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SOUTH EAST ASIA WOOD INDUSTRIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website : www.seawood.com.hk

WAIVER FROM PUBLIC FLOAT REQUIREMENT

The public float of the Company is below 25% of the issued share capital of the Company. The Stock Exchange has granted the Company a further waiver until 30 November 2002 from strict compliance with the minimum 25% public float requirement.

Should compliance with Rule 8.08 not be achieved by 30 November 2002, the Company will make an application for a further waiver to the Stock Exchange however the waiver may or may not be granted. **Shareholders of the Company and investors are advised to exercise caution when dealing in the Shares.**

As previously announced by South East Asia Wood Industries Holdings Limited (the "Company") in its announcements dated 31 July 2002, 14 August 2002 and 27 September 2002, the number of shares of HK\$0.05 each of the Company (the "Shares") held by the public has since 25 June 2002 been less than 25% of the issued share capital of the Company as a result of the conversion of HK\$1,000 million floating rate convertible loan notes by Keentech Group Limited ("Keentech"). The temporary waiver from the public float requirement of Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") previously granted to the Company by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") expires on 31 October 2002.

Since the granting of the waiver, the Company has discussed the position of its public float regularly with its financial advisers. However, due to the continued poor conditions that still overhang the market and with poor sentiment continuing to affect the market, the Company has still not been able to take any appropriate action that would have been in the interests of the Company and its shareholders to restore its public float to at least 25% of the issued share capital of the Company. Shareholders are advised that the Company has obtained from the Stock Exchange a further waiver from strict compliance with the minimum 25% public float requirement set out in Rule 8.08 of the Listing Rules until 30 November 2002.

Each of the Company and its two largest shareholders, United Star International Inc. and Keentech, which are holding approximately 43.68% and 41.26% respectively of the issued share capital of the Company, has undertaken to the Stock Exchange to use its best commercial efforts to ensure that the number of Shares held by the public shall satisfy the requirements of Rule 8.08 of the Listing Rules by 30 November 2002.

Should compliance with Rule 8.08 not be achieved by 30 November 2002, the Company will make an application for a further waiver to the Stock Exchange however the waiver may or may not be granted.

The Stock Exchange has stated that it will closely monitor trading and price movement in the Shares. A further announcement will be made upon the restoration of the public float or the lapse of the requested waiver.

If the Stock Exchange believes that:

- (a) a false market exists or may exist in the Shares; or**
- (b) there are too few Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend trading in the Shares.

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

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