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**SEWCO INTERNATIONAL
HOLDINGS LIMITED**
崇高國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 209)

(Warrant Code: 134)

**DISCLOSURE OF TRADE RECEIVABLES PURSUANT TO
RULES 13.13, 13.14 AND 13.15 OF THE LISTING RULES**

**TRADE RECEIVABLES AS AT 6 MAY 2004 AND 12 MAY 2004 – RULE 13.13
AND RULE 13.15 OF THE LISTING RULES**

On 6 May 2004, the TMSW Trade Receivables exceeded 8% of the Market Capitalisation on 6 May 2004 and on 12 May 2004, the Mattel Trade Receivables exceeded 8% of the Market Capitalisation on 12 May 2004. Pursuant to Rule 13.13 of the Listing Rules, the Company was required to disclose details of such TMSW Trade Receivables and Mattel Trade Receivables in accordance with Rule 13.15 of the Listing Rules.

**INCREASES IN TRADE RECEIVABLES – RULE 13.14 AND RULE 13.15 OF
THE LISTING RULES**

During the period from 14 May 2004 to 4 February 2005, one of the Percentage Ratios of the TMSW Trade Receivables and the Mattel Trade Receivables increased more than 3% which, on various dates, gave rise to the disclosure obligations on the part of the Company under Rule 13.14 and Rule 13.15 of the Listing Rules.

However, as the Directors misinterpreted that trade receivables do not constitute advances to entity under the Listing Rules and therefore the Company failed to release announcements in relation to the TMSW Trade Receivables and the Mattel Trade Receivables in a timely manner.

The Stock Exchange reserves its rights to take appropriate action against the Company and/or the Directors.

TRADE RECEIVABLES AS AT 6 MAY 2004 AND 12 MAY 2004 – RULE 13.13 AND RULE 13.15 OF THE LISTING RULES

Pursuant to the requirements under Rule 13.13 and Rule 13.15 of the Listing Rules, where any of the Percentage Ratios of the relevant advance to an entity exceeds 8%, a general disclosure obligation for the Company will arise.

As at 6 May 2004, the TMSW Trade Receivables, in aggregate amounted to HK\$19,852,866.07, represented approximately 9.43% of the Market Capitalisation (being HK\$210,560,940) on 6 May 2004. Pursuant to Rule 13.13 of the Listing Rules, the Company was required to disclose details of such TMSW Trade Receivables in accordance with Rule 13.15 of the Listing Rules.

As at 12 May 2004, the Mattel Trade Receivables, in aggregate amounted to HK\$16,001,214.39, represented approximately 8.15% of the Market Capitalisation (being HK\$196,224,876) on 12 May 2004. Pursuant to Rule 13.13 of the Listing Rules, the Company was required to disclose details of such Mattel Trade Receivables in accordance with Rule 13.15 of the Listing Rules.

INCREASES IN TRADE RECEIVABLES – RULE 13.14 AND RULE 13.15 OF THE LISTING RULES

Pursuant to the requirements under Rule 13.14 and Rule 13.15 of the Listing Rules, where any of the Percentage Ratios of the relevant advance to an entity increases from that previously disclosed under Rules 13.13, 13.14 or 13.20 of the Listing Rules by 3% or more, a general disclosure obligation for the Company will arise.

Increases of the TMSW Trade Receivables

As at 14 May 2004, the TMSW Trade Receivables increased to HK\$23,882,971.71, represented approximately 12.63% of the Market Capitalisation (being HK\$189,056,844) on 14 May 2004 which has been increased for more than 3% compared with that as at 6 May 2004.

As at 23 August 2004, the TMSW Trade Receivables increased to HK\$26,311,933.77, represented approximately 22.76% of the Market Capitalisation (being HK\$115,584,516) on 23 August 2004 which has been increased for more than 3% compared with that as at 14 May 2004.

As at 1 September 2004, the TMSW Trade Receivables increased to HK\$31,713,340.93, represented approximately 26.41% of the Market Capitalisation (being HK\$120,064,536) on 1 September 2004 which has been increased for more than 3% compared with that as at 23 August 2004.

As at 4 February 2005, the TMSW Trade Receivables amounted to HK\$20,673,484.08, represented approximately 12.02% of the Market Capitalisation (being HK\$172,032,768) on 4 February 2005 which has been increased for more than 3% compared with the TMSW Trade Receivables as at 31 December 2004, being HK\$12,055,462.64 which has been included in the annual report of the Company for the financial year ended 31 December 2004.

As at 15 April 2005, being the latest practicable date for the Company to ascertain the information contained in this announcement, the TMSW Trade Receivables amounted to HK\$11,108,442.00, represented approximately 6.97% of the Market Capitalisation (being HK\$159,488,712) on 15 April 2005.

Increases of the Mattel Trade Receivables

As to the Mattel Trade Receivables, as at 9 June 2004, the Mattel Trade Receivables increased to HK\$19,777,080.07, represented approximately 11.80% of the Market Capitalisation (being HK\$167,552,748) on 9 June 2004 which has been increased for more than 3% compared with that as at 12 May 2004.

As at 23 June 2004, the Mattel Trade Receivables increased to HK\$27,990,523.58, represented approximately 16.36% of the Market Capitalisation (being HK\$171,136,764) on 23 June 2004 which has been increased for more than 3% compared with that as at 9 June 2004.

As at 29 June 2004, the Mattel Trade Receivables increased to HK\$33,078,838.86, represented approximately 19.96% of the Market Capitalisation (being HK\$165,760,740) on 29 June 2004 which has been increased for more than 3% compared with that as at 23 June 2004.

As at 13 July 2004, the Mattel Trade Receivables increased to HK\$39,169,916.25, represented approximately 23.82% of the Market Capitalisation (being HK\$164,416,734) on 13 July 2004 which has been increased for more than 3% compared with that as at 29 June 2004.

As at 16 July 2004, the Mattel Trade Receivables increased to HK\$41,208,716.21, represented approximately 27.62% of the Market Capitalisation (being HK\$149,184,666) on 16 July 2004 which has been increased for more than 3% compared with that as at 13 July 2004.

As at 26 July 2004, the Mattel Trade Receivables increased to HK\$41,394,324.24, represented approximately 30.80% of the Market Capitalisation (being HK\$134,400,600) on 26 July 2004 which has been increased for more than 3% compared with that as at 16 July 2004.

As at 30 July 2004, the Mattel Trade Receivables increased to HK\$44,506,775.20, represented approximately 33.91% of the Market Capitalisation (being HK\$131,264,586) on 30 July 2004 which has been increased for more than 3% compared with that as at 26 July 2004.

As at 15 April 2005, being the latest practicable date for the Company to ascertain the information contained in this announcement, the Mattel Trade Receivables amounted to HK\$32,184,786.34, represented approximately 20.18% of the Market Capitalisation (being HK\$159,488,712) on 15 April 2005.

All of the above increases in the Percentage Ratio of the TMSW Trade Receivables and Mattel Trade Receivables gave rise to the various disclosure obligations on the part of the Company under Rule 13.14 and Rule 13.15 of the Listing Rules on various dates during the period from 14 May 2004 to 4 February 2005.

INTERPRETATION OF RULES 13.13, 13.14 AND 13.15 OF THE LISTING RULES

As the Directors misinterpreted that the nature of interest-free and unsecured trade receivables is different from that of advances to entity stipulated under the Listing Rules, the Directors therefore considered that the TMSW Trade Receivables and the Mattel Trade Receivables did not constitute advances to entity under Chapter 13 of the Listing Rules. Under this misapprehension of the nature of trade receivables, the Company failed to release announcements in relation to the TMSW Trade Receivables and the Mattel Trade Receivables in a timely manner.

In or about mid of April 2005, the Directors became aware of their misapprehension as to the Listing Rules after consultation with auditors who were in the course of preparation of the annual report for the financial year ended 31 December 2004.

In order to prevent the reoccurrence of similar incident, in the event that the Directors have doubts as to the interpretation of the Listing Rules, the Directors will consult the professional parties so as to ensure that their apprehension of the Listing Rules are correct.

Save as disclosed above, as at the date of this announcement, the Company does not have any other disclosure obligations under Rules 13.13, 13.14 and 13.15 of the Listing Rules.

The Company will ensure its due compliance with the continuing disclosure obligations under Rule 13.20 of the Listing Rules in its subsequent interim and annual reports.

GENERAL

The principal activities of the Group are manufacture and sale of a wide range of hard toys and stuffed toys on an OEM basis.

The Mattel Trade Receivables and TMSW Trade Receivables comprised account receivables arose from the sales of goods to these two customers of the Group in its ordinary course of business. The relevant trade receivables are interest-free, unsecured and with credit terms ranging from 14 to 60 days.

The Stock Exchange reserves its rights to take appropriate action against the Company and/or the Directors.

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”	has the meaning as ascribed to it under the Listing Rules
“Company”	Sewco International Holdings Limited, a company incorporated in Bermuda, the shares and warrants of which are listed on the main board of the Stock Exchange
“Director(s)”	Director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Market Capitalisation”	the market capitalisation of the Company as at the relevant date (the “Relevant Date”) as mentioned in this announcement the calculation of which is based on the total number of Shares in issue on the Relevant Date and the average closing price of the Share as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the Relevant Date, being the date of the relevant trade receivable owed to the Group
“Mattel”	Mattel Asia Pacific Sourcing Limited, an independent third party not connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or associates of any of them or where the context requires, its group of companies as a whole
“Mattel Trade Receivables”	the trade receivables owed by Mattel to the Group in the ordinary course of business of the Group
“Percentage Ratios”	has the same meaning ascribed to it under Rule 14.07 of the Listing Rules
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TMSW”	The Marketing Store Worldwide (Asia) Limited, an independent third party not connected with any director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or associates of any of them or where the context requires, its group of companies as a whole
“TMSW Trade Receivables”	the trade receivables owed by TMSW to the Group in the ordinary course of business of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

As at the date of this announcement, Mr Cheung Po Lun, Ms Cheung Man, Catherine, Mr Hui Kwok Chu and Mr Kung Ka Pang are the executive directors of the Company and Mr Yeung Po Chin, Mr Wong Yam Fung and Mr Lam Yu Lung are the independent non-executive directors of the Company.

By Order of the Board
Sewco International Holdings Limited
Cheung Po Lun
Chairman of the Board

Hong Kong, 4 May 2005

* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.