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SOUTH EAST ASIA WOOD INDUSTRIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: <http://www.seawood.com.hk>

CONVERSION OF CONVERTIBLE LOAN NOTES

Keentech Group Limited converted the outstanding principal amount of HK\$1,000 million of the Convertible Loan Notes by 25 June 2002 into 1,176,470,588 Shares at the conversion price of HK\$0.85 per Conversion Share. The Conversion Shares rank pari passu and carry the same rights and privileges in all respects as other Shares in issue.

At the request of the Company, trading in the Shares in the Stock Exchange was suspended from 9:30 a.m. on 17 June 2002 as the Company entered into certain agreements in connection with the Proposed Investment on that date which have implications for the Company under Chapter 14 of the Listing Rules. A further announcement will be made on this matter by the Company shortly and the Shares will remain suspended meanwhile.

INTRODUCTION

Reference is made to the announcements (the "Announcements") dated 27 November 2001, 17 December 2001, 5 January 2002 and 22 January 2002 by the Company. Terms and expressions defined in the Announcements shall, unless the context otherwise requires, have the same meaning when used in this announcement.

CONVERSION

On 30 May 2002, China International Trust and Investment Corporation, the parent of Keentech Group Limited, undertook to the Company to procure the conversion of the Convertible Loan Notes within 45 days of the undertaking. Completion of the subscription and issue of the Convertible Loan Notes which were issued pursuant to the Subscription Agreement took place on 25 January 2002.

The Company wishes to announce that Keentech Group Limited converted the outstanding principal amount of HK\$1,000 million of the Convertible Loan Notes by 25 June 2002 into 1,176,470,588 Shares (the "Full Conversion") at the Conversion Price of HK\$0.85 per Conversion Share. The Conversion Shares rank pari passu and carry the same rights and privileges in all respects as other Shares in issue and the share certificates in respect of such Shares have been duly delivered to Keentech Group Limited.

SHAREHOLDING STRUCTURE

As at 25 June 2002 there were a total of 3,296,470,588 Shares in issue. After the Full Conversion, Keentech Group Limited and parties acting in concert with it hold a total of 1,360,180,588 Shares representing 41.26% of the total number of issued Shares.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares in the Stock Exchange was suspended from 9:30 a.m. on 17 June 2002 as the Company entered into certain agreements in connection with the Proposed Investment on that date which have implications for the Company under Chapter 14 of the Listing Rules. A further announcement will be made on this matter by the Company shortly and the Shares will remain suspended meanwhile.

By Order of the Board
South East Asia Wood Industries Holdings Limited
Peter Kwok Viem
Chairman

Hong Kong, 29 July 2002

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than information relating to Keentech Group Limited) and confirm, having made all reasonable inquiries, that to the best of their knowledge, 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.

The directors of Keentech Group Limited jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than information relating to the Company) and confirm, having made all reasonable inquiries, that to the best of their knowledge, 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.