

Please also refer to the published version of this announcement in the Hong Kong iMail.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SOUTH EAST ASIA WOOD INDUSTRIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(website: <http://www.seawood.com.hk>)

ANNOUNCEMENT CONSOLIDATION OF SHARES

The board of directors of South East Asia Wood Industries Holdings Limited (the "Company") announces that it intends to put forward a proposal to shareholders for the consolidation of the Company's shares (the "**Consolidation**").

It is proposed that subject to approval being obtained from the Company's shareholders at a special general meeting ("**SGM**") and the Stock Exchange of Hong Kong Limited, every five issued and unissued shares of HK\$0.01 each in the capital of the Company ("**Existing Shares**") will be consolidated into one share of HK\$0.05 each ("**Consolidated Share**").

The directors of the Company believe that the Consolidation will attract more interests from institutional investors and will result in a reduction of overall transaction costs for dealing in Consolidated Shares.

A circular containing details of the Consolidation (including details of the expected timetable, trading arrangements and the free exchange of share certificates) and notice of the SGM will be despatched to shareholders of the Company as soon as possible.

Please also refer to the published version of this announcement in the Hong Kong iMail.

INTRODUCTION

The board of directors of South East Asia Wood Industries Holdings Limited (the “**Company**”) announces that it intends to put forward a proposal to shareholders for the consolidation of the Company's shares (the “**Consolidation**”).

Please also refer to the published version of this announcement in the Hong Kong iMail.

THE CONSOLIDATION

It is proposed that subject to the conditions set out below, every five issued and unissued shares of HK\$0.01 each in the capital of the Company (“**Existing Shares**”) will be consolidated into one share of HK\$0.05 each (“**Consolidated Share**”). Under the Consolidation, every five issued Existing Shares registered in the name of each shareholder on the register of members of the Company on the opening of business on the date the Consolidation becomes effective will constitute one Consolidated Share. Any fraction of Consolidated Shares that arise from the Consolidation will be aggregated and sold for the benefit of the Company. The Consolidated Shares will rank pari passu in all respects with each other. The Consolidated Shares will be traded in board lots of 2,000 Consolidated Shares.

Please also refer to the published version of this announcement in the Hong Kong iMail.

CONDITIONS OF THE CONSOLIDATION

The Consolidation is conditional upon:-

- (a) the passing at a special general meeting of the Company (“**SGM**”) of an ordinary resolution approving the Consolidation; and
- (b) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting a listing of and permission to deal in the Consolidated Shares.

Application will be made to the Listing Committee of the Stock Exchange for listing and permission to deal in the Consolidated Shares in issue as a result of the Consolidation.

A further announcement will be made by the Company on the day the Consolidation becomes effective which will contain details of the expected timetable, trading arrangements and the free exchange of share certificates.

Please also refer to the published version of this announcement in the Hong Kong iMail.

RECOMMENDATION

The directors of the Company believe that the Consolidation will attract more interests from institutional investors and will result in a reduction of overall transaction costs for dealing in Consolidated Shares. The directors of the Company recommend that shareholders vote in favour of the ordinary resolution to implement the Consolidation at the forthcoming SGM.

Please also refer to the published version of this announcement in the Hong Kong iMail.

SHAREHOLDERS CIRCULAR

A circular containing details of the Consolidation (including details of the expected timetable, trading arrangements and the free exchange of share certificates) and notice of the SGM will be despatched to shareholders of the Company as soon as possible.

By order of the Board
**South East Asia Wood
Industries Holdings Limited**
Peter Kwok Viem
Chairman
Hong Kong, 5 June 2001