circumstances giving rise to such disclosure obligation continue to exist at its interim period end or year end. The board of directors ("**Directors**") of the Company confirms that, save as disclosed above, the Company does not have other disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules as at the date of this announcement.

List of all Directors of the Company as at the date of this announcement

Executive Directors: Mr. Fong Kit Wah, Alan Mr. Rourke James Grierson Ms. Cheung Miu Sin Independent non-executive Directors: Mr. Wong Man Chung, Francis Mr. Chan Ting Kwong Ms. Fung Siu Wan, Stella Non-executive Director:

Mr. Yin Jie

By Order of the Board Fong Kit Wah Alan Chairman

Hong Kong, 17 November 2004

The Directors of the Company jointly and severally accept full responsibility of the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge and belief, 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 statement in this announcement misleading.