

To the members

**South East Asia Wood Industries
Holdings Limited**

(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 29 to 76 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of directors
and auditors**

The Company's directors are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

致：東南亞木業集團有限公司
(於百慕達註冊成立之有限公司)
列位股東

吾等已審核列載於第29頁至第76頁按照香港公認會計原則編製之財務報表。

董事及核數師各自之責任

貴公司董事須負責編製真實與公平之財務報表。在編製真實與公平之財務報表時，最基本的是選擇及貫徹採用合適之會計政策。吾等之責任乃根據所審核之結果，對該等財務報表作出獨立意見，並向股東報告。

意見之基準

吾等按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重要估計和判斷、所釐定之會計政策是否適合 貴公司及 貴集團之具體狀況，及有否貫徹採用及適當地被披露。

吾等於策劃及進行審核工作時，均以取得一切吾等認為必須之資料及解釋為目標，使吾等能獲得充份憑證，就該等財務報表是否存有重要錯誤陳述，作合理之確定。在形成吾等之意見時，吾等亦曾評估財務報表所呈列之資料是否全面充裕。吾等深信，吾等之審核為吾等之意見提供了合理基礎。

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2001 and of the loss and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young

Certified Public Accountants

Hong Kong
12 April 2002

意見

吾等認為，財務報表真實與公平地反映貴公司及貴集團截至二零零一年十二月三十一日之財政狀況，以及貴集團於已結束年度之虧損和現金流動情況，並已按照香港公司條例有關披露規定適當編製。

安永會計師事務所
香港執業會計師

香港
二零零二年四月十二日