

COURT OF APPEAL FOR ONTARIO

**IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF SINO-FOREST CORPORATION**

Applicant

**APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**APPEAL BOOK AND COMPENDIUM OF ERNST & YOUNG LLP
VOLUME 1 OF 2**

October 26, 2012

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)

Tel: (416) 865-2921

Fax: (416) 865-3558

Email: pgriffin@litigate.com

Peter J. Osborne (33420C)

Tel: (416) 865-3094

Fax: (416) 865-3974

Email: posborne@litigate.com

Shara N. Roy (49950H)

Tel: (416) 865-2942

Fax: (416) 865-3973

Email: sroy@litigate.com

Lawyers for the Appellant,
Ernst & Young LLP

TO: **THE SERVICE LIST**

Court of Appeal File No. M41655
Court File No. CV-12-9667-00CL

COURT OF APPEAL FOR ONTARIO

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SINO-FOREST CORPORATION**

**APPLICATION UNDER THE COMPANIES CREDITORS'
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

SERVICE LIST

TO:	<p>BENNETT JONES LLP 3400 - One First Canadian Place PO Box 130 Toronto, ON M5X 1A4</p> <p>Robert W. Staley Tel: (416) 777-4857 Fax (416) 863-1716 Email: staleyr@bennettjones.com</p> <p>Kevin Zych Tel: (416) 777-5738 Email: zychk@bennettjones.com</p> <p>Derek J. Bell Tel: (416) 777-4638 Email: belld@bennettjones.com</p> <p>Raj S. Sahni Tel: (416) 777-4804 Email: sahnir@bennettjones.com</p> <p>Jonathan Bell Tel: (416) 777-6511 Email: bellj@bennettjones.com</p> <p>Sean Zweig Tel: (416) 777-6254 Email: zweigs@bennettjones.com</p> <p>Lawyers for the Applicant, Sino-Forest Corporation</p>
------------	---

AND TO:	<p>GOWLING LAFLEUR HENDERSON LLP 1 First Canadian Place 1600-100 King St W Toronto, ON M5X 1G5</p> <p>Derrick Tay Tel: (416) 369-7330 Fax: (416) 862-7661 Email: derrick.tay@gowlings.com</p> <p>Clifton Prophet Tel: (416) 862-3509 Email: Clifton.prophet@gowlings.com</p> <p>Jennifer Stam Tel: (416) 862-5697 Email: Jennifer.stam@gowlings.com</p> <p>Jason McMurtrie Tel: (416) 862-5627 Email: Jason.mcmurtrie@gowlings.com</p> <p>Lawyers for the Monitor</p>
AND TO:	<p>LENCZNER SLAGHT ROYCE SMITH GRIFFIN LLP Barristers 2600 - 130 Adelaide St. W. Toronto, ON M5H 3P5</p> <p>Peter H. Griffin Tel: (416) 865-2921 Fax: (416) 865-3558 Email: pgriffin@litigate.com</p> <p>Peter Osborne Tel: (416) 865-3094 Fax: (416) 865-2869 Email: posborne@litigate.com</p> <p>Linda L. Fuerst Tel: (416) 865-3091 Fax: (416) 865-2869 Email: lfuerst@litigate.com</p> <p>Shara Roy Tel: (416) 865-2942 Email: sroy@litigate.com</p> <p>Main (416) 865-9500 Main Fax: (416) 865-9010</p> <p>Lawyers for the Defendant, Ernst & Young LLP</p>

AND TO:	<p>GOODMANS LLP 3400 - 333 Bay St. Toronto, ON M5H 2S7</p> <p>Benjamin Zarnett Tel: (416) 597-4204 Fax: (416) 979-1234 Email: bzarnett@goodmans.ca</p> <p>Robert Chadwick Tel: (416) 597-4285 Email: rchadwick@goodmans.ca</p> <p>Caroline Descours Tel: (416) 597-6275 Email: cdescours@goodmans.ca</p> <p>Brendan O'Neill Tel: (416) 979-2211 Email: boneill@goodmans.ca</p> <p>Lawyers for Ad Hoc Committee of Bondholders</p>
AND TO:	<p>SISKINDS LLP 680 Waterloo St. PO Box 2520 London, ON N6A 3V8</p> <p>Charles M. Wright Tel: (519) 660-7753 Fax: (519) 660-7845 Email: charles.wright@siskinds.com</p> <p>A. Dimitri Lascaris Tel: (519) 660-7844 Fax: (519) 660-7845 Email: dimitri.lascaris@siskinds.com</p> <p>Main Tel: (519) 672-2121 Main Fax: (519) 672-6065</p> <p>Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including Representatives Plaintiffs in the Ontario Class Action against the Applicant</p>

AND TO:	<p>KOSKIE MINSKY LLP 900 – 20 Queen St W Box 52 Toronto, ON M5H 3R3</p> <p>Kirk M. Baert Tel: (416) 595-2117 Fax: (416) 204-2889 Email: kbaert@kmlaw.ca</p> <p>Jonathan Ptzk Tel: (416) 595-2149 Fax: (416) 204-2903 Email: jptak@kmlaw.ca</p> <p>Jonathan Bida Tel: (416) 595-2072 Fax: (416) 204-2907 Email: jbida@kmlaw.ca</p> <p>Main Tel: (416) 977-8353 Main Fax: (416) 977-3316</p> <p>Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action against the Applicant</p>
AND TO:	<p>PALIARE ROLAND ROSENBERG ROTHSTEIN LLP 501-250 University Ave Toronto, ON M5H 3E5</p> <p>Ken Rosenberg Tel: (416) 646-4304 Fax: (416) 646-4301 Email: ken.rosenberg@palaireroland.com</p> <p>Massimo (Max) Starnino Tel: (416) 646-7431 Email: max.starnino@palaireroland.com</p> <p>Lawyers for an Ad Hoc Committee of Purchasers of the Applicant's Securities, including the Representative Plaintiffs in the Ontario Class Action against the Applicant</p>

AND TO:	<p>TORYS LLP 3000 - 79 Wellington St. W. Box 270, TD Centre Toronto, ON M5K 1N2</p> <p>John Fabello Tel: (416) 865-8228 Fax: (416) 865-7380 Email: jfabello@torys.com</p> <p>David Bish Tel: (416) 865-7353 Fax: (416) 865-7380 Email: dbish@torys.com</p> <p>Andrew Gray Tel: (416) 865-7630 Fax: (416) 865-7380 Email: agray@torys.com</p> <p>Main Tel: 416.865.0040 Main Fax: 416.865.7380</p> <p>Lawyers for the Underwriters named in Class Actions</p>
AND TO:	<p>AFFLECK GREENE McMURTRY LLP Barristers & Solicitors 200 - 365 Bay St. Toronto, ON M5H 2V1</p> <p>Peter R. Greene Tel: (416) 360-8767 Email: pgreene@agmlawyers.com</p> <p>Kenneth A. Dekker Tel: (416) 360-6902 Email: kdekker@agmlawyers.com</p> <p>Michelle E. Booth Tel: (416) 360-1175 Email: mbooth@agmlawyers.com Fax: (416) 360-5960</p> <p>Lawyers for BDO Limited</p>

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.c. 1985, C.c-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

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Court of Appeal File No. M41654
Superior Court File No.: CV-12-9667-00-CL

COURT OF APPEAL FOR ONTARIO

**IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
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Applicant

**APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

NOTICE OF APPEAL OF ERNST & YOUNG LLP

THE APPELLANT, ERNST & YOUNG LLP (“E&Y”), APPEALS to the Court of Appeal from the Order of the Honourable Justice Morawetz dated July 27, 2012 made at Toronto, Ontario.

THE APPELLANT ASKS that the Order appealed from be set aside and an order be granted as follows:

1. An Order abridging the time for service and filing of this Notice of Appeal, Factum, Appeal Book and Compendium and other materials required to perfect this appeal, validating service by email (in accordance with the practice of the Ontario Superior Court of Justice (Commercial List) and the Order of Justice Morawetz dated March 30, 2012) and dispensing with any further service, such that the appeal is properly returnable on a date to be fixed by the Registrar;

2. An Order:
 - (a) dismissing the Equity Claims Motion (as defined below) brought by Sino-Forest Corporation (“SFC”);
 - (b) finding that the claims of E&Y against SFC are not “equity claims” within the definition of section 2 of the *Companies Creditors’ Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“CCAA”);
 - (c) finding that the claims of E&Y against SFC are “unsecured creditor” claims within the definition of section 2 of the CCAA; and
 - (d) directing that the claims of E&Y against SFC must be dealt with and valued in accordance with the claims process set out in the Claims Procedure Order (as defined below);
3. An Order that this appeal be heard with the appeals in Court File Nos. M41655 and M41656;
4. An Order granting E&Y its costs of the appeal and the motion appealed from; and
5. Such further and other relief as the lawyers for the Appellant may request and this Honourable Court may permit.

THE GROUNDS OF APPEAL are as follows:

1. On March 30, 2012, SFC sought and was granted by order of the Ontario Superior Court of Justice protection from its creditors pursuant to the CCAA;
2. SFC and a number of other parties including E&Y (the appellant) are defendants in three proposed uncertified class actions brought and currently pending in Ontario, Quebec and the Southern District of New York respectively (the "Class Actions"). The various proposed representative plaintiffs seek damages on behalf of proposed classes made up of past and present shareholders (equity holders) and noteholders (debtholders) of SFC;
3. E&Y was the auditor of SFC, *inter alia*, from 2003 to 2004 and from 2007 until it resigned on April 4, 2012. The Class Actions seek damages in connection with certain alleged misrepresentations in the public disclosure of SFC;
4. On May 14, 2012, the Applicant SFC sought and was granted relief in the CCAA proceedings in the form of a "Claims Procedure Order", which established a procedure for the identification and determination of all claims against the Applicant SFC, its directors and officers and the subsidiaries of SFC. The Claims Procedure Order purported to establish a procedure, *inter alia*, to identify (and address any dispute in respect of) whether a claim is or is not an "equity claim" as defined in the CCAA (the "Claims Process");
5. E&Y, among other creditors, filed proofs of claim in the CCAA proceedings pursuant to the Claims Procedure Order on June 20, 2012, the claims bar date (the "Proofs of Claim"). E&Y's Proofs of Claim included claims for damages for breach of contract, negligent

misrepresentation, fraudulent misrepresentation, inducing breach of contract, injury to reputation, vicarious liability and for contribution and indemnity (contractual, statutory and common law) from SFC and its directors and officers, in respect of the Class Actions and other pending or threatened proceedings. As required under the Claims Procedure Order, E&Y's Proofs of Claim also provided detailed descriptions and support for its claims against the subsidiaries of SFC, who are not Applicants in the CCAA proceeding;

6. Prior to the filing of the Proofs of Claim and in any event prior to any determination of those Proofs of Claim in accordance with the Claims Procedure Order, SFC, supported by the Monitor, brought a motion (by way of Notice of Motion dated June 8, 2012 and seeking a hearing date of June 15, 2012) for the pre-determination of whether or not the anticipated claims of shareholders and certain anticipated claims for contribution and indemnity in respect of claims by shareholders, including the anticipated claim of E&Y, were "equity claims" within the meaning of the CCAA (the "Equity Claims Motion"). The Equity Claims Motion addressed only claims against SFC itself, and not claims against the subsidiaries of SFC, as specifically confirmed by counsel to the Applicant in oral argument;

7. The Equity Claims Motion was ultimately heard on June 26, 2012;

8. By way of Order dated July 27, 2012, the Honourable Justice Morawetz made the Order appealed from, *inter alia*, declaring that any indemnification claims of E&Y, including claims of E&Y related to or arising from claims against E&Y by shareholders of SFC, other than possible defence costs, are "equity claims" (the "Equity Claims Order");

- (c) The motions judge erred in failing to conclude that the actual and contingent losses in respect of which E&Y asserts a claim against SFC do not arise from a "claim" by equity holders being made against the Applicant, SFC. They arise from claims made directly against E&Y. Such claims are not captured by the definition of "equity claim";
- (d) The motions judge erred in concluding that a finding that E&Y's claims against SFC do not constitute "equity claims" would be inconsistent with the principles of the CCAA. The definition of "equity claim" in section 2 of the CCAA and the policy and principles behind it are to preclude shareholders of an insolvent company from participating, on a *pari passu* basis, with general creditors of the debtor company. E&Y is not a shareholder of SFC and is not in the same position as SFC's shareholders. E&Y, as auditor of SFC, did not accept the same risks (and rewards) as SFC's shareholders. The policy reasons for subordinating shareholder claims to creditor claims simply do not apply to auditors;
- (e) The motions judge erred in concluding that to consider E&Y's claim as a general unsecured claim (and not an "equity claim") would put the shareholders in a position to achieve creditor status through their separate claims against E&Y. Any recovery by SFC's shareholders against E&Y is wholly independent of any recovery by E&Y against SFC for contribution and indemnity. It is E&Y that will not recover its losses if its claim for indemnity is denied, not the shareholders;

- (f) The motions judge erred in finding that the enactment of the definition of “equity claim” in section 2 of the CCAA is not consistent with preceding case law. Such case law refused to subordinate the claims of auditors to other unsecured claims while subordinating claims of shareholders;
- (g) The motions judge erred in failing to consider the legislative history of the amendments to the CCAA;
- (h) The motions judge erred in failing to conclude that the words "contribution or indemnity in respect of a claim" used in section 2 of the CCAA are meant to apply to claims arising from an indemnity granted in favour of shareholders of a company and not to claims arising from an indemnity granted in favour of an independent third party, such as E&Y as auditor;
- (i) The motions judge erred in failing to appreciate that a significant portion of E&Y’s claim is not an indemnity claim but rather a claim for breach of contract, inducing breach of contract, reputational loss and/or fraudulent or negligent misrepresentation; and
- (j) The motions judge erred in failing to conclude that the claims of E&Y against SFC are general unsecured claims, as defined in the CCAA;

11. The CCAA and in particular section 2; and

12. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE BASIS FOR THE APPELLATE COURT'S JURISDICTION IS:

1. Sections 13 and 14 of the CCAA;
2. Rule 61 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;
3. Sections 6 and 134 of the *Courts of Justice Act*, R.S.O. 1990, c C-43; and
4. This Honourable Court granted the Appellant leave to appeal by way of endorsement dated October 10, 2012, together with the related appeals in Court File Nos. M41655 and M41656, on an expedited basis on a schedule to be set by the Registrar.

October 16, 2012

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
Suite 2600, 130 Adelaide St. West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)

Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com

Peter J. Osborne (33420C)

Tel: (416) 865-3094
Fax: (416) 865-3974
Email: posborne@litigate.com

Shara N. Roy (49950H)

Tel: (416) 865-2942
Fax: (416) 865-3973
Email: sroy@litigate.com

Lawyers for the Appellant,
Ernst & Young LLP

**IN THE MATTER OF THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court of Appeal File No.

Superior Court File No. CV-12-9667-00-CL

COURT OF APPEAL FOR ONTARIO

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPEAL OF ERNST & YOUNG LLP

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers

Suite 2600, 130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)

Tel: (416) 865-2921

Fax: (416) 865-3558

Email: pgriffin@litigate.com

Peter J. Osborne (33420C)

Tel: (416) 865-3094

Fax: (416) 865-3974

Email: posborne@litigate.com

Shara N. Roy (49950H)

Tel: (416) 865-2942

Fax: (416) 865-3973

Email: sroy@litigate.com

Lawyers for the Appellant, Ernst & Young LLP

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) FRIDAY, THE 27th
)
JUSTICE MORAWETZ) DAY OF JULY, 2012



IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED
AND
IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

ORDER

THIS MOTION made by the Applicant, Sino-Forest Corporation ("**SFC**") regarding the status of shareholder claims and related indemnity claims was heard this day, at the courthouse at 330 University Avenue, Toronto, Ontario,

ON READING the Motion Record of the Applicant, the Responding Motion Record of Ernst & Young LLP, the Book of Previously Filed Materials and Court Orders, and the Responding Motion Record of BDO Limited and the facts of the parties, and on hearing the submissions of counsel for the Moving Party, Sino-Forest Corporation, the Monitor, the Ad Hoc Committee of Noteholders, Ernst & Young, BDO, and certain underwriters named as defendants in the Ontario Class Action:

1. **THIS COURT ORDERS** that further service of the Notice of Motion and Motion Record on any party not already served is hereby dispensed with, such that this motion is properly returnable today.

2. **THIS COURT ORDERS** that the claims against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including, without


limitation, the claims by or on behalf of current or former shareholders asserted in the proceedings listed in Schedule "A", (collectively, the "Shareholder Claims") are "equity claims" as defined in section 2 of the *Companies' Creditors Arrangement Act* (the "CCAA"), being claims in respect of monetary losses resulting from the ownership, purchase or sale of an equity interest.

3. **THIS COURT ORDERS** that any indemnification claims against SFC related to or arising from the Shareholder Claims, including, without limitation, by or on behalf of any of the other defendants to the proceedings listed in Schedule "A", (the "Related Indemnity Claims") are "equity claims" under the CCAA, being claims for contribution or indemnity in respect of claims that are equity claims.
4. **THIS COURT ORDERS** that nothing in paragraph 3 determines whether this Order extends to the aspect of any Related Indemnity Claims that corresponds to defence costs in connection with the defence of any Shareholder Claims.
5. **THIS COURT ORDERS** that the order is without prejudice to SFC's right to apply for a similar order with respect to (i) any claims that are in respect of Securities other than shares and (ii) any indemnification claims against SFC related thereto.

ENTERED AT / INSERIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG 03 2012

PER/PAR:



Schedule "A"

1. *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al. v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP)
2. *Guining Liu v. Sino-Forest Corporation et al.* (Quebec Superior Court, Court File No: 200-06-000132-111)
3. *Allan Haigh v. Sino-Forest Corporation et al.* (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011)
4. *David Leopard et al. v. Allen T.Y. Chan et al.* (District Court of the Southern District of New York, Court File No. 650258/2012)

**IN THE MATTER OF THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE
MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-12-9667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

**ORDER
(Regarding the Status of Shareholder
Claims and Related Indemnity Claims
under the CCAA)**

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Robert W. Staley (LSUC #27115J)
Kevin Zych (LSUC #33129T)
Derek J. Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716
Lawyers for the Applicant

CITATION: Sino-Forest Corporation (Re), 2012 ONSC 4377
COURT FILE NO.: CV-12-9667-00CL
DATE: 20120727

SUPERIOR COURT OF JUSTICE – ONTARIO

(COMMERCIAL LIST)

**RE: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION, Applicant**

BEFORE: MORAWETZ J.

COUNSEL: Robert W. Stalcy and Jonathan Bell, for the Applicant

Jennifer Stam, for the Monitor

Kenneth Dekker, for BDO Limited

Peter Griffin and Peter Osborne, for Ernst & Young LLP

**Benjamin Zarnett, Robert Chadwick and Brendan O'Neill, for the Ad Hoc
Committee of Noteholders**

James Grout, for the Ontario Securities Commission

Emily Cole and Joseph Marin, for Allen Chan

Simon Bieber, for David Horsley

**David Bish, John Fabello and Adam Slavens, for the Underwriters Named in
the Class Action**

Max Starnino and Kirk Baert, for the Ontario Plaintiffs

Larry Lowenstein, for the Board of Directors

HEARD: June 26, 2012

ENDORSEMENT

- Page 2 -

Overview

[1] Sino-Forest Corporation ("SFC" or the "Applicant") seeks an order directing that claims against SFC, which result from the ownership, purchase or sale of an equity interest in SFC, are "equity claims" as defined in section 2 of the *Companies' Creditors Arrangement Act* ("CCAA") including, without limitation: (i) the claims by or on behalf of current or former shareholders asserted in the proceedings listed in Schedule "A" (collectively, the "Shareholder Claims"); and (ii) any indemnification claims against SFC related to or arising from the Shareholder Claims, including, without limitation, those by or on behalf of any of the other defendants to the proceedings listed in Schedule "A" (the "Related Indemnity Claims").

[2] SFC takes the position that the Shareholder Claims are "equity claims" as defined in the CCAA as they are claims in respect of a monetary loss resulting from the ownership, purchase or sale of an equity interest in SFC and, therefore, come within the definition. SFC also takes the position that the Related Indemnity Claims are "equity claims" as defined in the CCAA as they are claims for contribution or indemnity in respect of a claim that is an equity claim and, therefore, also come within the definition.

[3] On March 30, 2012, the court granted the Initial Order providing for the CCAA stay against SFC and certain of its subsidiaries. FTI Consulting Canada Inc. was appointed as Monitor.

[4] On the same day, the Sales Process Order was granted, approving Sales Process procedures and authorizing and directing SFC, the Monitor and Houlihan Lokey to carry out the Sales Process.

[5] On May 14, 2012, the court issued a Claims Procedure Order, which established June 20, 2012 as the Claims Bar Date.

[6] The stay of proceedings has since been extended to September 28, 2012.

[7] Since the outset of the proceedings, SFC has taken the position that it is important for these proceedings to be completed as soon as possible in order to, among other things, (i) enable the business operated in the Peoples Republic of China ("PRC") to be separated from SFC and put under new ownership; (ii) enable the restructured business to participate in the Q4 sales season in the PRC market; and (iii) maintain the confidence of stakeholders in the PRC (including local and national governmental bodies, PRC lenders and other stakeholders) that the business in the PRC can be successfully separated from SFC and operate in the ordinary course in the near future.

[8] SFC has negotiated a Support Agreement with the Ad Hoc Committee of Noteholders and intends to file a plan of compromise or arrangement (the "Plan") under the CCAA by no later than August 27, 2012, based on the deadline set out in the Support Agreement and what they submit is the commercial reality that SFC must complete its restructuring as soon as possible.

- Page 3 -

[9] Noteholders holding in excess of \$1.296 billion, or approximately 72% of the approximately \$1.8 billion of SFC's noteholders' debt, have executed written support agreements to support the SFC CCAA Plan as of March 30, 2012.

Shareholder Claims Asserted Against SFC

(i) Ontario

[10] By Fresh as Amended Statement of Claim dated April 26, 2012 (the "Ontario Statement of Claim"), the Trustees of the Labourers' Pension Fund of Central and Eastern Canada and other plaintiffs asserted various claims in a class proceeding (the "Ontario Class Proceedings") against SFC, certain of its current and former officers and directors, Ernst & Young LLP ("E&Y"), BDO Limited ("BDO"), Poyry (Beijing) Consulting Company Limited ("Poyry") and SFC's underwriters (collectively, the "Underwriters").

[11] Section 1(m) of the Ontario Statement of Claim defines "class" and "class members" as:

All persons and entities, wherever they may reside who acquired Sino's Securities during the Class Period by distribution in Canada or on the Toronto Stock Exchange or other secondary market in Canada, which securities include those acquired over the counter, and all persons and entities who acquired Sino's Securities during the Class Period who are resident of Canada or were resident of Canada at the time of acquisition and who acquired Sino's Securities outside of Canada, except the Excluded Persons.

[12] The term "Securities" is defined as "Sino's common shares, notes and other securities, as defined in the OSA". The term "Class Period" is defined as the period from and including March 19, 2007 up to and including June 2, 2011.

[13] The Ontario Class Proceedings seek damages in the amount of approximately \$9.2 billion against SFC and the other defendants.

[14] The thrust of the complaint in the Ontario Class Proceedings is that the class members are alleged to have purchased securities at "inflated prices during the Class Period" and that absent the alleged misconduct, sales of such securities "would have occurred at prices that reflected the true value" of the securities. It is further alleged that "the price of Sino's Securities was directly affected during the Class Period by the issuance of the Impugned Documents".

(ii) Quebec

[15] By action filed in Quebec on June 9, 2011, Guining Liu commenced an action (the "Quebec Class Proceedings") against SFC, certain of its current and former officers and directors, E&Y and Poyry. The Quebec Class Proceedings do not name BDO or the Underwriters as defendants. The Quebec Class Proceedings also do not specify the quantum of damages sought, but rather reference "damages in an amount equal to the losses that it and the other members of the group suffered as a result of purchasing or acquiring securities of Sino at inflated prices during the Class Period".

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[16] The complaints in the Quebec Class Proceedings centre on the effect of alleged misrepresentations on the share price. The duty allegedly owed to the class members is said to be based in "law and other provisions of the *Securities Act*", to ensure the prompt dissemination of truthful, complete and accurate statements regarding SFC's business and affairs and to correct any previously-issued materially inaccurate statements.

(iii) **Saskatchewan**

[17] By Statement of Claim dated December 1, 2011 (the "Saskatchewan Statement of Claim"), Mr. Allan Haigh commenced an action (the "Saskatchewan Class Proceedings") against SFC, Allen Chan and David Horsley.

[18] The Saskatchewan Statement of Claim does not specify the quantum of damages sought, but instead states in more general terms that the plaintiff seeks "aggravated and compensatory damages against the defendants in an amount to be determined at trial".

[19] The Saskatchewan Class Proceedings focus on the effect of the alleged wrongful acts upon the trading price of SFC's securities:

The price of Sino's securities was directly affected during the Class Period by the issuance of the Impugned Documents. The defendants were aware at all material times that the effect of Sino's disclosure documents upon the price of its Sino's [sic] securities.

(iv) **New York**

[20] By Verified Class Action Complaint dated January 27, 2012, (the "New York Complaint"), Mr. David Leopard and IMF Finance SA commenced a class proceeding against SFC, Mr. Allen Chan, Mr. David Horsley, Mr. Kai Kit Poon, a subset of the Underwriters, E&Y, and Ernst & Young Global Limited (the "New York Class Proceedings").

[21] SFC contends that the New York Class Proceedings focus on the effect of the alleged wrongful acts upon the trading price of SFC's securities.

[22] The plaintiffs in the various class actions have named parties other than SFC as defendants, notably, the Underwriters and the auditors, E&Y, and BDO, as summarized in the table below. The positions of those parties are detailed later in these reasons.

	Ontario	Quebec	Saskatchewan	New York
E&Y LLP	X	X	-	X
E&Y Global	-	-	-	X
BDO	X	-	-	-

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Poyry	X	X	-	-
Underwriters	11	-	-	2

Legal Framework

[23] Even before the 2009 amendments to the CCAA dealing with equity claims, courts recognized that there is a fundamental difference between shareholder equity claims as they relate to an insolvent entity versus creditor claims. Essentially, shareholders cannot reasonably expect to maintain a financial interest in an insolvent company where creditor claims are not being paid in full. Simply put, shareholders have no economic interest in an insolvent enterprise: *Blue Range Resource Corp. (Re)*, (2004) 4 W.W.R. 738 (Alta. Q.B.) [*Blue Range Resources*]; *Stelco Inc. (Re)*, (2006) CanLII 1773 (Ont. S.C.J.) [*Stelco*]; *Royal Bank of Canada v. Central Capital Corp.* (1996), 27 O.R. (3d) 494 (C.A.).

[24] The basis for the differentiation flows from the fundamentally different nature of debt and equity investments. Shareholders have unlimited upside potential when purchasing shares. Creditors have no corresponding upside potential: *Nelson Financial Group Limited (Re)*, 2010 ONSC 6229 [*Nelson Financial*].

[25] As a result, courts subordinated equity claims and denied such claims a vote in plans of arrangement: *Blue Range Resource, supra*; *Stelco, supra*; *EarthFirst Canada Inc. (Re)* (2009), 56 C.B.R. (5th) 102 (Alta. Q.B.) [*EarthFirst Canada*]; and *Nelson Financial, supra*.

[26] In 2009, significant amendments were made to the CCAA. Specific amendments were made with the intention of clarifying that equity claims are subordinated to other claims.

[27] The 2009 amendments define an "equity claim" and an "equity interest". Section 2 of the CCAA includes the following definitions:

"Equity Claim" means a claim that is in respect of an equity interest, including a claim for, among others, (...)

(d) a monetary loss resulting from the ownership, purchase or sale of an equity interest or from the rescission, or, in Quebec, the annulment, of a purchase or sale of an equity interest, or

(e) contribution or indemnity in respect of a claim referred to in any of paragraphs (a) to (d);

"Equity Interest" means

(a) in the case of a company other than an income trust, a share in the company – or a warrant or option or another right to acquire a share in the company – other than one that is derived from a convertible debt,

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[28] Section 6(8) of the CCAA prohibits a distribution to equity claimants prior to payment in full of all non-equity claims.

[29] Section 22(1) of the CCAA provides that equity claimants are prohibited from voting on a plan unless the court orders otherwise.

Position of Ernst & Young

[30] E&Y opposes the relief sought, at least as against E&Y, since the E&Y proof of claim evidence demonstrates in its view that E&Y's claim:

- (a) is not an equity claim;
- (b) does not derive from or depend upon an equity claim (in whole or in part);
- (c) represents discreet and independent causes of action as against SFC and its directors and officers arising from E&Y's direct contractual relationship with such parties (or certain of such parties) and/or the tortious conduct of SFC and/or its directors and officers for which they are in law responsible to E&Y; and
- (d) can succeed independently of whether or not the claims of the plaintiffs in the class actions succeed.

[31] In its factum, counsel to E&Y acknowledges that during the periods relevant to the Class Action Proceedings, E&Y was retained as SFC's auditor and acted as such from 2007 until it resigned on April 5, 2012.

[32] On June 2, 2011, Muddy Waters LLC ("Muddy Waters") issued a report which purported to reveal fraud at SFC. In the wake of that report, SFC's share price plummeted and Muddy Waters profited from its short position.

[33] E&Y was served with a multitude of class action claims in numerous jurisdictions.

[34] The plaintiffs in the Ontario Class Proceedings claim damages in the aggregate, as against all defendants, of \$9.2 billion on behalf of resident and non-resident shareholders and noteholders. The causes of action alleged are both statutory, under the *Securities Act (Ontario)* and at common law, in negligence and negligent misrepresentation.

[35] In its factum, counsel to E&Y acknowledges that the central claim in the class actions is that SFC made a series of misrepresentations in respect of its timber assets. The claims against E&Y and the other third party defendants are that they failed to detect these misrepresentations and note in particular that E&Y's audit did not comply with Canadian generally accepted accounting standards. Similar claims are advanced in Quebec and the U.S.

[36] Counsel to E&Y notes that on May 14, 2012 the court granted a Claims Procedure Order which, among other things, requires proofs of claim to be filed no later than June 20, 2012. E&Y takes issue with the fact that this motion was then brought notwithstanding that proofs of claim and D&O proofs of claim had not yet been filed.

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[37] E&Y has filed with the Monitor, in accordance with the Claims Procedure Order, a proof of claim against SFC and a proof of claim against the directors and officers of SFC.

[38] E&Y takes the position that it has contractual claims of indemnification against SFC and its subsidiaries and has statutory and common law claims of contribution and/or indemnity against SFC and its subsidiaries for all relevant years. E&Y contends that it has stand-alone claims for breach of contract and negligent and/or fraudulent misrepresentation against the company and its directors and officers.

[39] Counsel submits that E&Y's claims against Sino-Forest and the SFC subsidiaries are:

- (a) creditor claims;
- (b) derived from E&Y retainers by and/or on behalf of Sino-Forest and the SFC subsidiaries and E&Y's relationship with such parties, all of which are wholly independent and conceptually different from the claims advanced by the class action plaintiffs;
- (c) claims that include the cost of defending and responding to various proceedings, both pre- and post-filing; and
- (d) not equity claims in the sense contemplated by the CCAA. E&Y's submission is that equity holders of Sino-Forest have not advanced, and could not advance, any claims against SFC's subsidiaries.

[40] Counsel further contends that E&Y's claim is distinct from any and all potential and actual claims by the plaintiffs in the class actions against Sino-Forest and that E&Y's claim for contribution and/or indemnity is not based on the claims against Sino-Forest advanced in the class actions but rather only in part on those claims, as any success of the plaintiffs in the class actions against E&Y would not necessarily lead to success against Sino-Forest, and vice versa. Counsel contends that E&Y has a distinct claim against Sino-Forest independent of that of the plaintiffs in the class actions. The success of E&Y's claims against Sino-Forest and the SFC subsidiaries, and the success of the claims advanced by the class action plaintiffs, are not co-dependent. Consequently, counsel contends that E&Y's claim is that of an unsecured creditor.

[41] From a policy standpoint, counsel to E&Y contends that the nature of the relationship between a shareholder, who may be in a position to assert an equity claim (in addition to other claims) is fundamentally different from the relationship existing between a corporation and its auditors.

Position of BDO Limited

[42] BDO was auditor of Sino-Forest Corporation between 2005 and 2007, when it was replaced by E&Y.

[43] BDO has a filed a proof of claim against Sino-Forest pursuant to the Claims Procedure Order.

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[44] BDO's claim against Sino-Forest is primarily for breach of contract.

[45] BDO takes the position that its indemnity claims, similar to those advanced by E&Y and the Underwriters, are not equity claims within the meaning of s. 2 of the CCAA.

[46] BDO adopts the submissions of E&Y which, for the purposes of this endorsement, are not repeated.

Position of the Underwriters

[47] The Underwriters take the position that the court should not decide the equity claims motion at this time because it is premature or, alternatively, if the court decides the equity claims motion, the equity claims order should not be granted because the Related Indemnity Claims are not "equity claims" as defined in s. 2 of the CCAA.

[48] The Underwriters are among the defendants named in some of the class actions. In connection with the offerings, certain Underwriters entered into agreements with Sino-Forest and certain of its subsidiaries providing that Sino-Forest and, with respect to certain offerings, the Sino-Forest subsidiary companies, agree to indemnify and hold harmless the Underwriters in connection with an array of matters that could arise from the offerings.

[49] The Underwriters raise the following issues:

- (i) Should this court decide the equity claims motion at this time?
- (ii) If this court decides the equity claims motion at this time, should the equity claims order be granted?

[50] On the first issue, counsel to the Underwriters takes the position that the issue is not yet ripe for determination.

[51] Counsel submits that, by seeking the equity claims order at this time, Sino-Forest is attempting to pre-empt the Claims Procedure Order, which already provides a process for the determination of claims. Until such time as the claims procedure in respect of the Related Indemnity Claims is completed, and those claims are determined pursuant to that process, counsel contends the subject of the equity claims motion raises a merely hypothetical question as the court is being asked to determine the proper interpretation of s. 2 of the CCAA before it has the benefit of an actual claim in dispute before it.

[52] Counsel further contends that by asking the court to render judgment on the proper interpretation of s. 2 of the CCAA in the hypothetical, Sino-Forest has put the court in a position where its judgment will not be made in the context of particular facts or with a full and complete evidentiary record.

[53] Even if the court determines that it can decide this motion at this time, the Underwriters submit that the relief requested should not be granted.

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Position of the Applicant

[54] The Applicant submits that the amendments to the CCAA relating to equity claims closely parallel existing U.S. law on the subject and that Canadian courts have looked to U.S. courts for guidance on the issue of equity claims as the subordination of equity claims has long been codified there: see e.g. *Blue Range Resources, supra*, and *Nelson Financial, supra*.

[55] The Applicant takes the position that based on the plain language of the CCAA, the Shareholder Claims are "equity claims" as defined in s. 2 as they are claims in respect of a "monetary loss resulting from the ownership, purchase or sale of an equity interest".

[56] The Applicant also submits the following:

- (a) the Ontario, Quebec, Saskatchewan and New York Class Actions (collectively, the "Class Actions") all advance claims on behalf of shareholders.
- (b) the Class Actions also allege wrongful conduct that affected the trading price of the shares, in that the alleged misrepresentation "artificially inflated" the share price; and
- (c) the Class Actions seek damages relating to the trading price of SFC shares and, as such, allege a "monetary loss" that resulted from the ownership, purchase or sale of shares, as defined in s. 2 of the CCAA.

[57] Counsel further submits that, as the Shareholder Claims are "equity claims", they are expressly subordinated to creditor claims and are prohibited from voting on the plan of arrangement.

[58] Counsel to the Applicant also submits that the definition of "equity claims" in s. 2 of the CCAA expressly includes indemnity claims that relate to other equity claims. As such, the Related Indemnity Claims are equity claims within the meaning of s. 2.

[59] Counsel further submits that there is no distinction in the CCAA between the source of any claim for contribution or indemnity; whether by statute, common law, contractual or otherwise. Further, and to the contrary, counsel submits that the legal characterization of a contribution or indemnity claim depends solely on the characterization of the primary claim upon which contribution or indemnity is sought.

[60] Counsel points out that in *Return on Innovation Capital v. Gandi Innovations Limited*, 2011 ONSC 5018, leave to appeal denied, 2012 ONCA 10 [*Return on Innovation*] this court characterized the contractual indemnification claims of directors and officers in respect of an equity claim as "equity claims".

[61] Counsel also submits that guidance on the treatment of underwriter and auditor indemnification claims can be obtained from the U.S. experience. In the U.S., courts have held that the indemnification claims of underwriters for liability or defence costs constitute equity claims that are subordinated to the claims of general creditors. Counsel submits that insofar as

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the primary source of liability is characterized as an equity claim, so too is any claim for contribution and indemnity based on that equity claim.

[62] In this case, counsel contends, the Related Indemnity Claims are clearly claims for "contribution and indemnity" based on the Shareholder Claims.

Position of the Ad Hoc Noteholders

[63] Counsel to the Ad Hoc Noteholders submits that the Shareholder Claims are "equity claims" as they are claims in respect of an equity interest and are claims for "a monetary loss resulting from the ownership, purchase or sale of an equity interest" per subsection (d) of the definition of "equity claims" in the CCAA.

[64] Counsel further submits that the Related Indemnity Claims are also "equity claims" as they fall within the "clear and unambiguous" language used in the definition of "equity claim" in the CCAA. Subsection (e) of the definition refers expressly and without qualification to claims for "contribution or indemnity" in respect of claims such as the Shareholder Claims.

[65] Counsel further submits that had the legislature intended to qualify the reference to "contribution or indemnity" in order to exempt the claims of certain parties, it could have done so, but it did not.

[66] Counsel also submits that, if the plain language of subsection (e) is not upheld, shareholders of SFC could potentially create claims to receive indirectly what they could not receive directly (*i.e.*, payment in respect of equity claims through the Related Indemnity Claims) – a result that could not have been intended by the legislature as it would be inconsistent with the purposes of the CCAA.

[67] Counsel to the Ad Hoc Noteholders also submits that, before the CCAA amendments in 2009 (the "CCAA Amendments"), courts subordinated claims on the basis of:

- (a) the general expectations of creditors and shareholders with respect to priority and assumption of risks; and
- (b) the equitable principles and considerations set out in certain U.S. cases: see *e.g.* *Blue Range Resources, supra*.

[68] Counsel further submits that, before the CCAA Amendments took effect, courts had expanded the types of claims characterized as equity claims; first to claims for damages of defrauded shareholders and then to contractual indemnity claims of shareholders: see *Blue Range Resources, supra* and *EarthFirst Canada, supra*.

[69] Counsel for the Ad Hoc Noteholders also submits that indemnity claims of underwriters have been treated as equity claims in the United States, pursuant to section 510(b) of the U.S. Bankruptcy Code. This submission is detailed at paragraphs 20-25 of their factum which reads as follows:

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20. The desire to more closely align the Canadian approach to equity claims with the U.S. approach was among the considerations that gave rise to the codification of the treatment of equity claims. Canadian courts have also looked to the U.S. law for guidance on the issue of equity claims where codification of the subordination of equity claims has been long-standing.

Janis Sarra at p. 209, Ad Hoc Committee's Book of Authorities, Tab 10.

Report of the Standing Senate Committee on Banking, Trade and Commerce, "Debtors and Creditors Sharing the Burden: A Review of the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act*" (2003) at 158, [...]

Blue Range [Resources] at paras. 41-57 [...]

21. Pursuant to § 510(b) of the *U.S. Bankruptcy Code*, all creditors must be paid in full before shareholders are entitled to receive any distribution. § 510(b) of the *U.S. Bankruptcy Code* and the relevant portion of § 502, which is referenced in § 510(b), provide as follows:

§ 510. Subordination

(b) For the purpose of distribution under this title, a claim arising from rescission of a purchase or sale of a security of the debtor or of an affiliate of the debtor, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under 502 on account of such a claim, shall be subordinated to all claims or interests that are senior to or equal the claim or interest represented by such security, except that if such security is common stock, such claim has the same priority as common stock.

§ 502. Allowance of claims or interests

(e) (1) Notwithstanding subsections (a), (b) and (c) of this section and paragraph (2) of this subsection, the court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor on or has secured the claim of a creditor, to the extent that

...

(B) such claim for reimbursement or contribution is contingent as of the time of allowance or disallowance of such claim for reimbursement or contribution; or

...

(2) A claim for reimbursement or contribution of such an entity that becomes fixed after the commencement of the case shall be determined,

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and shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) of this section, the same as if such claim had become fixed before the date of the filing of the petition.

22. U.S. appellate courts have interpreted the statutory language in § 510(b) broadly to subordinate the claims of shareholders that have a nexus or causal relationship to the purchase or sale of securities, including damages arising from alleged illegality in the sale or purchase of securities or from corporate misconduct whether predicated on pre or post-issuance conduct.

Re Telegroup Inc. (2002), 281 F. 3d 133 (3rd Cir. U.S. Court of Appeals) [...]

American Broadcasting Systems Inc. v. Nugent, U.S. Court of Appeals for the Ninth Circuit, Case Number 98-17133 (24 January 2001) [...]

23. Further, U.S. courts have held that indemnification claims of underwriters against the corporation for liability or defence costs when shareholders or former shareholders have sued underwriters constitute equity claims in the insolvency of the corporation that are subordinated to the claims of general creditors based on: (a) the plain language of § 510(b), which references claims for "reimbursement or contribution" and (b) risk allocation as between general creditors and those parties that play a role in the purchase and sale of securities that give rise to the shareholder claims (i.e., directors, officers and underwriters).

In re Mid-American Waste Sys., 228 B.R. 816, 1999 Bankr. LEXIS 27 (Bankr. D. Del. 1999) [*Mid-American*] [...]

In re Jacom Computer Servs., 280 B.R. 570, 2002 Bankr. LEXIS 758 (Bankr. S.D.N.Y. 2002) [...]

24. In *Mid-American*, the Court stated the following with respect to the "plain language" of § 510(b), its origins and the inclusion of "reimbursement or contribution" claims in that section:

... I find that the plain language of § 510(b), its legislative history, and applicable case law clearly show that § 510(b) intends to subordinate the indemnification claims of officers, directors, and underwriters for both liability and expenses incurred in connection with the pursuit of claims for rescission or damages by purchasers or sellers of the debtor's securities. The meaning of amended § 510(b), specifically the language "for reimbursement or contribution . . . on account of [a claim arising from rescission or damages arising from the purchase or sale of a security]," can be discerned by a plain reading of its language.

... it is readily apparent that the rationale for section 510(b) is not limited to preventing shareholder claimants from improving their position vis-a-

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vis general creditors; Congress also made the decision to subordinate based on risk allocation. Consequently, when Congress amended § 510(b) to add reimbursement and contribution claims, it was not radically departing from an equityholder claimant treatment provision, as NatWest suggests; it simply added to the subordination treatment new classes of persons and entities involved with the securities transactions giving rise to the rescission and damage claims. The 1984 amendment to § 510(b) is a logical extension of one of the rationales for the original section — because Congress intended the holders of securities law claims to be subordinated, why not also subordinate claims of other parties (e.g., officers and directors and underwriters) who play a role in the purchase and sale transactions which give rise to the securities law claims? As I view it, in 1984 Congress made a legislative judgment that claims emanating from tainted securities law transactions should not have the same priority as the claims of general creditors of the estate. [emphasis added]

[...]

25. Further, the U.S. courts have held that the degree of culpability of the respective parties is a non-issue in the disallowance of claims for indemnification of underwriters; the equities are meant to benefit the debtor's direct creditors, not secondarily liable creditors with contingent claims.

In re Drexel Burnham Lambert Group, 148 B.R. 982, 1992 Bankr. LEXIS 2023 (Bankr. S.D.N.Y. 1992) [...]

[70] Counsel submits that there is no principled basis for treating indemnification claims of auditors differently than those of underwriters.

Analysis

Is it Premature to Determine the Issue?

[71] The class action litigation was commenced prior to the CCAA Proceedings. It is clear that the claims of shareholders as set out in the class action claims against SFC are "equity claims" within the meaning of the CCAA.

[72] In my view, this issue is not premature for determination, as is submitted by the Underwriters.

[73] The Class Action Proceedings preceded the CCAA Proceedings. It has been clear since the outset of the CCAA Proceedings that this issue — namely, whether the claims of E&Y, BDO and the Underwriters as against SFC, would be considered "equity claims" — would have to be determined.

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[74] It has also been clear from the outset of the CCAA Proceedings, that a Sales Process would be undertaken and the expected proceeds arising from the Sales Process would generate proceeds insufficient to satisfy the claims of creditors.

[75] The Claims Procedure is in place but, it seems to me that the issue that has been placed before the court on this motion can be determined independently of the Claims Procedure. I do not accept that any party can be said to be prejudiced if this threshold issue is determined at this time. The threshold issue does not depend upon a determination of quantification of any claim. Rather, its effect will be to establish whether the claims of E&Y, BDO and the Underwriters will be subordinated pursuant to the provisions of the CCAA. This is independent from a determination as to the validity of any claim and the quantification thereof.

Should the Equity Claims Order be Granted?

[76] I am in agreement with the submission of counsel for the Ad Hoc Noteholders to the effect that the characterization of claims for indemnity turns on the characterization of the underlying primary claims.

[77] In my view, the claims advanced in the Shareholder Claims are clearly equity claims. The Shareholder Claims underlie the Related Indemnity Claims.

[78] In my view, the CCAA Amendments have codified the treatment of claims addressed in pre-amendment cases and have further broadened the scope of equity claims.

[79] The plain language in the definition of "equity claim" does not focus on the identity of the claimant. Rather, it focuses on the nature of the claim. In this case, it seems clear that the Shareholder Claims led to the Related Indemnity Claims. Put another way, the inescapable conclusion is that the Related Indemnity Claims are being used to recover an equity investment.

[80] The plain language of the CCAA dictates the outcome, namely, that the Shareholder Claims and the Related Indemnity Claims constitute "equity claims" within the meaning of the CCAA. This conclusion is consistent with the trend towards an expansive interpretation of the definition of "equity claims" to achieve the purpose of the CCAA.

[81] In *Return on Innovation*, Newbould J. characterized the contractual indemnification claims of directors and officers as "equity claims". The Court of Appeal denied leave to appeal. The analysis in *Return on Innovation* leads to the conclusion that the Related Indemnity Claims are also equity claims under the CCAA.

[82] It would be totally inconsistent to arrive at a conclusion that would enable either the auditors or the Underwriters, through a claim for indemnification, to be treated as creditors when the underlying actions of the shareholders cannot achieve the same status. To hold otherwise would indeed provide an indirect remedy where a direct remedy is not available.

[83] Further, on the issue of whether the claims of E&Y, BDO and the Underwriters fall within the definition of equity claims, there are, in my view, two aspects of these claims and it is necessary to keep them conceptually separate.

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[84] The first and most significant aspect of the claims of E&Y, BDO and the Underwriters constitutes an "equity claim" within the meaning of the CCAA. Simply put, but for the Class Action Proceedings, it is inconceivable that claims of this magnitude would have been launched by E&Y, BDO and the Underwriters as against SFC. The class action plaintiffs have launched their actions against SFC, the auditors and the Underwriters. In turn, E&Y, BDO and the Underwriters have launched actions against SFC and its subsidiaries. The claims of the shareholders are clearly "equity claims" and a plain reading of s. 2(1)(e) of the CCAA leads to the same conclusion with respect to the claims of E&Y, BDO and the Underwriters. To hold otherwise, would, as stated above, lead to a result that is inconsistent with the principles of the CCAA. It would potentially put the shareholders in a position to achieve creditor status through their claim against E&Y, BDO and the Underwriters even though a direct claim against SFC would rank as an "equity claim".

[85] I also recognize that the legal construction of the claims of the auditors and the Underwriters as against SFC is different than the claims of the shareholders against SFC. However, that distinction is not, in my view, reflected in the language of the CCAA which makes no distinction based on the status of the party but rather focuses on the substance of the claim.

[86] Critical to my analysis of this issue is the statutory language and the fact that the CCAA Amendments came into force after the cases relied upon by the Underwriters and the auditors.

[87] It has been argued that the amendments did nothing more than codify pre-existing common law. In many respects, I accept this submission. However, I am unable to accept this submission when considering s. 2(1) of the CCAA, which provides clear and specific language directing that "equity claim" means a claim that is in respect of an equity interest, including a claim for, among other things, "(e) contribution or indemnity in respect of a claim referred to in any of paragraphs (a) to (d)".

[88] Given that a shareholder claim falls within s. 2(1)(d), the plain words of subsections (d) and (e) lead to the conclusions that I have set out above.

[89] I fail to see how the very clear words of subsection (e) can be seen to be a codification of existing law. To arrive at the conclusion put forth by E&Y, BDO and the Underwriters would require me to ignore the specific words that Parliament has recently enacted.

[90] I cannot agree with the position put forth by the Underwriters or by the auditors on this point. The plain wording of the statute has persuaded me that it does not matter whether an indemnity claim is seeking no more than allocation of fault and contribution at common law, or whether there is a free-standing contribution and indemnity claim based on contracts.

[91] However, that is not to say that the full amount of the claim by the auditors and Underwriters can be characterized, at this time, as an "equity claim".

[92] The second aspect to the claims of the auditors and underwriters can be illustrated by the following hypothetical: if the claim of the shareholders does not succeed against the class action defendants, E&Y, BDO and the Underwriters will not be liable to the class action plaintiffs. However, these parties may be in a position to demonstrate that they do have a claim against

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SFC for the costs of defending those actions, which claim does not arise as a result of "contribution or indemnity in respect of an equity claim".

[93] It could very well be that each of E&Y, BDO and the Underwriters have expended significant amounts in defending the claims brought by the class action plaintiffs which, in turn, could give rise to contractual claims as against SFC. If there is no successful equity claim brought by the class action plaintiffs, it is arguable that any claim of E&Y, BDO and the Underwriters may legitimately be characterized as a claim for contribution or indemnity but not necessarily in respect of an equity claim. If so, there is no principled basis for subordinating this portion of the claim. At this point in time, the quantification of such a claim cannot be determined. This must be determined in accordance with the Claims Procedure.

[94] However, it must be recognized that, by far the most significant part of the claim, is an "equity claim".

[95] In arriving at this determination, I have taken into account the arguments set forth by E&Y, BDO and the Underwriters. My conclusions recognize the separate aspects of the Related Indemnity Claims as submitted by counsel to the Underwriters at paragraph 40 of their factum which reads:

...it must be recognized that there are, in fact, at least two different kinds of Related Indemnity Claims:

- (a) indemnity claims against SFC in respect of Shareholder Claims against the auditors and the Underwriters; and
- (b) indemnity claims against SFC in respect of the defence costs of the auditors and the Underwriters in connection with defending themselves against Shareholder Claims.

Disposition

[96] In the result, an order shall issue that the claims against SFC resulting from the ownership, purchase or sale of equity interests in SFC, including, without limitation, the claims by or on behalf of current or former shareholders asserted in the proceedings listed in Schedule "A" are "equity claims" as defined in s. 2 of the CCAA, being claims in respect of monetary losses resulting from the ownership, purchase or sale of an equity interest. It is noted that counsel for the class action plaintiffs did not contest this issue.

[97] In addition, an order shall also issue that any indemnification claim against SFC related to or arising from the Shareholders Claims, including, without limitation, by or on behalf of any of the other defendants to the proceedings listed in Schedule "A" are "equity claims" under the CCAA, being claims for contribution or indemnity in respect of a claim that is an equity claim. However, I feel it is premature to determine whether this order extends to the aspect of the Related Indemnity Claims that corresponds to the defence costs of the Underwriters and the auditors in connection with defending themselves against the Shareholder Claims.

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[98] A direction shall also issue that these orders are made without prejudice to SFC's rights to apply for a similar order with respect to (i) any claims in the statement of claim that are in respect of securities other than shares and (ii) any indemnification claims against SFC related thereto.


MORAWETZ J.

Date: July 27, 2012

SCHEDULE "A" – SHAREHOLDER CLAIMS

1. *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al. v. Sino-Forest Corporation et al.* (Ontario Superior Court of Justice, Court File No. CV-11-431153-00CP)
2. *Guining Liu v. Sino-Forest Corporation et al.* (Quebec Superior Court, Court File No.: 200-06-000132-111)
3. *Allan Haigh v. Sino-Forest Corporation et al.* (Saskatchewan Court of Queen's Bench, Court File No. 2288 of 2011)
4. *David Leopard et al. v. Allen T.Y. Chan et al.* (District court of the Southern District of New York, Court File No. 650258/2012)

Court File No CV-12-9667-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE MORAWETZ

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FRIDAY, THE 30th
DAY OF MARCH, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

INITIAL ORDER

THIS APPLICATION, made by Sino-Forest Corporation (the "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of W. Judson Martin sworn March 30, 2012 and the Exhibits thereto (the "Martin Affidavit") and the Pre-Filing Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI") (the "Monitor's Pre-Filing Report"), and on being advised that there are no secured creditors who are likely to be affected by the charges created herein, and on hearing the submissions of counsel for the Applicant, the Applicant's directors, FTI, the *ad hoc* committee of holders of notes issued by the Applicant (the "Ad Hoc Noteholders"), and no one else appearing for any other party, and on reading the consent of FTI to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application, the Application Record and the Monitor's Pre-Filing Report is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").

4. THIS COURT ORDERS that the Applicant shall be entitled to seek any ancillary or other relief from this Court in respect of any of its subsidiaries in connection with the Plan or otherwise in respect of these proceedings.

POSSESSION OF PROPERTY AND OPERATIONS

5. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges;
- (c) the fees and disbursements of the directors and counsel to the directors, at their standard rates and charges; and
- (d) such other amounts as are set out in the March 29 Forecast (as defined in the Monitor's Pre-Filing Report and attached as Exhibit "DD" to the Martin Affidavit).

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Support Agreement (as defined below), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding US\$500,000 in any one transaction or US\$1,000,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims or resiliates the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the

disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

RESTRUCTURING SUPPORT AGREEMENT

14. THIS COURT ORDERS that the Applicant and the Monitor are authorized and directed to engage in the following procedures to notify noteholders of the restructuring support agreement dated as of March 30, 2012 (the "Support Agreement") between, among others, the Applicant and certain noteholders (the "Initial Consenting Noteholders"), appended as Exhibit "B" to the Martin Affidavit, to enable any additional noteholders to execute a Joinder Agreement in the form attached as Schedule "C" to the Support Agreement and to become bound thereby as Consenting Noteholders (as defined in the Support Agreement):

- (a) the Monitor shall without delay post a copy of the Support Agreement on its website at <http://cfcanada.fticonsulting.com/sfc> (the "Monitor's Website"); and
- (b) the notice to be published by the Monitor pursuant to paragraph 51 of this Order shall include a statement in form and substance acceptable to the Applicant, the Monitor and counsel to the Ad Hoc Noteholders, each acting reasonably, notifying noteholders of the Support Agreement and of the deadline of 5:00 p.m. (Toronto time) on May 15, 2012 (the "Consent Date") by which any noteholder (other than an Initial Consenting Noteholder) who wishes to become entitled to the Early Consent Consideration pursuant to the Support Agreement (if such Early Consent Consideration becomes payable pursuant to the terms thereof) must execute and return the Joinder Agreement to the Applicant, and shall direct noteholders to the Monitor's Website where a copy of the Support Agreement (including the Joinder Agreement) can be obtained.

15. THIS COURT ORDERS that any noteholder (other than an Initial Consenting Noteholder) who wishes to become a Consenting Noteholder and become entitled to the Early Consent Consideration (if such Early Consent Consideration becomes payable pursuant to the terms thereof, and subject to such noteholder demonstrating its holdings to the Monitor in accordance with the Support Agreement) must execute a Joinder Agreement and return it to the Applicant and the Noteholder Advisors (as defined below) in accordance with the instructions set out in the Support Agreement such that it is received by the Applicant and the Noteholder Advisors prior to the Consent Deadline and, upon so doing, such noteholder shall become a Consenting Noteholder and shall be bound by the terms of the Support Agreement.

16. THIS COURT ORDERS that as soon as practicable after the Consent Deadline, the Applicant shall provide to the Monitor copies of all executed Joinder Agreements received from noteholders prior to the Consent Deadline.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

17. THIS COURT ORDERS that until and including April 29, 2012, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

18. THIS COURT ORDERS that until and including the Stay Period, no Proceeding shall be commenced or continued by any noteholder, indenture trustee or security trustee (each in respect of the notes issued by the Applicant, collectively, the "Noteholders") against or in respect of any of the Applicant's subsidiaries listed on Schedule "A" (each a "Subsidiary Guarantor", and collectively, the "Subsidiary Guarantors"), except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way by a Noteholder against or in respect of any Subsidiary Guarantors are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

19. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued, except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the registration of a claim for lien, or (v) prevent the exercise of any termination rights of the Consenting Noteholders under the Support Agreement.

20. THIS COURT ORDERS that during the Stay Period, all rights and remedies of the Noteholders against or in respect of the Subsidiary Guarantors are hereby stayed and suspended and shall not be commenced, proceeded with or continued, except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower any Subsidiary Guarantor to carry on any business which such Subsidiary Guarantor is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

21. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

22. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant or exercising any other remedy provided under such agreement or arrangements, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

23. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such

obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the affected creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

25. THIS COURT ORDERS that the Applicant shall (i) indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, and (ii) make payments of amounts for which its directors and officers may be liable as obligations they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

26. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property (other than the Applicant's assets which are subject to the Personal Property Security Act registrations on Schedule "B" hereto (the "Excluded Property")), which charge shall not exceed an aggregate amount of \$3,200,000, as security for the indemnity provided in paragraph 25 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

27. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 25 of this Order.

APPOINTMENT OF MONITOR

28. THIS COURT ORDERS that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor

in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its preparation of the Applicant's cash flow statements, as required from time to time;
- (d) advise the Applicant in its development of the Plan and any amendments to the Plan;
- (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan, as applicable;
- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) carry out and fulfill its obligations under the Support Agreement in accordance with its terms; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

30. THIS COURT ORDERS that without limiting paragraph 29 above, in carrying out its rights and obligations in connection with this Order, the Monitor shall be entitled to take such reasonable steps and use such services as it deems necessary in discharging its powers and obligations, including, without limitation, utilizing the services of FTI Consulting (Hong Kong) Limited ("FTI HK").

31. THIS COURT ORDERS that the Monitor shall not take possession of the Property (or any property or assets of the Applicant's subsidiaries) and shall take no part whatsoever in the management or supervision of the management of the Business (or any business of the Applicant's subsidiaries) and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof (or of any business, property or assets, or any part thereof, of any subsidiary of the Applicant).

32. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property (or any property of any subsidiary of the Applicant) that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property (or of any property of any subsidiary of the Applicant) within the meaning of any Environmental Legislation, unless it is actually in possession.

33. THIS COURT ORDERS that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any

responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

34. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the Applicant, counsel to the directors, Houlihan Lokey Capital Inc. (the "Financial Advisor"), FTI HK, counsel to the Ad Hoc Noteholders and the financial advisor to the Ad Hoc Noteholders (together with counsel to the Ad Hoc Noteholders, the "Noteholder Advisors") shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant, whether incurred prior to or subsequent to the date of this Order, as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel for the Applicant, counsel to the directors, the Financial Advisor, FTI HK, and the Noteholder Advisors on a weekly basis or otherwise in accordance with the terms of their engagement letters.

36. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

37. THIS COURT ORDERS that the Monitor, counsel to the Monitor, the Applicant's counsel, counsel to the directors, the Financial Advisor, FTI HK, and the Noteholder Advisors shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property (other than the Excluded Property), which charge shall not exceed an aggregate amount of \$15,000,000 as security for their professional fees and disbursements incurred at their respective standard rates and charges in respect of such services, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of \$15,000,000); and

Second – Directors' Charge (to the maximum amount of \$3,200,000).

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge or the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Charges shall constitute a charge on the Property (other than the Excluded Property) and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the beneficiaries of the Directors' Charge and the beneficiaries of the Administration Charge, or further Order of this Court.

42. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees"), shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or

other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

APPROVAL OF FINANCIAL ADVISOR AGREEMENT

44. THIS COURT ORDERS that the letter agreement dated as of December 22, 2012 with respect to the Financial Advisor in the form attached as Exhibit "CC" to the Martin Affidavit (the "Financial Advisor Agreement") and the retention of the Financial Advisor under the terms thereof, including the payments to be made to the Financial Advisor thereunder, are hereby approved.

45. THIS COURT ORDERS that the Applicant is authorized and directed to make the payments contemplated in the Financial Advisor Agreement in accordance with the terms and conditions thereof.

POSTPONEMENT OF ANNUAL GENERAL MEETING

46. THIS COURT ORDERS that the Applicant be and is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

FOREIGN PROCEEDINGS

47. THIS COURT ORDERS that the Monitor is hereby authorized and empowered to act as the foreign representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside of Canada.

48. THIS COURT ORDERS that the Monitor is hereby authorized, as the foreign representative of the Applicant and of the within proceedings, to apply for foreign recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, including as "Foreign Main Proceedings" in the United States pursuant to Chapter 15 of the *U.S. Bankruptcy Code*.

49. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of China or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

50. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and any other Order issued in these proceedings.

SERVICE AND NOTICE

51. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe and Mail and the Wall Street Journal a notice containing the information prescribed under the CCAA, (ii) within seven days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

52. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or email to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

53. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on the Monitor's Website.

GENERAL

54. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

55. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

56. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

57. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

A handwritten signature in black ink, appearing to read "M. J. Power", is written over a horizontal line.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 2 - 2012

Handwritten initials, possibly "NM", in black ink.

Schedule "A"

1. Sino-Panel Holdings Limited (BVI)
2. Sino-Global Holdings Inc. (BVI)
3. Sino-Wood Partners, Limited (HK)
4. Grandeur Winway Limited (BVI)
5. Sinowin Investments Limited (BVI)
6. Sinowood Limited (Cayman Islands)
7. Sino-Forest Bio-Science Limited (BVI)
8. Sino-Forest Resources Inc. (BVI)
9. Sino-Plantation Limited (HK)
10. Suri-Wood Inc. (BVI)
11. Sino-Forest Investments Limited (BVI)
12. Sino-Wood (Guangxi) Limited (HK)
13. Sino-Wood (Jiangxi) Limited (HK)
14. Sino-Wood (Guangdong) Limited (HK)
15. Sino-Wood (Fujian) Limited (HK)
16. Sino-Panel (Asia) Inc. (BVI)
17. Sino-Panel (Guangxi) Limited (BVI)
18. Sino-Panel (Yunnan) Limited (BVI)
19. Sino-Panel (North East China) Limited (BVI)
20. Sino-Panel [Xiangxi] Limited (BVI)
21. Sino-Panel [Hunan] Limited (BVI)
22. SFR (China) Inc. (BVI)
23. Sino-Panel [Suzhou] Limited (BVI)
24. Sino-Panel (Gaoyao) Ltd. (BVI)
25. Sino-Panel (Guangzhou) Limited (BVI)
26. Sino-Panel (North Sea) Limited (BVI)
27. Sino-Panel (Guizhou) Limited (BVI)
28. Sino-Panel (Huaihua) Limited (BVI)
29. Sino-Panel (Qinzhou) Limited (BVI)
30. Sino-Panel (Yongzhou) Limited (BVI)
31. Sino-Panel (Fujian) Limited (BVI)
32. Sino-Panel (Shaoyang) Limited (BVI)
33. Amplemax Worldwide Limited (BVI)
34. Ace Supreme International Limited (BVI)
35. Express Point Holdings Limited (BVI)
36. Glory Billion International Limited (BVI)
37. Smart Sure Enterprises Limited (BVI)
38. Expert Bonus Investment Limited (BVI)
39. Dynamic Profit Holdings Limited (BVI)
40. Alliance Max Limited (BVI)
41. Brain Force Limited (BVI)
42. General Excel Limited (BVI)
43. Poly Market Limited (BVI)
44. Prime Kinetic Limited (BVI)
45. Trillion Edge Limited (BVI)
46. Sino-Panel (China) Nursery Limited (BVI)

47. Sino-Wood Trading Limited (BVI)
48. Homix Limited (BVI)
49. Sino-Panel Trading Limited (BVI)
50. Sino-Panel (Russia) Limited (BVI)
51. Sino-Global Management Consulting Inc. (BVI)
52. Value quest International Limited (BVI)
53. Well Keen Worldwide Limited (BVI)
54. Harvest Wonder Worldwide Limited (BVI)
55. Cheer Gold Worldwide Limited (BVI)
56. Regal Win Capital Limited (BVI)
57. Rich Choice Worldwide Limited (BVI)
58. Sino-Forest International (Barbados) Corporation
59. Mandra Forestry Holdings Limited (BVI)
60. Mandra Forestry Finance Limited (BVI)
61. Mandra Forestry Anhui Limited (BVI)
62. Mandra Forestry Hubel Limited (BVI)
63. Sino-Capital Global Inc. (BVI)
64. Elite Legacy Limited (BVI)

Schedule "B"

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 3/29/2012
File Currency Date: 03/28/2012
Family(ies): 6
Page(s): 8

SEARCH : Business Debtor : SINO-FOREST CORPORATION

The attached report has been created based on the data received by Cyberbahn, a Thomson Reuters business from the Province of Ontario, Ministry of Government Services. No liability is assumed by Cyberbahn regarding its correctness, timeliness, completeness or the interpretation and use of the report. Use of the Cyberbahn service, including this report is subject to the terms and conditions of Cyberbahn's subscription agreement.

PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
SEARCH RESULTS

Date Search Conducted: 3/29/2012
File Currency Date: 03/28/2012
Family(ies): 6
Page(s): 8

SEARCH : Business Debtor : SINO-FOREST CORPORATION

FAMILY : 1 OF 6 ENQUIRY PAGE : 1 OF 8
SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 609324408 EXPIRY DATE : 27SEP 2015 STATUS ;
01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED ;
REG NUM : 20040927 1631 1793 0430 REG TYP: P PPSA REG PERIOD: 10
02 IND DOB : IND NAME;
03 BUS NAME: SINO-FOREST CORPORATION OCN :
04 ADDRESS : 90 BURNHAMTHORPE ROAD WEST, SUITE 1208
CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3
05 IND DOB : IND NAME;
06 BUS NAME: OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:
08 SECURED PARTY/LIEN CLAIMANT :
LAW DEBENTURE TRUST COMPANY OF NEW YORK
09 ADDRESS : 767 THIRD AVENUE, 31ST FLOOR
CITY : NEW YORK PROV: NY POSTAL CODE: 10017
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.
11
12
GENERAL COLLATERAL DESCRIPTION
13 PLEDGE OF SHARES OF CERTAIN SUBSIDIARIES OF THE DEBTOR PURSUANT TO
14 A PLEDGE AGREEMENT AND SHARE CHARGE.
15
16 AGENT: AIRD & BERLIS LLP #2
17 ADDRESS : 181 BAY STREET, SUITE 1800
CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

FAMILY : 1 OF 6 ENQUIRY PAGE : 2 OF 8
SEARCH : BD : SINO-FOREST CORPORATION FILE NUMBER 609324408

	PAGE	TOT	REGISTRATION NUM	REG TYPE
01 CAUTION :	001 OF 1	MV SCHED:	20090720 1614 1793 6085	
21 REFERENCE FILE NUMBER :	609324408			
22 AMEND PAGE:	NO PAGE:	CHANGE: A	AMNDMNT REN YEARS:	CORR PER:
23 REFERENCE DEBTOR/	IND NAME:			
24 TRANSFEROR:	BUS NAME: SINO-FOREST CORPORATION			

25 OTHER CHANGE:
26 REASON: TO AMEND SECURED PARTY ADDRESS AND TO AMEND GENERAL COLLATERAL
27 /DESCR: DESCRIPTION TO DELETE THE WORDS "PURSUANT TO A PLEDGE AGREEMENT AND
28 : SHARE CHARGE"
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:
CITY: PROV: POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :
LAW DEBENTURE TRUST COMPANY OF NEW YORK
09 ADDRESS : 400 MADISON AVENUE, 4TH FLOOR
CITY : NEW YORK PROV : NY POSTAL CODE : 10017
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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12
13 PLEDGE OF SHARES OF CERTAIN SUBSIDIARIES OF THE DEBTOR
14
15
16 NAME ; AIRD & BERLIS LLP
17 ADDRESS : 181 BAY STREET, SUITE 1800, BOX# 754
CITY : TORONTO PROV : ON POSTAL CODE : M5J2T9

FAMILY : 1 OF 6 ENQUIRY PAGE : 3 OF 8
SEARCH : BD : SINO-FOREST CORPORATION

FILE NUMBER 609324408
PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20090720 1616 1793 6087
21 REFERENCE FILE NUMBER : 609324408
22 AMEND PAGE: NO PAGE; CHANGE: B RENEWAL REN YEARS: 1 CORR PER;
23 REFERENCE DEBTOR/ IND NAME:
24 TRANSFEROR: BUS NAME: SINO-FOREST CORPORATION

25 OTHER CHANGE:
26 REASON:
27 /DESCR:
28 :
02/05 IND/TRANSFEE:
03/06 BUS NAME/TRFEE:

04/07 ADDRESS: OCN:
CITY: PROV: POSTAL CODE:
29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :
CITY : PROV : POSTAL CODE :
CONS. MV DATE OF NO FIXED
GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : AIRD & BERLIS LLP
17 ADDRESS : 181 BAY STREET, SUITE 1800, BOX# 754
CITY : TORONTO PROV : ON POSTAL CODE : M5J2T9

FAMILY : 2 OF 6 ENQUIRY PAGE : 4 OF 8
 SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 650314305 EXPIRY DATE : 03DEC 2013 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20081203 1055 1793 9576 REG TYP: P PPSA REG PERIOD: 5

02 IND DOB : IND NAME:
 03 BUS NAME: SINO-FOREST CORPORATION

OCN :

04 ADDRESS : 1208-90 BURNHAMTHORPE RD W
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3

05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 XEROX CANADA LTD

09 ADDRESS : 33 BLOOR ST. E. 3RD FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M4W3H1
 CONS. MV DATE OF OR NO FIXED
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 YEAR MAKE MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

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16 AGENT: XEROX CANADA LTD

17 ADDRESS : 33 BLOOR ST. E. 3RD FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M4W3H1

FAMILY : 3 OF 6 ENQUIRY PAGE : 5 OF 8
 SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 655022304 EXPIRY DATE : 20JUL 2015 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20090720 1615 1793 6086 REG TYP: P PPSA REG PERIOD: 6
 02 IND DOB : IND NAME:
 03 BUS NAME: SINO-FOREST CORPORATION

OCN :
 04 ADDRESS : 90 BURNHAMTHORPE ROAD WEST, SUITE 1208
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 LAW DEBENTURE TRUST COMPANY OF NEW YORK
 09 ADDRESS : 400 MADISON AVENUE, 4TH FLOOR
 CITY : NEW YORK PROV: NY POSTAL CODE: 10017
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE X X MODEL V.I.N.

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 GENERAL COLLATERAL DESCRIPTION
 13 PLEDGE OF SHARES OF CERTAIN SUBSIDIARIES OF THE DEBTOR
 14
 15
 16 AGENT: AIRD & BERLIS LLP - SUSAN PAK
 17 ADDRESS : 181 BAY STREET, SUITE 1800
 CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

FAMILY : 4 OF 6 ENQUIRY PAGE : 6 OF 8
 SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 659079036 EXPIRY DATE : 03FEB 2016 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20100203 1535 1793 2023 REG TYP: P PPSA REG PERIOD: 6
 02 IND DOB : IND NAME:
 03 BUS NAME: SINO-FOREST CORPORATION

OCN :
 04 ADDRESS : 90 BURNHAMTHORPE ROAD WEST, SUITE 1208
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3

05 IND DOB : IND NAME:
 06 BUS NAME:
 OCN :

07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 LAW DEBENTURE TRUST COMPANY OF NEW YORK

09 ADDRESS : 400 MADISON AVENUE, 4TH FLOOR
 CITY : NEW YORK PROV: NY POSTAL CODE: 10017
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE

10 YEAR MAKE X X MODEL V.I.N.

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GENERAL COLLATERAL DESCRIPTION

13 PLEDGE OF SHARES OF CERTAIN SUBSIDIARIES OF THE DEBTOR

14

15

16 AGENT: AIRD & BERLIS LLP (SPAK - 102288)

17 ADDRESS : 181 BAY STREET, SUITE 1800
 CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

FAMILY : 5 OF 6 ENQUIRY PAGE : 7 OF 8
 SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 665186985 EXPIRY DATE : 15OCT 2020 STATUS :
 01 CAUTION FILING : PAGE : 001 OF 1 MV SCHEDULE ATTACHED :
 REG NUM : 20101015 1215 1793 1245 REG TYP: P PPSA REG PERIOD: 10
 02 IND DOB : IND NAME:
 03 BUS NAME: SINO-FOREST CORPORATION

OCN :
 04 ADDRESS : 90 BURNHAMTHORPE ROAD WEST, SUITE 1208
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 LAW DEBENTURE TRUST COMPANY OF NEW YORK
 09 ADDRESS : 400 MADISON AVENUE, 4TH FLOOR
 CITY : NEW YORK PROV: NY POSTAL CODE: 10017
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
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GENERAL COLLATERAL DESCRIPTION

13 PLEDGE OF SHARES OF CERTAIN SUBSIDIARIES OF THE DEBTOR.

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16 AGENT: AIRD & BERLIS LLP (RMK-106760)
 17 ADDRESS : 181 BAY STREET, SUITE 1800
 CITY : TORONTO PROV: ON POSTAL CODE: M5J2T9

FAMILY : 6 OF 6 ENQUIRY PAGE : 8 OF 8
 SEARCH : BD : SINO-FOREST CORPORATION

00 FILE NUMBER : 665928963 EXPIRY DATE : 17NOV 2016 STATUS :
 01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :
 REG NUM : 20101117 1007 1462 0113 REG TYP: P PPSA REG PERIOD: 6
 02 IND DOB : IND NAME:
 03 BUS NAME: SINO-FOREST CORPORATION

OCN :
 04 ADDRESS : 1208-90 BURNHAMTHORPE RD W
 CITY : MISSISSAUGA PROV: ON POSTAL CODE: L5B3C3
 05 IND DOB : IND NAME:
 06 BUS NAME:

OCN :
 07 ADDRESS :
 CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
 XEROX CANADA LTD

09 ADDRESS : 33 BLOOR ST. E. 3RD FLOOR
 CITY : TORONTO PROV: ON POSTAL CODE: M4W3H1
 CONS. MV DATE OF OR NO FIXED
 GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
 10 YEAR MAKE X X MODEL V.I.N. X

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 GENERAL COLLATERAL DESCRIPTION
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 16 AGENT: PPSA CANADA INC. - (3992)
 17 ADDRESS : 110 SHEPPARD AVE EAST, SUITE 303
 CITY : TORONTO PROV: ON POSTAL CODE: M2N6Y8

Schedule "A"

IN THE MATTER OF THE *COMPANIES CREDITORS' ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF SINO-FOREST CORPORATION

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

INITIAL ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Robert W. Staley (LSUC #27115J)
Kevin Zych (LSUC #33129T)
Derek J. Bell (LSUC #43420J)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

Court File No. CV-12-9667-00CL



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
JUSTICE MORAWETZ)
MONDAY, THE 14th
DAY OF MAY, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF SINO-FOREST CORPORATION

CLAIMS PROCEDURE ORDER

THIS MOTION, made by Sino-Forest Corporation (the "Applicant") for an order establishing a claims procedure for the identification and determination of certain claims was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the affidavit of W. Judson Martin sworn on May 2, 2012, the Second Report of FTI Consulting Canada Inc. (the "Monitor") dated April 30, 2012 (the "Monitor's Second Report") and the Supplemental Report to the Monitor's Second Report dated May 12, 2012 (the "Supplemental Report"), and on hearing the submissions of counsel for the Applicant, the Applicant's directors, the Monitor, the *ad hoc* committee of Noteholders (the "Ad Hoc Noteholders"), and those other parties present, no one appearing for the other parties served with the Applicant's Motion Record, although duly served as appears from the affidavit of service, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Motion Record, the Monitor's Second Report and the Supplemental Report is hereby abridged and

-2-

validated such that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS AND INTERPRETATION

2. The following terms shall have the following meanings ascribed thereto:
- (a) "2013 and 2016 Trustee" means The Bank of New York Mellon, in its capacity as trustee for the 2013 Notes and the 2016 Notes;
 - (b) "2014 and 2017 Trustee" means Law Debenture Trust Company of New York, in its capacity as trustee for the 2014 Notes and the 2017 Notes;
 - (c) "2013 Note Indenture" means the indenture dated as of July 23, 2008, by and between the Applicant, the entities listed as subsidiary guarantors thereto, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented;
 - (d) "2014 Note Indenture" means the indenture dated as of July 27, 2009 entered into by and between the Applicant, the entities listed as subsidiary guarantors thereto, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented;
 - (e) "2016 Note Indenture" means the indenture dated as of December 17, 2009, by and between the Applicant, the entities listed as subsidiary guarantors thereto, and The Bank of New York Mellon, as trustee, as amended, modified or supplemented;
 - (f) "2017 Note Indenture" means the indenture dated as of October 21, 2010, by and between the Applicant, the entities listed as subsidiary guarantors thereto, and Law Debenture Trust Company of New York, as trustee, as amended, modified or supplemented;
 - (g) "2013 Notes" means the US\$345,000,000 of 5.00% Convertible Senior Notes Due 2013 issued pursuant to the 2013 Note Indenture;

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- (h) "2014 Notes" means the US\$399,517,000 of 10.25% Guaranteed Senior Notes Due 2014 issued pursuant to the 2014 Note Indenture;
- (i) "2016 Notes" means the US\$460,000,000 of 4.25% Convertible Senior Notes Due 2016 issued pursuant to the 2016 Note Indenture;
- (j) "2017 Notes" means the US\$600,000,000 of 6.25% Guaranteed Senior Notes Due 2017 issued pursuant to the 2017 Note Indenture;
- (k) "Administration Charge" has the meaning given to that term in paragraph 37 of the Initial Order;
- (l) "BIA" means the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended;
- (m) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (n) "CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;
- (o) "CCAA Proceedings" means the proceedings commenced by the Applicant in the Court under Court File No. CV-12-9667-00CL;
- (p) "CCAA Service List" means the service list in the CCAA Proceedings posted on the Monitor's Website, as amended from time to time;
- (q) "Claim" means:
 - (i) any right or claim of any Person that may be asserted or made in whole or in part against the Applicant, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement

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(oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person (including Directors and Officers) to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, (B) relates to a time period prior to the Filing Date, or (C) is a right or claim of any kind that would be a claim provable in bankruptcy within the meaning of the BIA had the Applicant become bankrupt on the Filing Date, or an Equity Claim (each a "Prefiling Claim", and collectively, the "Prefiling Claims");

- (ii) a Restructuring Claim; and
- (iii) a Secured Claim;

provided, however, that "Claim" shall not include an Excluded Claim, a D&O Claim or a D&O Indemnity Claim;

- (r) "Claimant" means any Person having a Claim, a D&O Claim or a D&O Indemnity Claim and includes the transferee or assignee of a Claim, a D&O Claim or a D&O Indemnity Claim transferred and recognized as a Claimant in accordance with paragraphs 46 and 47 hereof or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

-5-

- (s) "Claimants' Guide to Completing the D&O Proof of Claim" means the guide to completing the D&O Proof of Claim form, in substantially the form attached as Schedule "E-2" hereto;
- (t) "Claimants' Guide to Completing the Proof of Claim" means the guide to completing the Proof of Claim form, in substantially the form attached as Schedule "E" hereto;
- (u) "Claims Bar Date" means June 20, 2012;
- (v) "Class" means the National Class and the Quebec Class;
- (w) "Court" means the Ontario Superior Court of Justice (Commercial List);
- (x) "Creditors' Meeting" means any meeting of creditors called for the purpose of considering and voting in respect of the Plan, if one is filed, to be scheduled pursuant to further order of the Court;
- (y) "D&O Claim" means, other than an Excluded Claim, (i) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers that relates to a Claim for which such Directors or Officers are by law liable to pay in their capacity as Directors or Officers, or (ii) any right or claim of any Person that may be asserted or made in whole or in part against one or more Directors or Officers, in that capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof, is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,

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disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any right or ability of any Person to advance a claim for contribution or indemnity from any such Directors or Officers or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation, and any interest accrued thereon or costs payable in respect thereof (A) is based in whole or in part on facts prior to the Filing Date, or (B) relates to a time period prior to the Filing Date;

- (z) "D&O Indemnity Claim" means any existing or future right of any Director or Officer against the Applicant which arose or arises as a result of any Person filing a D&O Proof of Claim in respect of such Director or Officer for which such Director or Officer is entitled to be indemnified by the Applicant;
- (aa) "D&O Indemnity Claims Bar Date" has the meaning set forth in paragraph 19 of this Order;
- (bb) "D&O Indemnity Proof of Claim" means the indemnity proof of claim in substantially the form attached as Schedule "F" hereto to be completed and filed by a Director or Officer setting forth its purported D&O Indemnity Claim;
- (cc) "D&O Proof of Claim" means the proof of claim in substantially the form attached as Schedule "D-2" hereto to be completed and filed by a Person setting forth its purported D&O Claim and which shall include all supporting documentation in respect of such purported D&O Claim;
- (dd) "Directors" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or *de facto* director of the Applicant;
- (ee) "Directors' Charge" has the meaning given to that term in paragraph 26 of the Initial Order;

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- (ff) "Dispute Notice" means a written notice to the Monitor, in substantially the form attached as Schedule "B" hereto, delivered to the Monitor by a Person who has received a Notice of Revision or Disallowance, of its intention to dispute such Notice of Revision or Disallowance;
- (gg) "Employee Amounts" means all outstanding wages, salaries and employee benefits (including, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, incentive plans, share compensation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits), vacation pay, commissions, bonuses and other incentive payments, termination and severance payments, and employee expenses and reimbursements, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (hh) "Equity Claim" has the meaning set forth in Section 2(1) of the CCAA;
- (ii) "Excluded Claim" means:
 - (i) any Claims entitled to the benefit of the Administration Charge or the Directors' Charge, or any further charge as may be ordered by the Court;
 - (ii) any Claims of the Subsidiaries against the Applicant;
 - (iii) any Claims of employees of the Applicant as at the Filing Date in respect of Employee Amounts;
 - (iv) any Post-Filing Claims;
 - (v) any Claims of the Ontario Securities Commission; and
 - (vi) any D&O Claims in respect of (i) through (v) above;
- (jj) "Filing Date" means March 30, 2012;

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- (kk) "Government Authority" means a federal, provincial, territorial, municipal or other government or government department, agency or authority (including a court of law) having jurisdiction over the Applicant;
- (ll) "Initial Order" means the Initial order of the Honourable Mr. Justice Morawetz made March 30, 2012 in the CCAA Proceedings, as amended, restated or varied from time to time;
- (mm) "Known Claimants" means:
 - (i) any Persons which, based upon the books and records of the Applicant, was owed monies by the Applicant as of the Filing Date and which monies remain unpaid in whole or in part;
 - (ii) any Person who has commenced a legal proceeding in respect of a Claim or D&O Claim or given the Applicant written notice of an intention to commence a legal proceeding or a demand for payment in respect of a Claim or D&O Claim, provided that where a lawyer of record has been listed in connection with any such proceedings, the "Known Claimant" for the purposes of any notice required herein or to be given hereunder shall be, in addition to that Person, its lawyer of record; and
 - (iii) any Person who is a party to a lease, contract, or other agreement or obligation of the Applicant which was restructured, terminated, repudiated or disclaimed by the Applicant between the Filing Date and the date of this Order;
- (nn) "Monitor's Website" has the meaning set forth in paragraph 12(a) of this Order;
- (oo) "National Class" has the meaning given to it in the Fresh As Amended Statement of Claim in the Ontario Class Action;
- (pp) "Note Indenture Trustees" means, collectively, the 2013 and 2016 Trustee and the 2014 and 2017 Trustee;

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- (qq) "Notes" means, collectively, the 2013 Notes, the 2014 Notes, the 2016 Notes, and the 2017 Notes;
- (rr) "Noteholder" means a registered or beneficial holder on or after the Filing Date of a Note in that capacity, and, for greater certainty, does not include former registered or beneficial holders of Notes;
- (ss) "Notice of Revision or Disallowance" means a notice, in substantially the form attached as Schedule "A" hereto, advising a Person that the Monitor has revised or disallowed all or part of such Person's purported Claim, D&O Claim or D&O Indemnity Claim set out in such Person's Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim;
- (tt) "Notice to Claimants" means the notice to Claimants for publication in substantially the form attached as Schedule "C" hereto;
- (uu) "Officers" means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of the Applicant;
- (vv) "Ontario Class Action" means the action commenced against the Applicant and others in the Ontario Superior Court of Justice, bearing (Toronto) Court File No. CV-11-431153-00CP;
- (ww) "Ontario Plaintiffs" means the Trustees of the Labourers' Pension Fund of Central and Eastern Canada and the other named Plaintiffs in the Ontario Class Action;
- (xx) "Person" is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Authority or any agency, regulatory body, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status, and whether acting on their own or in a representative capacity;

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- (yy) "Plan" means any proposed plan of compromise or arrangement filed in respect of the Applicant pursuant to the CCAA as the same may be amended, supplemented or restated from time to time in accordance with its terms;
- (zz) "Post-Filing Claims" means any claims against the Applicant that arose from the provision of authorized goods and services provided or otherwise incurred on or after the Filing Date in the ordinary course of business, but specifically excluding any Restructuring Claim;
- (aaa) "Proof of Claim" means the proof of claim in substantially the form attached as Schedule "D" hereto to be completed and filed by a Person setting forth its purported Claim and which shall include all supporting documentation in respect of such purported Claim;
- (bbb) "Proof of Claim Document Package" means a document package that includes a copy of the Notice to Claimants, the Proof of Claim form, the D&O Proof of Claim form, the Claimants' Guide to Completing the Proof of Claim form, the Claimants' Guide to Completing the D&O Proof of Claim form, and such other materials as the Monitor, in consultation with the Applicant, may consider appropriate or desirable;
- (ccc) "Proven Claim" means the amount and Status of a Claim, D&O Claim or D&O Indemnity Claim of a Claimant as determined in accordance with this Order;
- (ddd) "Quebec Class" has the meaning given to it in the statement of claim in the Quebec Class Action;
- (eee) "Quebec Class Action" means the action commenced against the Applicant and others in the Quebec Superior Court, bearing Court File No. 200-06-000132-111 ;
- (fff) "Quebec Plaintiffs" means Guining Liu and the other named plaintiffs in the Quebec Class Action;
- (ggg) "Restructuring Claim" means any right or claim of any Person that may be asserted or made in whole or in part against the Applicant, whether or not asserted

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or made, in connection with any indebtedness, liability or obligation of any kind arising out of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation on or after the Filing Date and whether such restructuring, termination, repudiation or disclaimer took place or takes place before or after the date of this Order;

- (hhh) "Restructuring Claims Bar Date" means, in respect of a Restructuring Claim, the later of (i) the Claims Bar Date, and (ii) 30 days after a Person is deemed to receive a Proof of Claim Document Package pursuant to paragraph 12(e) hereof.
- (iii) "Secured Claim" means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicant (including statutory and possessor liens that create security interests) up to the value of such collateral, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date;
- (jjj) "Status" means, with respect to a Claim, D&O Claim or D&O Indemnity Claim, or a purported Claim, D&O Claim or D&O Indemnity Claim, whether such claim is secured or unsecured; and
- (kkk) "Subsidiaries" means all direct and indirect subsidiaries of the Applicant other than Greenheart Group Limited (Bermuda) and its direct and indirect subsidiaries, and "Subsidiary" means any one of the Subsidiaries.

3. THIS COURT ORDERS that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein.

4. THIS COURT ORDERS that all references to the word "including" shall mean "including without limitation".

5. THIS COURT ORDERS that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. THIS COURT ORDERS that the Monitor, in consultation with the Applicant, is hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which forms delivered hereunder are completed and executed, and may, where it is satisfied that a Claim, a D&O Claim or a D&O Indemnity Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of such forms and to request any further documentation from a Person that the Monitor, in consultation with the Applicant, may require in order to enable it to determine the validity of a Claim, a D&O Claim or a D&O Indemnity Claim.

7. THIS COURT ORDERS that if any purported Claim, D&O Claim or D&O Indemnity Claim arose in a currency other than Canadian dollars, then the Person making the purported Claim, D&O Claim or D&O Indemnity Claim shall complete its Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim, as applicable, indicating the amount of the purported Claim, D&O Claim or D&O Indemnity Claim in such currency, rather than in Canadian dollars or any other currency. The Monitor shall subsequently calculate the amount of such purported Claim, D&O Claim or D&O Indemnity Claim in Canadian Dollars, using the Reuters closing rate on the Filing Date (as found at <http://www.reuters.com/finance/currencies>), without prejudice to a different exchange rate being proposed in any Plan.

8. THIS COURT ORDERS that a Person making a purported Claim, D&O Claim or D&O Indemnity Claim shall complete its Proof of Claim, D&O Proof of Claim or Indemnity Proof of Claim, as applicable, indicating the amount of the purported Claim, D&O Claim or D&O Indemnity Claim without including any interest and penalties that would otherwise accrue after the Filing Date.

9. THIS COURT ORDERS that the form and substance of each of the Notice of Revision or Disallowance, Dispute Notice, Notice to Claimants, the Proof of Claim, the D&O Proof of Claim, the Claimants' Guide to Completing the Proof of Claim, the Claimants' Guide to Completing the D&O Proof of Claim, and D&O Indemnity Proof of Claim substantially in the forms attached as Schedules "A", "B", "C", "D", "D-2", "E", "E-2" and "F" respectively to this Order are hereby approved. Notwithstanding the foregoing, the Monitor, in consultation with the

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Applicant, may from time to time make minor non-substantive changes to such forms as the Monitor, in consultation with the Applicant, considers necessary or advisable.

MONITOR'S ROLE

10. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights, duties, responsibilities and obligations under the CCAA and under the Initial Order, is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order or incidental thereto.

11. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA, the Initial Order, and this Order, or as an officer of the Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur no liability or obligation as a result of the carrying out of the provisions of this Order, (iii) the Monitor shall be entitled to rely on the books and records of the Applicant and any information provided by the Applicant, all without independent investigation, and (iv) the Monitor shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information.

NOTICE TO CLAIMANTS, DIRECTORS AND OFFICERS

12. THIS COURT ORDERS that:

- (a) the Monitor shall no later than five (5) Business Days following the making of this Order, post a copy of the Proof of Claim Document Package on its website at <http://cfcanada.fticonsulting.com/sfc> ("Monitor's Website");
- (b) the Monitor shall no later than five (5) Business Days following the making of this Order, send on behalf of the Applicant to the Note Indenture Trustees (or to counsel for the Note Indenture Trustees as appears on the CCAA Service List if applicable) a copy of the Proof of Claim Document Package;
- (c) the Monitor shall no later than five (5) Business Days following the making of this Order, send on behalf of the Applicant to each of the Known Claimants a copy of the Proof of Claim Document Package, provided however that the

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Monitor is not required to send Proof of Claim Document Packages to Noteholders;

- (d) the Monitor shall no later than five (5) Business Days following the making of this Order, cause the Notice to Claimants to be published in (i) The Globe and Mail newspaper (National Edition) on one such day, and (ii) the Wall Street Journal (Global Edition) on one such day;
- (e) with respect to Restructuring Claims arising from the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation, the Monitor shall send to the counterparty(ies) to such lease, contract, or other agreement or obligation a Proof of Claim Document Package no later than five (5) Business Days following the time the Monitor becomes aware of the restructuring, termination, repudiation or disclaimer of any such lease, contract, or other agreement or obligation;
- (f) the Monitor shall, provided such request is received by the Monitor prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefor a copy of the Proof of Claim Document Package to any Person requesting such material; and
- (g) the Monitor shall send to any Director or Officer named in a D&O Proof of Claim received by the Claims Bar Date a copy of such D&O Proof of Claim as soon as practicable along with an D&O Indemnity Proof of Claim form, with a copy to counsel for such Directors or Officers.

13. THIS COURT ORDERS that the Applicant shall (i) inform the Monitor of all Known Claimants by providing the Monitor with a list of all Known Claimants and their last known addresses according to the books and records of the Applicant and (ii) provide the Monitor with a list of all Directors and Officers and their last known addresses according to the books and records of the Applicant.

14. THIS COURT ORDERS that, except as otherwise set out in this Order or other orders of the Court, neither the Monitor nor the Applicant is under any obligation to send notice to any

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Person holding a Claim, a D&O Claim or a D&O Indemnity Claim, and without limitation, neither the Monitor nor the Applicant shall have any obligation to send notice to any Person having a security interest in a Claim, D&O Claim or D&O Indemnity Claim (including the holder of a security interest created by way of a pledge or a security interest created by way of an assignment of a Claim, D&O Claim or D&O Indemnity Claim), and all Persons (including Known Claimants) shall be bound by any notices published pursuant to paragraphs 12(a) and 12(d) of this Order regardless of whether or not they received actual notice, and any steps taken in respect of any Claim, D&O Claim or D&O Indemnity Claim in accordance with this Order.

15. THIS COURT ORDERS that the delivery of a Proof of Claim, D&O Proof of Claim, or D&O Indemnity Proof of Claim by the Monitor to a Person shall not constitute an admission by the Applicant or the Monitor of any liability of the Applicant or any Director or Officer to any Person.

CLAIMS BAR DATES

Claims and D&O Claims

16. THIS COURT ORDERS that (i) Proofs of Claim (but not in respect of any Restructuring Claims) and D&O Proofs of Claim shall be filed with the Monitor on or before the Claims Bar Date, and (ii) Proofs of Claim in respect of Restructuring Claims shall be filed with the Monitor on or before the Restructuring Claims Bar Date. For the avoidance of doubt, a Proof of Claim or D&O Proof of Claim, as applicable, must be filed in respect of every Claim or D&O Claim, regardless of whether or not a legal proceeding in respect of a Claim or D&O Claim was commenced prior to the Filing Date.

17. THIS COURT ORDERS that any Person that does not file a Proof of Claim as provided for herein such that the Proof of Claim is received by the Monitor on or before the Claims Bar Date or the Restructuring Claims Bar Date, as applicable, (a) shall be and is hereby forever barred from making or enforcing such Claim against the Applicant and all such Claims shall be forever extinguished; (b) shall be and is hereby forever barred from making or enforcing such Claim as against any other Person who could claim contribution or indemnity from the Applicant; (c) shall not be entitled to vote such Claim at the Creditors' Meeting in respect of the

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Plan or to receive any distribution thereunder in respect of such Claim; and (d) shall not be entitled to any further notice in, and shall not be entitled to participate as a Claimant or creditor in, the CCAA Proceedings in respect of such Claim.

18. THIS COURT ORDERS that any Person that does not file a D&O Proof of Claim as provided for herein such that the D&O Proof of Claim is received by the Monitor on or before the Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing such D&O Claim against any Directors or Officers, and all such D&O Claims shall be forever extinguished; (b) shall be and is hereby forever barred from making or enforcing such D&O Claim as against any other Person who could claim contribution or indemnity from any Directors or Officers; (c) shall not be entitled to vote such D&O Claim at the Creditors' Meeting or to receive any distribution in respect of such D&O Claim; and (d) shall not be entitled to any further notice in, and shall not be entitled to participate as a Claimant or creditor in, the CCAA Proceedings in respect of such D&O Claim.

D&O Indemnity Claims

19. THIS COURT ORDERS that any Director or Officer wishing to assert a D&O Indemnity Claim shall deliver a D&O Indemnity Proof of Claim to the Monitor so that it is received by no later than fifteen (15) Business Days after the date of receipt of the D&O Proof of Claim by such Director or Officer pursuant to paragraph 12(g) hereof (with respect to each D&O Indemnity Claim, the "D&O Indemnity Claims Bar Date").

20. THIS COURT ORDERS that any Director or Officer that does not file a D&O Indemnity Proof of Claim as provided for herein such that the D&O Indemnity Proof of Claim is received by the Monitor on or before the D&O Indemnity Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing such D&O Indemnity Claim against the Applicant, and such D&O Indemnity Claim shall be forever extinguished; (b) shall be and is hereby forever barred from making or enforcing such D&O Indemnity Claim as against any other Person who could claim contribution or indemnity from the Applicant; and (c) shall not be entitled to vote such D&O Indemnity Claim at the Creditors' Meeting or to receive any distribution in respect of such D&O Indemnity Claim.

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Excluded Claims

21. THIS COURT ORDERS that Persons with Excluded Claims shall not be required to file a Proof of Claim in this process in respect of such Excluded Claims, unless required to do so by further order of the Court.

PROOFS OF CLAIM

22. THIS COURT ORDERS that (i) each Person shall include any and all Claims it asserts against the Applicant in a single Proof of Claim, provided however that where a Person has taken assignment or transfer of a purported Claim after the Filing Date, that Person shall file a separate Proof of Claim for each such assigned or transferred purported Claim, and (ii) each Person that has or intends to assert a right or claim against one or more Subsidiaries which is based in whole or in part on facts, underlying transactions, causes of action or events relating to a purported Claim made against the Applicant shall so indicate on such Claimant's Proof of Claim.

23. THIS COURT ORDERS that each Person shall include any and all D&O Claims it asserts against one or more Directors or Officers in a single D&O Proof of Claim, provided however that where a Person has taken assignment or transfer of a purported D&O Claim after the Filing Date, that Person shall file a separate D&O Proof of Claim for each such assigned or transferred purported D&O Claim.

24. THIS COURT ORDERS that the 2013 and 2016 Trustee is authorized and directed to file one Proof of Claim on or before the Claims Bar Date in respect of each of the 2013 Notes and the 2016 Notes, indicating the amount owing on an aggregate basis as at the Filing Date under each of the 2013 Note Indenture and the 2016 Note Indenture.

25. THIS COURT ORDERS that the 2014 and 2017 Trustee is authorized and directed to file one Proof of Claim on or before the Claims Bar Date in respect of each of the 2014 Notes and the 2017 Notes, indicating the amount owing on an aggregate basis as at the Filing Date under each of the 2014 Note Indenture and the 2017 Note Indenture.

26. Notwithstanding any other provisions of this Order, Noteholders are not required to file individual Proofs of Claim in respect of Claims relating solely to the debt evidenced by their

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Notes. The Monitor may disregard any Proofs of Claim filed by any individual Noteholder claiming the debt evidenced by the Notes, and such Proofs of Claim shall be ineffective for all purposes. The process for determining each individual Noteholder's Claim for voting and distribution purposes with respect to the Plan and the process for voting on the Plan by Noteholders will be established by further order of the Court.

27. THIS COURT ORDERS that the Ontario Plaintiffs are, collectively, authorized to file, on or before the Claims Bar Date, one Proof of Claim and, if applicable, one D&O Proof of Claim, in respect of the substance of the matters set out in the Ontario Class Action, notwithstanding that leave to make a secondary market liability claim has not be granted and that the National Class has not yet been certified, and that members of the National Class may rely on the one Proof of Claim and/or one D&O Proof of Claim filed by the counsel for the Ontario Plaintiffs and are not required to file individual Proofs of Claim or D&O Proofs of Claim in respect of the Claims forming the subject matter of the Ontario Class Action.

28. THIS COURT ORDERS that the Quebec Plaintiffs are, collectively, authorized to file, on or before the Claims Bar Date, one Proof of Claim and, if applicable, one D&O Proof of Claim, in respect of the substance of the matters set out in the Quebec Class Action, notwithstanding that leave to make a secondary market liability claim has not be granted and that the Quebec Class has not yet been certified, and that members of the Quebec Class may rely on the one Proof of Claim and/or one D&O Proof of Claim filed by the counsel for the Quebec Plaintiffs and are not required to file individual Proofs of Claim or D&O Proofs of Claim in respect of the Claims forming the subject matter of the Quebec Class Action.

REVIEW OF PROOFS OF CLAIM

29. THIS COURT ORDERS that any Claimant filing a Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim shall clearly mark as "Confidential" any documents or portions thereof that that Person believes should be treated as confidential.

30. THIS COURT ORDERS that with respect to documents or portions thereof that are marked "Confidential", the following shall apply:

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- (a) any information that is otherwise publicly available shall not be treated as “Confidential” regardless of whether it is marked as such;
- (b) subject to the following, such information will be accessible to and may be reviewed only by the Monitor, the Applicant, any Director or Officer named in the applicable D&O Proof of Claim or D&O Indemnity Proof of Claim and each of their respective counsel, or as otherwise ordered by the Court (“**Designated Persons**”) or consented to by the Claimant, acting reasonably; and
- (c) any Designated Person may provide Confidential Information to other interested stakeholders (who shall have provided non-disclosure undertakings or agreements) on not less than 3 Business Days’ notice to the Claimant. If such Claimant objects to such disclosure, the Claimant and the relevant Designated Person shall attempt to settle any objection, failing which, either party may seek direction from the Court.

31. THIS COURT ORDERS that the Monitor (in consultation with the Applicant and the Directors and Officers named in the D&O Proof of Claim, as applicable), subject to the terms of this Order, shall review all Proofs of Claim and D&O Proofs of Claim filed, and at any time:

- (a) may request additional information from a purported Claimant;
- (b) may request that a purported Claimant file a revised Proof of Claim or D&O Proof of Claim, as applicable;
- (c) may, with the consent of the Applicant and any Person whose liability may be affected or further order of the Court, attempt to resolve and settle any issue arising in a Proof of Claim or D&O Proof of Claim or in respect of a purported Claim or D&O Claim, provided that if a Director or Officer disputes all or any portion of a purported D&O Claim, then the disputed portion of such purported D&O Claim may not be resolved or settled without such Director or Officer's consent or further order of the Court;

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- (d) may, with the consent of the Applicant and any Person whose liability may be affected or further order of the Court, accept (in whole or in part) the amount and/or Status of any Claim or D&O Claim, provided that if a Director or Officer disputes all or any portion of a purported D&O Claim against such Director or Officer, then the disputed portion of such purported D&O Claim may not be accepted without such Director or Officer's consent or further order of the Court; and
- (e) may by notice in writing revise or disallow (in whole or in part) the amount and/or Status of any purported Claim or D&O Claim.

32. THIS COURT ORDERS that where a Claim or D&O Claim has been accepted by the Monitor in accordance with this Order, such Claim or D&O Claim shall constitute such Claimant's Proven Claim. The acceptance of any Claim or D&O Claim or other determination of same in accordance with this Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any Person, save and except in the context of the CCAA Proceedings, and, for greater certainty, shall not constitute an admission of any fact, thing, liability, or quantum or status of any claim by any Person as against any Subsidiary.

33. THIS COURT ORDERS that where a purported Claim or D&O Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the purported Claimant a Notice of Revision or Disallowance, attaching the form of Dispute Notice.

34. THIS COURT ORDERS that where a purported Claim or D&O Claim has been revised or disallowed (in whole or in part, and whether as to amount and/or as to Status), the revised or disallowed purported Claim or D&O Claim (or revised or disallowed portion thereof) shall not be a Proven Claim until determined otherwise in accordance with the procedures set out in paragraphs 42 to 45 hereof or as otherwise ordered by the Court.

REVIEW OF D&O INDEMNITY PROOFS OF CLAIM

35. THIS COURT ORDERS that the Monitor, subject to the terms of this Order, shall review all D&O Indemnity Proofs of Claim filed, and at any time:

- (a) may request additional information from a Director or Officer;
- (b) may request that a Director or Officer file a revised D&O Indemnity Proof of Claim;
- (c) may attempt to resolve and settle any issue arising in a D&O Indemnity Proof of Claim or in respect of a purported D&O Indemnity Claim;
- (d) may accept (in whole or in part) the amount and/or Status of any D&O Indemnity Claim; and
- (e) may by notice in writing revise or disallow (in whole or in part) the amount and/or Status of any purported D&O Indemnity Claim.

36. THIS COURT ORDERS that where a D&O Indemnity Claim has been accepted by the Monitor in accordance with this Order, such D&O Indemnity Claim shall constitute such Director or Officer's Proven Claim. The acceptance of any D&O Indemnity Claim or other determination of same in accordance with this Order, in full or in part, shall not constitute an admission of any fact, thing, liability, or quantum or Status of any claim by any Person, save and except in the context of the CCAA Proceedings, and, for greater certainty, shall not constitute an admission of any fact, thing, liability, or quantum or Status of any claim by any Person as against any Subsidiary.

37. THIS COURT ORDERS that where a purported D&O Indemnity Claim is revised or disallowed (in whole or in part, and whether as to amount and/or Status), the Monitor shall deliver to the Director or Officer a Notice of Revision or Disallowance, attaching the form of Dispute Notice.

38. THIS COURT ORDERS that where a purported D&O Indemnity Claim has been revised or disallowed (in whole or in part, and whether as to amount and/or as to Status), the revised or

disallowed purported D&O Indemnity Claim (or revised or disallowed portion thereof) shall not be a Proven Claim until determined otherwise in accordance with the procedures set out in paragraphs 42 to 45 hereof or as otherwise ordered by the Court.

39. THIS COURT ORDERS that, notwithstanding anything to the contrary in this Order, in respect of any Claim, D&O Claim or D&O Indemnity Claim that exceeds \$1 million, the Monitor and the Applicant shall not accept, admit, settle, resolve, value (for any purpose), revise or reject such Claim, D&O Claim or D&O Indemnity Claim ~~without the consent of the Ad Hoc Noteholders or Order of the Court.~~

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DISPUTE NOTICE

40. THIS COURT ORDERS that a purported Claimant who intends to dispute a Notice of Revision or Disallowance shall file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on the day that is fourteen (14) days after such purported Claimant is deemed to have received the Notice of Revision or Disallowance in accordance with paragraph 50 of this Order. The filing of a Dispute Notice with the Monitor within the fourteen (14) day period specified in this paragraph shall constitute an application to have the amount or Status of such claim determined as set out in paragraphs 42 to 45 of this Order.

41. THIS COURT ORDERS that where a purported Claimant that receives a Notice of Revision or Disallowance fails to file a Dispute Notice with the Monitor within the time period provided therefor in this Order, the amount and Status of such purported Claimant's purported Claim, D&O Claim or D&O Indemnity Claim, as applicable, shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and Status, if any, shall constitute such purported Claimant's Proven Claim, and the balance of such purported Claimant's purported Claim, D&O Claim, or D&O Indemnity Claim, if any, shall be forever barred and extinguished.

RESOLUTION OF CLAIMS, D&O CLAIMS AND D&O INDEMNITY CLAIMS

42. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Monitor, in accordance with paragraph 31(c), shall attempt to resolve and settle the purported Claim or D&O Claim with the purported Claimant.

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43. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice in respect of a D&O Indemnity Claim to the Monitor, the Monitor, in accordance with paragraph 35(c), shall attempt to resolve and settle the purported D&O Indemnity Claim with the Director or Officer.

44. THIS COURT ORDERS that in the event that a dispute raised in a Dispute Notice is not settled within a time period or in a manner satisfactory to the Monitor, the Applicant and the applicable Claimant, the Monitor shall seek direction from the Court, on the correct process for resolution of the dispute. Without limitation, the foregoing includes any dispute arising as to whether a Claim is or is not an "equity claim" as defined in the CCAA.

45. THIS COURT ORDERS that any Claims and related D&O Claims and/or D&O Indemnity Claims shall be determined at the same time and in the same proceeding.

NOTICE OF TRANSFEREES

46. THIS COURT ORDERS that neither the Monitor nor the Applicant shall be obligated to send notice to or otherwise deal with a transferee or assignee of a Claim, D&O Claim or D&O Indemnity Claim as the Claimant in respect thereof unless and until (i) actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor and the Applicant, and (ii) the Monitor shall have acknowledged in writing such transfer or assignment, and thereafter such transferee or assignee shall for all purposes hereof constitute the "Claimant" in respect of such Claim, D&O Claim or D&O Indemnity Claim. Any such transferee or assignee of a Claim, D&O Claim or D&O Indemnity Claim, and such Claim, D&O Claim or D&O Indemnity Claim shall be bound by all notices given or steps taken in respect of such Claim, D&O Claim or D&O Indemnity Claim in accordance with this Order prior to the written acknowledgement by the Monitor of such transfer or assignment.

47. THIS COURT ORDERS that if the holder of a Claim, D&O Claim or D&O Indemnity Claim has transferred or assigned the whole of such Claim, D&O Claim or D&O Indemnity Claim to more than one Person or part of such Claim, D&O Claim or D&O Indemnity Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim, D&O

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Claim or D&O Indemnity Claim and such Claim, D&O Claim or D&O Indemnity Claim shall continue to constitute and be dealt with as a single Claim, D&O Claim or D&O Indemnity Claim notwithstanding such transfer or assignment, and the Monitor and the Applicant shall in each such case not be bound to acknowledge or recognize any such transfer or assignment and shall be entitled to send notice to and to otherwise deal with such Claim, D&O Claim or D&O Indemnity Claim only as a whole and then only to and with the Person last holding such Claim, D&O Claim or D&O Indemnity Claim in whole as the Claimant in respect of such Claim, D&O Claim or D&O Indemnity Claim. Provided that a transfer or assignment of the Claim, D&O Claim or D&O Indemnity Claim has taken place in accordance with paragraph 46 of this Order and the Monitor has acknowledged in writing such transfer or assignment, the Person last holding such Claim, D&O Claim or D&O Indemnity Claim in whole as the Claimant in respect of such Claim, D&O Claim or D&O Indemnity Claim may by notice in writing to the Monitor direct that subsequent dealings in respect of such Claim, D&O Claim or D&O Indemnity Claim, but only as a whole, shall be with a specified Person and, in such event, such Claimant, transferee or assignee of the Claim, D&O Claim or D&O Indemnity Claim shall be bound by any notices given or steps taken in respect of such Claim, D&O Claim or D&O Indemnity Claim by or with respect to such Person in accordance with this Order.

48. THIS COURT ORDERS that the transferee or assignee of any Claim, D&O Claim or D&O Indemnity Claim (i) shall take the Claim, D&O Claim or D&O Indemnity Claim subject to the rights and obligations of the transferor/assignor of the Claim, D&O Claim or D&O Indemnity Claim, and subject to the rights of the Applicant or Director or Officer against any such transferor or assignor, including any rights of set-off which the Applicant, Director or Officers had against such transferor or assignor, and (ii) cannot use any transferred or assigned Claim, D&O Claim or D&O Indemnity Claim to reduce any amount owing by the transferee or assignee to the Applicant, Director or Officer, whether by way of set off, application, merger, consolidation or otherwise.

DIRECTIONS

49. THIS COURT ORDERS that the Monitor, the Applicant and any Person (but only to the extent such Person may be affected with respect to the issue on which directions are sought) may, at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Order and the claims process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

50. THIS COURT ORDERS that the Monitor and the Applicant may, unless otherwise specified by this Order, serve and deliver the Proof of Claim Document Package, and any letters, notices or other documents to Claimants, purported Claimants, Directors or Officers, or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons (with copies to their counsel as appears on the CCAA Service List if applicable) at the address as last shown on the records of the Applicant or set out in such Person's Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim. Any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario), and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by electronic or digital transmission by 6:00 p.m. on a Business Day, on such Business Day, and if delivered after 6:00 p.m. or other than on a Business Day, on the following Business Day. Notwithstanding anything to the contrary in this paragraph 50, Notices of Revision or Disallowance shall be sent only by (i) facsimile to a number that has been provided in writing by the purported Claimant, Director or Officer, or (ii) courier.

51. THIS COURT ORDERS that any notice or other communication (including Proofs of Claim, D&O Proofs of Claims, D&O Indemnity Proofs of Claim and Notices of Dispute) to be given under this Order by any Person to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery or electronic or digital transmission addressed to:

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FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

Any such notice or other communication by a Person shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day, or if delivered outside of a normal business hours, the next Business Day.

52. THIS COURT ORDERS that if during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications sent by ordinary mail and then not received shall not, absent further Order of the Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery or electronic or digital transmission in accordance with this Order.

53. THIS COURT ORDERS that in the event that this Order is later amended by further order of the Court, the Monitor shall post such further order on the Monitor's Website and such posting shall constitute adequate notice of such amended claims procedure.

MISCELLANEOUS

54. THIS COURT ORDERS that notwithstanding any other provision of this Order, the solicitation of Proofs of Claim, D&O Proofs of Claim and D&O Indemnity Proofs of Claim and the filing by a Person of any Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim shall not, for that reason only, grant any Person any standing in the CCAA Proceedings or rights under the Plan.

55. THIS COURT ORDERS that the rights of the Ontario Plaintiffs and the Quebec Plaintiffs granted pursuant to paragraphs 27 and 28 of this Order are limited to filing a single Proof of

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quantification, (57)

Claim and, if applicable, a single D&O Proof in respect of each of the National Class and the Quebec Class in these proceedings, and not for any other purpose. Without limiting the generality of the foregoing, the filing of any Proof of Claim or D&O Proof of Claim by the Ontario Plaintiffs or the Quebec Plaintiffs pursuant to this Order:

- (a) is not an admission or recognition of their right to represent the Class for any other purpose, including with respect to settlement or voting in these proceedings, the Ontario Class Action or the Quebec Class Action; and
- (b) is without prejudice to the right of the Ontario Plaintiffs and the Quebec Plaintiffs or their counsel to seek an order granting them rights of representation in these proceedings, the Ontario Class Action or the Quebec Class Action.

56. THIS COURT ORDERS that nothing in this Order shall constitute or be deemed to constitute an allocation or assignment of Claims, D&O Claims, D&O Indemnity Claims, or Excluded Claims into particular affected or unaffected classes for the purpose of a Plan and, for greater certainty, the treatment of Claims, D&O Claims, D&O Indemnity Claims, Excluded Claims or any other claims are to be subject to a Plan and the class or classes of creditors for voting and distribution purposes shall be subject to the terms of any proposed Plan or further Order of the Court.

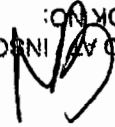
57. THIS COURT ORDERS that nothing in this Order shall prejudice the rights and remedies of any Directors or Officers or other persons under any existing Director and Officers or other insurance policy or prevent or bar any Person from seeking recourse against or payment from the Applicant's insurance and any Director's and/or Officer's liability insurance policy or policies that exist to protect or indemnify the Directors and/or Officers or other persons, whether such recourse or payment is sought directly by the Person asserting a Claim or a D&O Claim from the insurer or derivatively through the Director or Officer or Applicant; provided, however, that nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

58. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, Barbados, the British Virgin Islands, Cayman Islands, Hong Kong, the People's Republic of China or in any other foreign jurisdiction, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.



MAY 14 2012

ENTERED AT / INSCRIT A TORONTO
 ON / BOOK NO. :
 LE / DANS LE REGISTRE NO. :



SCHEDULE "A"

NOTICE OF REVISION OR DISALLOWANCE

**For Persons that have asserted Claims against Sino-Forest Corporation,
D&O Claims against the Directors or Officers of Sino-Forest Corporation or D&O
Indemnity Claims against Sino-Forest Corporation**

Claim Reference Number: _____

TO: _____
(Name of purported claimant)

Defined terms not defined in this Notice of Revision or Disallowance have the meaning ascribed in the Order of the Ontario Superior Court of Justice dated May 8, 2012 (the "Claims Procedure Order"). **All dollar values contained herein are in Canadian dollars unless otherwise noted.**

Pursuant to 31 of the Claims Procedure Order, the Monitor hereby gives you notice that it has reviewed your Proof of Claim, D&O Proof of Claim or D&O Indemnity Proof of Claim and has revised or disallowed all or part of your purported Claim, D&O Claim or D&O Indemnity Claim, as the case may be. Subject to further dispute by you in accordance with the Claims Procedure Order, your Proven Claim will be as follows:

	Amount as submitted		Amount allowed by Monitor
	(original currency amount)	(in Canadian dollars)	(in Canadian dollars)
A. Prefiling Claim	\$	\$	\$
B. Restructuring Claim	\$	\$	\$
C. Secured Claim	\$	\$	\$
D. D&O Claim	\$	\$	\$
E. D&O Indemnity Claim	\$	\$	\$
F. Total Claim	\$	\$	\$

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Reasons for Revision or Disallowance:

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must, no later than 5:00 p.m. (prevailing time in Toronto) on the day that is fourteen (14) days after this Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 50 of the Claims Procedure Order), deliver a Dispute Notice to the Monitor by registered mail, courier, personal delivery or electronic or digital transmission to the address below. In accordance with the Claims Procedure Order, notices shall be deemed to be received upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day. The form of Dispute Notice is enclosed and can also be accessed on the Monitor's website at <http://cfcanada.fticonsulting.com/sfc>.

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

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IF YOU FAIL TO FILE A DISPUTE NOTICE WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this day of , 2012.

FTI Consulting Canada Inc., solely in its capacity as Court-appointed Monitor of Sino-Forest Corporation and not in its personal or corporate capacity

Per: Greg Watson / Jodi Porepa

SCHEDULE "B"

DISPUTE NOTICE

With respect to Sino-Forest Corporation

Claim Reference Number: _____

1. **Particulars of Claimant:**

Full Legal Name of claimant (include trade name, if different):

(the "Claimant")

Full Mailing Address of the Claimant:

Other Contract Information of the Claimant:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

2.

Particulars of original Claimant from whom you acquired the Claim, D&O Claim or D&O Indemnity Claim:

Have you acquired this purported Claim, D&O Claim or D&O Indemnity Claim by assignment?

Yes:

No:

If yes and if not already provided, attach documents evidencing assignment.

Full Legal Name of original Claimant(s): _____

3.

Dispute of Revision or Disallowance of Claim, D&O Claim or D&O Indemnity Claim, as the case may be:

For the purposes of the Claims Procedure Order only (and without prejudice to the terms of any plan of arrangement or compromise), claims in a foreign currency will be converted to Canadian dollars at the exchange rates set out in the Claims Procedure Order.

The Claimant hereby disagrees with the value of its Claim, D&O Claim or D&O Indemnity Claim, as the case may be, as set out in the Notice of Revision or Disallowance and asserts a Claim, D&O Claim or D&O Indemnity Claim, as the case may be, as follows:

	Amount allowed by Monitor: (Notice of Revision or Disallowance) (in Canadian dollars)	Amount claimed by Claimant: (in Canadian Dollars)
A. Prefiling Claim	\$	\$
B. Restructuring Claim	\$	\$
C. Secured Claim	\$	\$
D. D&O Claim	\$	\$
E. D&O Indemnity Claim	\$	\$
F. Total Claim	\$	\$

REASON(S) FOR THE DISPUTE:

SERVICE OF DISPUTE NOTICES

If you intend to dispute a Notice of Revision or Disallowance, you must, by no later than the date that is fourteen (14) days after the Notice of Revision or Disallowance is deemed to have been received by you (in accordance with paragraph 50 of the Claims Procedure Order), deliver to the Monitor this Dispute Notice by registered mail, courier, personal delivery or electronic or digital transmission to the address below. In accordance with the Claims Procedure Order, notices shall be deemed to be received upon actual receipt thereof by the Monitor during normal business hours on a Business Day, or if delivered outside of normal business hours, on the next Business Day.

FTI Consulting Canada Inc.
 Court-appointed Monitor of Sino-Forest Corporation
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
 Telephone: (416) 649-8094
 E-mail: sfc@fticonsulting.com

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DATED this _____ day of _____, 2012.

Name of Claimant: _____

Witness

Per: _____
Name:
Title:
(please print)

SCHEDULE "C"

**NOTICE TO CLAIMANTS
AGAINST SINO-FOREST CORPORATION**
(hereinafter referred to as the "Applicant")

**RE: NOTICE OF CLAIMS PROCEDURE FOR THE APPLICANT PURSUANT TO
THE COMPANIES' CREDITORS ARRANGEMENT ACT (the "CCAA")**

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made on May 8, 2012 (the "Claims Procedure Order"). Pursuant to the Claims Procedure Order, Proof of Claim Document Packages will be sent to claimants by mail, on or before May 15, 2012, if those claimants are known to the Applicant. Claimants may also obtain the Claims Procedure Order and a Proof of Claim Document Package from the website of the Monitor at <http://cfcanada.fticonsulting.com/sfc>, or by contacting the Monitor by telephone (416-649-8094).

Proofs of Claim (including D&O Proofs of Claim) must be submitted to the Monitor for any claim against the Applicant, whether unliquidated, contingent or otherwise, or a claim against any current or former officer or director of the Applicant, in each case where the claim (i) arose prior to March 30, 2012, or (ii) arose on or after March 30, 2012 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation. Please consult the Proof of Claim Document Package for more details.

Completed Proofs of Claim must be received by the Monitor by 5:00 p.m. (prevailing Eastern Time) on the applicable claims bar date, as set out in the Claims Procedure Order. It is your responsibility to ensure that the Monitor receives your Proof of Claim or D&O Proof of Claim by the applicable claims bar date.

Certain Claimants are exempted from the requirement to file a Proof of Claim. Among those claimants who do not need to file a Proof of Claim are individual noteholders in respect of Claims relating solely to the debt evidenced by their notes and persons whose Claims form the subject matter of the Ontario Class Action or the Quebec Class Action. Please consult the Claims Procedure Order for additional details.

CLAIMS AND D&O CLAIMS WHICH ARE NOT RECEIVED BY THE APPLICABLE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this • day of •, 2012.

SCHEDULE "D"
PROOF OF CLAIM AGAINST
SINO-FOREST CORPORATION

1. Original Claimant Identification (the "Claimant")

Legal Name of Claimant _____	Name of Contact _____
Address _____	Title _____
_____	Phone # _____
_____	Fax # _____
City _____ Prov / State _____	e-mail _____
Postal/Zip code _____	

2. Assignee, if claim has been assigned

Full Legal Name of Assignee _____	Name of Contact _____
Address _____	Phone # _____
_____	Fax # _____
City _____ Prov / State _____	e-mail _____
Postal/Zip code _____	

3a. Amount of Claim

The Applicant or Director or Officer was and still is indebted to the Claimant as follows:

Currency	Original Currency Amount	Unsecured Prefiling Claim	Restructuring Claim	Secured Claim
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3b. Claim against Subsidiaries

If you have or intend to make a claim against one or more Subsidiaries which is based in whole or in part on facts, underlying transactions, causes of action or events relating to a claim made against the Applicant above, check the box below, list the Subsidiaries against whom you assert your claim, and provide particulars of your claim against such Subsidiaries.

I/we have a claim against one or more Subsidiary
 Name(s) of Subsidiaries _____

	Currency	Original Currency Amount	Amount of Claim
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim.

5. Certification

I hereby certify that:

1. I am the Claimant, or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. Complete documentation in support of this claim is attached.

Name _____

Title _____

Dated at _____

this ____ day of _____ 2012

Signature _____

Witness _____

6. Filing of Claim

This Proof of Claim must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012, by registered mail, courier, personal delivery or electronic or digital transmission at the following address:

FTI Consulting Canada Inc.
 Court-appointed Monitor of Sino-Forest Corporation
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
 Telephone: (416) 649-8094
 E-mail: sfc@fticonsulting.com

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SCHEDULE "D-2"

**PROOF OF CLAIM AGAINST
DIRECTORS OR OFFICERS OF SINO-FOREST CORPORATION**

This form is to be used only by Claimants asserting a claim against any director and/or officers of Sino-Forest Corporation, and NOT for claims against Sino-Forest Corporation itself. For claims against Sino-Forest Corporation, please use the form titled "Proof of Claim Against Sino-Forest Corporation", which is available on the Monitor's website at <http://cfcanada.fticonsulting.com/sfc>.

1. Original Claimant Identification (the "Claimant")

Legal Name of Claimant _____	Name of Contact _____
Address _____	Title _____
_____	Phone # _____
_____	Fax # _____
City _____ Prov / State _____	e-mail _____
Postal/Zip code _____	

2. Assignee, if D&O Claim has been assigned

Full Legal Name of Assignee _____	Name of Contact _____
Address _____	Phone # _____
_____	Fax # _____
City _____ Prov / State _____	e-mail _____
Postal/Zip code _____	

3. Amount of D&O Claim

The Director or Officer was and still is indebted to the Claimant as follows:

I/we have a claim against a Director(s) and/or Officer(s)

Name(s) of Director(s) and/or Officer(s)	Currency	Original Currency Amount	Amount of Claim
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Documentation

Provide all particulars of the D&O Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the D&O Claim.

5. Certification

I hereby certify that:

1. I am the Claimant, or authorized representative of the Claimant.

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- 2. I have knowledge of all the circumstances connected with this D&O Claim.
- 3. Complete documentation in support of this D&O Claim is attached.

Name _____

Title _____

Dated at _____

this ____ day of _____ 2012

Signature _____

Witness _____

6. Filing of D&O Claim

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012**, by registered mail, courier, personal delivery or electronic or digital transmission at the following address:

FTI Consulting Canada Inc.
 Court-appointed Monitor of Sino-Forest Corporation
 TD Waterhouse Tower
 79 Wellington Street West
 Suite 2010, P.O. Box 104
 Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
 Telephone: (416) 649-8094
 E-mail: sfc@fticonsulting.com

An electronic version of this form is available at <http://cfcanda.fticonsulting.com/sfc>

SCHEDULE "E"

GUIDE TO COMPLETING THE PROOF OF CLAIM FOR CLAIMS AGAINST SINO-FOREST-CORPORATION

This Guide has been prepared to assist Claimants in filling out the Proof of Claim with respect to Sino-Forest Corporation (the "Applicant"). If you have any additional questions regarding completion of the Proof of Claim, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/sfc> or contact the Monitor, whose contact information is shown below.

Additional copies of the Proof of Claim may be found at the Monitor's website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on May 8, 2012 (the "Claims Procedure Order"), the terms of the Claims Procedure Order will govern.

SECTION 1 - ORIGINAL CLAIMANT

4. A separate Proof of Claim must be filed by each legal entity or person asserting a claim against the Applicant.
5. The Claimant shall include any and all Claims it asserts against the Applicant in a single Proof of Claim.
6. The full legal name of the Claimant must be provided.
7. If the Claimant operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.
8. If the Claim has been assigned or transferred to another party, Section 2 must also be completed.
9. Unless the Claim is assigned or transferred, all future correspondence, notices, etc. regarding the Claim will be directed to the address and contact indicated in this section.
10. Certain Claimants are exempted from the requirement to file a Proof of Claim. Among those claimants who do not need to file a Proof of Claim are individual noteholders in respect of Claims relating solely to the debt evidenced by their notes. Please consult the Claims Procedure Order for details with respect to these and other exemptions.

SECTION 2 - ASSIGNEE

11. If the Claimant has assigned or otherwise transferred its Claim, then Section 2 must be completed.
12. The full legal name of the Assignee must be provided.

13. If the Assignee operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.

14. If the Monitor in consultation with the Applicant is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the Claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3A - AMOUNT OF CLAIM OF CLAIMANT AGAINST DEBTOR

15. Indicate the amount the Applicant was and still is indebted to the Claimant.

Currency, Original Currency Amount

16. The amount of the Claim must be provided in the currency in which it arose.

17. Indicate the appropriate currency in the Currency column.

18. If the Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.

19. Claims denominated in a currency other than Canadian dollars will be converted into Canadian dollars in accordance with the Claims Procedure Order.

Unsecured Prefiling Claim

20. Check this box ONLY if the Claim recorded on that line is an unsecured prefiling claim.

Restructuring Claim

21. Check this box ONLY if the amount of the Claim against the Applicant arose out of the restructuring, termination, repudiation or disclaimer of a lease, contract, or other agreement or obligation on or after March 30, 2012.

Secured Claim

Check this box ONLY if the Claim recorded on that line is a secured claim.

SECTION 3B - CLAIM AGAINST SUBSIDIARIES

22. Check this box ONLY if you have or intend to make a claim against one or more Subsidiaries which is based in whole or in part on facts, underlying transactions, causes of action or events relating to a claim made against the Applicant above, and list the Subsidiaries against whom you assert your claim.

SECTION 4 - DOCUMENTATION

23. Attach to the claim form all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or breach(es) giving rise to the Claim.

SECTION 5 - CERTIFICATION

24. The person signing the Proof of Claim should:

- (a) be the Claimant, or authorized representative of the Claimant.
- (b) have knowledge of all the circumstances connected with this Claim.
- (c) have a witness to its certification.

25. By signing and submitting the Proof of Claim, the Claimant is asserting the claim against the Applicant.

SECTION 6 - FILING OF CLAIM

26. This Proof of Claim must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012. Proofs of Claim should be sent by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to the following address:

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

Failure to file your Proof of Claim so that it is received by the Monitor by 5:00 p.m., on the applicable claims bar date will result in your claim being barred and you will be prevented from making or enforcing a Claim against the Applicant. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a creditor in these proceedings.

SCHEDULE "E-2"

GUIDE TO COMPLETING THE PROOF OF CLAIM FOR CLAIMS AGAINST DIRECTORS OR OFFICERS OF SINO-FOREST-CORPORATION

This Guide has been prepared to assist Claimants in filling out the D&O Proof of Claim against any Directors or Officers of Sino-Forest Corporation (the "Applicant"). If you have any additional questions regarding completion of the Proof of Claim, please consult the Monitor's website at <http://cfcanada.fticonsulting.com/sfc> or contact the Monitor, whose contact information is shown below.

The D&O Proof of Claim is to be used only by Claimants asserting a claim against a director and/or officer of Sino-Forest Corporation, and NOT for claims against Sino-Forest Corporation itself. For claims against Sino-Forest Corporation, please use the form titled "Proof of Claim Against Sino-Forest Corporation", which is available on the Monitor's website at <http://cfcanada.fticonsulting.com/sfc>.

Additional copies of the D&O Proof of Claim may be found at the Monitor's website address noted above.

Please note that this is a guide only, and that in the event of any inconsistency between the terms of this guide and the terms of the Claims Procedure Order made on May 8, 2012 (the "Claims Procedure Order"), the terms of the Claims Procedure Order will govern.

SECTION 1 - ORIGINAL CLAIMANT

27. A separate D&O Proof of Claim must be filed by each legal entity or person asserting a claim against any Directors or Officers of the Applicant.
28. The Claimant shall include any and all D&O Claims it asserts in a single D&O Proof of Claim.
29. The full legal name of the Claimant must be provided.
30. If the Claimant operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.
31. If the D&O Claim has been assigned or transferred to another party, Section 2 must also be completed.
32. Unless the D&O Claim is assigned or transferred, all future correspondence, notices, etc. regarding the D&O Claim will be directed to the address and contact indicated in this section.

SECTION 2 - ASSIGNEE

33. If the Claimant has assigned or otherwise transferred its D&O Claim, then Section 2 must be completed.

34. The full legal name of the Assignee must be provided.
35. If the Assignee operates under a different name, or names, please indicate this in a separate schedule in the supporting documentation.
36. If the Monitor in consultation with the Applicant is satisfied that an assignment or transfer has occurred, all future correspondence, notices, etc. regarding the D&O Claim will be directed to the Assignee at the address and contact indicated in this section.

SECTION 3 - AMOUNT OF CLAIM OF CLAIMANT AGAINST DIRECTOR OR OFFICER

37. Indicate the amount the Director or Officer is claimed to be indebted to the Claimant and provide all other request details.

Currency, Original Currency Amount

38. The amount of the D&O Claim must be provided in the currency in which it arose.
39. Indicate the appropriate currency in the Currency column.
40. If the D&O Claim is denominated in multiple currencies, use a separate line to indicate the Claim amount in each such currency. If there are insufficient lines to record these amounts, attach a separate schedule indicating the required information.
41. D&O Claims denominated in a currency other than Canadian dollars will be converted into Canadian dollars in accordance with the Claims Procedure Order.

SECTION 4 - DOCUMENTATION

42. Attach to the claim form all particulars of the D&O Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) or breach(es) giving rise to the D&O Claim.

SECTION 5 - CERTIFICATION

43. The person signing the D&O Proof of Claim should:
- (a) be the Claimant, or authorized representative of the Claimant.
 - (b) have knowledge of all the circumstances connected with this D&O Claim.
 - (c) have a witness to its certification.
44. By signing and submitting the D&O Proof of Claim, the Claimant is asserting the claim against the Directors and Officers identified therein.

SECTION 6 - FILING OF CLAIM

45. The D&O Proof of Claim must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012. D&O Proofs of Claim should be sent by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to the following address:

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8
Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

Failure to file your D&O Proof of Claim so that it is received by the Monitor by 5:00 p.m., on the applicable claims bar date will result in your claim being barred and you will be prevented from making or enforcing a D&O Claim against the any directors or officers of the Applicant. In addition, you shall not be entitled to further notice in and shall not be entitled to participate as a D&O claimant in these proceedings.

SCHEDULE "F"
D&O INDEMNITY PROOF OF CLAIM
SINO-FOREST CORPORATION

1. Director and /or Officer Particulars (the "Indemnitee")

Legal Name of Indemnitee _____
Address _____ Phone # _____
_____ Fax # _____
_____ City _____ Prov / State _____ e-mail _____
Postal/Zip code _____

2. Indemnification Claim

Position(s) Held _____
Dates Position(s) Held: From _____ to _____
Reference Number of Proof of Claim with respect to which this D&O Indemnity Claim is made _____
Particulars of and basis for D&O Indemnity Claim _____

(Provide all particulars of the D&O Indemnity Claim, including all supporting documentation)

3 Filing of Claim

This D&O Indemnity Proof of Claim and supporting documentation are to be returned to the Monitor within ten Business Days of the date of deemed receipt by the Director or Officer of the Proof of Claim by registered mail, courier, personal delivery or electronic or digital transmission at the following address:

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

Failure to file your D&O Indemnity Proof of Claim in accordance with the Claims Procedure Order will result in your D&O Indemnity Claim being barred and forever extinguished and you will be prohibited from making or enforcing such D&O Indemnity Claim against the Applicant.

Dated at _____, this _____ day of _____, 2012.

Per: _____
Name

Signature: _____ (Former Director and/or Officer)

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE
MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No. CV-12-9667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Robert W. Staley (LSUC #27115J)
Kevin Zych (LSUC #33129T)
Derek J. Bell (LSUC #43420J)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

Court File No. CV-12-9667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES CREDITORS'
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF SINO-FOREST
CORPORATION**

NOTICE OF MOTION

**(Motion Regarding the Status of Shareholder Claims
and Related Indemnity Claims under the CCAA)**

The applicant, Sino-Forest Corporation ("SFC"), will make a motion to the Honourable Mr. Justice Morawetz of the Commercial List court on Friday, June 15th, 2012 at 10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An order that the claims against SFC resulting from the ownership, purchase or sale of an equity interest in SFC, including, without limitation, the claims by or on behalf of current or former shareholders asserted in the proceedings listed in Schedule "A" (collectively, the "Shareholder Claims") are "equity claims" as defined in section 2 of the *Companies' Creditors Arrangement Act* (the "CCAA"), being claims in respect of monetary losses resulting from the ownership, purchase or sale of an equity interest, being shares in SFC;

- 2 -

2. An order that any indemnification claims against SFC related to or arising from the Shareholder Claims, including, without limitation, by or on behalf of any of the other defendants to the proceedings listed in Schedule "A" (the "Related Indemnity Claims"), are "equity claims" under the CCAA, being claims for contribution or indemnity in respect of a claim that is an equity claim;
3. A direction that the order is without prejudice to SFC's right to apply for a similar order with respect to (i) any claims in the Statement of Claim that are in respect of Securities other than shares and (ii) any indemnification claims against SFC related thereto; and
4. Such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

BACKGROUND

1. On March 30, 2012, this Honourable Court made an Initial Order granting a stay of proceedings in relation to SFC and its business and property and appointing FTI Consulting Canada Inc. as the Monitor in the CCAA proceedings;
2. Also on March 30, 2012, this Honourable Court made the Sale Process Order approving the sale process procedures attached thereto and authorizing and directing SFC, the Monitor and Houlihan Lokey to carry out the sale process;
3. At the commencement of these proceedings, SFC advised that it was very important for these proceedings to be successfully completed as soon as possible in order to, among

- 4 -

7. By Statement of Claim (as defined below), the class action plaintiffs have made significant Shareholder Claims against SFC and other defendants, and certain of these defendants have stated in these proceedings that they have significant, related indemnity claims against SFC in respect of the Shareholder Claims made against them, and have not confirmed that these claims are not "equity claims";
8. In light of the need to complete these restructuring proceedings as soon as possible, and with a view to having a meeting of creditors in August, 2012, it is necessary to have the legal status of these Shareholder Claims against SFC and Related Indemnity Claims confirmed as "equity claims" as soon as possible in order to ensure that the CCAA proceedings advance in an efficient and effective manner so as to best ensure the business and operations of SFC are protected under the current circumstances;

SHAREHOLDER CLAIMS

9. By Fresh as Amended Statement of Claim dated April 26, 2012 (the "Statement of Claim"), the Trustees of the Labourers' Pension Fund of Central and Eastern Canada, the Trustees of the International Union of Operating Engineers Local 793 Pension Plan for Operating Engineers in Ontario, Sjunde Ap-Fonden, David Grant and Robert Wong have asserted various claims against SFC, certain of its current and former officers and directors, Ernst & Young LLP ("E&Y"), BDO Limited ("BDO"), and SFC's underwriters (collectively, the "Underwriters");
10. The Statement of Claim purports to advance claims on behalf of: (i) all persons "who purchased [SFC's] Securities in the secondary market from March 19, 2007 to and including June 2, 2011"; and (ii) all persons who purchased SFC shares and notes in

various offerings from 2009 to 2010. The term "Securities" used in the Statement of Claim refers to SFC shares and SFC notes;

11. The Statement of Claim seeks damages in the amount of approximately \$9.2 billion against SFC and the other defendants;
12. The Statement of Claim states on several occasions that the damages suffered relate to purchasing Securities "at inflated prices during the Class Period" and that absent the alleged misconduct, sales of such Securities "would have occurred at prices that reflected the true value" of the Securities. It is further alleged that "the price of Sino's securities was directly affected during the Class Period by the issuance of the Impugned Documents";
13. Similar Shareholder class actions have also been commenced in other jurisdictions in Canada and the United States, asserting the same or substantially similar allegations with respect to SFC shares;
14. As such, the Shareholder Claims in these actions are "equity claims" as defined in the CCAA, being claims asserting a monetary loss from the ownership, purchase or sale of an equity interest in a debtor, SFC;

RELATED INDEMNITY CLAIMS

15. In connection with the Statement of Claim, E&Y has asserted that it has contractual claims of indemnification against SFC in respect of the claims against it for all relevant years in respect of its annual audits, the prospectuses and the note offerings. It has stated

that it has "statutory and common law claims of contribution and/or indemnity against Sino-Forest and its subsidiaries for all relevant years";

16. In connection with the Statement of Claim, BDO has asserted that it has claims of indemnification against SFC, including contractual rights of indemnity in respect of the claims against it in the Statement of Claim in each of the engagement letters signed in relation to BDO's audit reports;
17. In connection with the Statement of Claim, the Underwriters have asserted that certain agreements with SFC and certain of its subsidiaries contain indemnity provisions in connection with "an array of matters that could arise from the Offerings" and that these provisions are applicable to support claims for indemnification in respect of the claims against the Underwriters in the Statement of Claim;
18. The foregoing are only examples of the indemnification claims which have been advanced to date by certain parties;
19. As the Related Indemnity Claims are claims for contribution or indemnity in respect of the Shareholder Claims, the Related Indemnification Claims are "equity claims" under section 2 of the CCAA;

MISCELLANEOUS

20. It is just and convenient and in the interests of all creditors and interested parties, and this restructuring proceeding overall, that the order sought herein be granted;

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21. The making of the order sought will assist the Company to proceed with its restructuring in an efficient and effective manner;
22. The making of the order sought will assist in the efficient administration of the CCAA proceedings and with matters related to the CCAA plan;
23. The ad hoc committee of noteholders support the motion;
24. The provisions of the CCAA and the inherent and equitable jurisdiction of this Honourable Court; and
25. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the affidavit of Elizabeth Fimio sworn June 8, 2012;
2. the Motion Records and Factums filed by E&Y, BDO and the Underwriters in connection with the May 8, 2012 scope of stay motion in this proceeding; and
3. such further or other material as counsel may advise and this Honourable Court deems just.

- 8 -

June 8, 2012

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Robert W. Staley (LSUC #27115J)
Kevin Zych (LSUC #33129T)
Derek J. Bell (LSUC #43420J)
Raj Sahni (LSUC #42942U)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

TO: THE SERVICE LIST

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND
IN THE MATTER OF SINO-FOREST CORPORATION.**

Court File No. CV-12-9667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

**NOTICE OF MOTION
(Motion Re the Status of Shareholder
Claims and Related Indemnity Claims
under the CCAA)**

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario M5X 1A4
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Fax: 416-863-1716

Lawyers for the Applicant

Court File No. CV-12-9667-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.c. 1985, C.c-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

AFFIDAVIT

I, Christina Shiels, of the Town of Oakville, in Region of Halton, MAKE OATH AND
SAY:

1. I am a law clerk with the law firm of Lenczner Slaght Royce Smith Griffin LLP, the lawyers for Ernst & Young LLP ("E&Y") in *The Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al. Sino-Forest Corporation et al.*, in Court File No. CV-11-431153-00CP. As such, I have knowledge of the matters contained in this affidavit.
2. Attached as **Exhibit "A"** is the Proof of Claim of Ernst & Young LLP against the Applicant, Sino-Forest Corporation, as filed with the Court-Appointed Monitor, FTI Consulting, on June 20, 2012.

3. Attached as **Exhibit "B"** is the Proof of Claim of Ernst & Young LLP against the Directors and Officers of the Applicant, Sino-Forest Corporation, as filed with the Court-Appointed Monitor, FTI Consulting, on June 20, 2012.

4. I make this affidavit in respect of a motion brought by Sino-Forest Corporation regarding the status of shareholder claims and related indemnity claims under the *Companies Creditors' Arrangement Act* and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on June 21, 2012



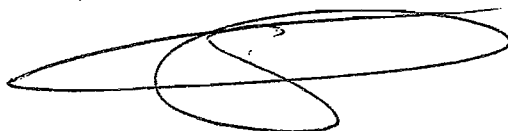
Commissioner for Taking Affidavits
(or as may be)

}



CHRISTINA SHIELS

This is Exhibit "A" referred to in the Affidavit of Christina Shiels
sworn June 21, 2012

A handwritten signature consisting of several overlapping, fluid loops and strokes, rendered in black ink.

Commissioner for Taking Affidavits (or as may be)

Court File No. CV-12-9667-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.c. 1985, C.c-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

**Proof of Claim against
Sino-Forest Corporation
of Ernst & Young LLP**

Volume 1

ORIGINAL
06/20/12

Court File No. CV-12-9667-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.c. 1985, C.c-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

**Proof of Claim against
Sino-Forest Corporation
of Ernst & Young LLP**

Volume 2

**PROOF OF CLAIM AGAINST
SINO-FOREST CORPORATION**

I N D E X

Tab	Description
A	Proof of Claim of Ernst & Young LLP
A1	Schedule A1 – Particularized Claim
A2	Schedule A2 – Description of Claim
B	Schedule B – Chart Evidencing Key Documents
C	Schedule C – Documents
1	Engagement Letters (Audit)
2	Engagement Letters (Debt and Equity Offerings)
3	Engagement Letters (Sample Subsidiary)
4	Management Representation Letters (Audit)
5	Management Representation Letters (Sample Debt and Equity Offerings)
6	D&O Questionnaires
7	Code of Conduct
8	Whistleblower Policy
9	Legal Opinion
10	Corporate Organizational Chart
11	Chart of BVI Search Results
12	Chart of SAIC Search Results

PROOF OF CLAIM AGAINST SINO-FOREST CORPORATION

1. Original Claimant Identification (the "Claimant")

Legal Name of Claimant: Ernst & Young LLP

Name of Contact: Doris Stamml

Address:

Title: Chief Legal Counsel

Ernst & Young LLP
222 Bay Street, P.O. Box 251
Ernst & Young Tower, 21st Floor

Phone #: 416-943-3039

City: Toronto

Prov / State: ON

e-mail: doris.stamml@ca.ey.com

Postal/Zip code: M5K 1J7

2. Assignee, if claim has been assigned

Full Legal Name of Assignee _____

Name of Contact _____

Address _____

Phone # _____

Fax # _____

City _____ Prov / State _____

e-mail _____

Postal/Zip code _____

3a. Amount of Claim

The Applicant was and still is indebted to the Claimant as follows:

Currency	Original Currency Amount	Unsecured Prefiling Claim	Restructuring Claim	Secured Claim
<u>CDN</u>	<u>\$7,154,200,000.00.</u> <u>plus all not yet</u> <u>quantified/unknown</u> <u>amounts as set out in</u> <u>Schedule "A1"</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>USD</u>	<u>\$1,805,000,000.00.</u> <u>plus all not yet</u> <u>quantified/unknown</u> <u>amounts as set out in</u> <u>Schedule "A1"</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
_____	_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3b. Claim against Subsidiaries

If you have or intend to make a claim against one or more Subsidiaries which is based in whole or in part on facts, underlying transactions, causes of action or events relating to a claim made against the Applicant above, check the box below, list the Subsidiaries against whom you assert your claim, and provide particulars of your claim against such Subsidiaries.

I/we have a claim against one or more Subsidiary
Name(s) of Subsidiaries:

Name(s) of Subsidiaries:	Currency	Original Currency Amount	Amount of Claim
<u>See Schedule B for a list of all subsidiaries claimed against</u>	<u>CDN and USD</u>	<u>All amounts claimed in Schedule "A1" are also claimed against the entities listed in Schedule B.</u>	<u>All amounts claimed in Schedule "A1" are also claimed against the entities listed in Schedule B</u>

Ernst & Young LLP reserves all rights as against those entities listed on Schedule "B", including for greater certainty all direct and indirect subsidiaries of Sino-Forest Corporation. Ernst & Young LLP has described its current claims against subsidiaries without prejudice to the fact that such claims may be asserted or amended at a later time.

4. Documentation

Provide all particulars of the Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the Claim.
See Schedule "A2" plus all documents appended thereto.


5. Certification


I hereby certify that:

1. I am the Claimant, or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this Claim.
3. Complete documentation in support of this claim is attached.

Name Doris Stamml
Title: Chief Legal Counsel

Dated at Toronto
this 20th day of June, 2012

Signature 

Witness 

6. Filing of Claim

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012**, by registered mail, courier, personal delivery or electronic or digital transmission at the following address:

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

An electronic version of this form is available at <http://cfcanada.fticonsulting.com/sfc>.

SCHEDULE "A1"
CLAIM OF ERNST & YOUNG LLP AGAINST SFC AND SUBSIDIARIES

1. Breach of contract:
 - (a) damages in an amount yet to be quantified as more particularly set out in Schedule "A2"; and
 - (b) costs and interest.

2. Negligent misrepresentation:
 - (a) damages in an amount yet to be quantified as more particularly set out in Schedule "A2"; and
 - (b) costs and interest.

3. Fraudulent misrepresentation:
 - (a) damages in an amount yet to be quantified as more particularly set out in Schedule "A2"; and
 - (b) costs and interest.

4. Inducing Breach of Contract:
 - (c) damages in an amount yet to be quantified as more particularly set out in Schedule "A2"; and
 - (d) costs and interest.

5. Reputational Loss:

- (a) damages in an amount yet to be quantified as more particularly set out in Schedule "A2"; and
- (b) costs and interest.

6. Contractual indemnification in respect of any amounts paid or payable by Ernst & Young LLP in respect of:

- (a) The action in Ontario Superior Court of Justice Court File No. CV-11-43115300CP (only as the Court permits):
 - (i) damages claimed in the amount of up to CDN \$7,149,200,000.00;
 - (ii) damages claimed in the amount of up to USD \$1,805,000,000.00;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in this proceeding; and
 - (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.
- (b) The action in *Quebec Superior Court* File No. 200-06-000132-111 (only as authorized and given representative status):
 - (i) unknown and unquantified damages in Canadian dollars;
 - (ii) unknown and unquantified damages in U.S. dollars;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the above-mentioned proceeding; and

- (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.
- (c) The verified complaint in *Supreme Court of the State of New York*, County of New York – Index No. 650258/2012:
 - (i) unknown and unquantified damages in Canadian dollars;
 - (ii) unknown and unquantified damages in U.S. dollars;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the above-mentioned proceeding; and
 - (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.
- (d) Other Proceedings (as defined in Schedule “A2” to this Proof of Claim):
 - (i) unknown and unquantified damages in Canadian dollars;
 - (ii) unknown and unquantified damages in U.S. dollars;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the Other Proceedings; and
 - (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to the Other Proceedings.
- (e) In respect of claims (a)-(d) above, to the date of this proof of claim, Ernst & Young LLP has incurred legal and related costs of approximately \$5,000,000 and continues to incur costs.

7. Contribution and indemnity under the *Negligence Act*, R.S.O 1990, c. N-1 and any other applicable legislation outside of Ontario in respect of the actions and other proceedings listed in 6 (a)-(d) above and for the costs set out in 6 (e) above.

SCHEDULE "A2"

THE CLAIMANT AND BACKGROUND TO THIS CLAIM

1. Ernst & Young LLP ("E&Y") is a firm of chartered accountants carrying on business in Canada as a limited liability partnership. E&Y delivered Auditors' Reports with respect to the consolidated financial statements of Sino-Forest Corporation ("SFC", the "Applicant" or the "Company") for fiscal years ended December 31, 2007-2010 inclusive and with respect to the consolidated financial statements of two of SFC's subsidiaries (Sino-Wood Partners, Limited and Sino-Panel (Asia) Inc.) for fiscal years ended December 31, 2007 and 2008. From time to time, E&Y consented to the incorporation by reference of its Auditors' Reports with respect to the consolidated financial statements of SFC in certain prospectuses and debt offering memoranda of the Company. In addition to audit services, E&Y also provided other professional services to SFC and its direct and indirect subsidiaries (the "SFC Subsidiaries"). Where contextually appropriate, SFC shall refer to SFC and the SFC Subsidiaries unless otherwise noted. E&Y resigned as SFC's auditor effective April 4, 2012.

2. E&Y claims as against SFC and the SFC Subsidiaries for:

- (a) Claims against each of SFC and the SFC Subsidiaries for damages relating to:
 - (i) Breach of contract;
 - (ii) Negligent misrepresentation;
 - (iii) Fraudulent misrepresentation;
 - (iv) Inducing breach of contract (as against the SFC Subsidiaries only);

- (v) Injury to Reputation; and
 - (vi) Vicarious Liability;
- (b) Contractual indemnity, pursuant to E&Y's engagement letters, as described further below; and
- (c) Contribution and indemnity under the *Negligence Act*, R.S.O 1990, c. N-1 and other applicable legislation outside of Ontario (the "*Negligence Act*").

3. The relationship between E&Y on the one hand, and SFC, the SFC Subsidiaries and their respective directors and officers on the other, was at all material times at arm's length. E&Y contracted with SFC to provide it with auditing services upon terms established by a series of engagement letters (the "Engagement Letters") for 2007 through and including 2010, attached as Schedule C1.

4. Management of SFC and the SFC Subsidiaries was and is responsible for the preparation and fair presentation of SFC's consolidated financial statements, which SFC prepared and issued, and contracted with E&Y on behalf of SFC and the SFC Subsidiaries to audit. Management was responsible for the preparation of those consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"), and for such internal controls as management determined were necessary to enable the preparation of consolidated financial statements that were free from material misstatement, whether due to fraud or error. The Board of Directors of SFC approved the consolidated financial statements. The consolidated financial statements were accompanied in all cases by representations from management.

5. E&Y's responsibility was to express an opinion on those consolidated financial statements based on its audits conducted in accordance with Canadian generally accepted auditing standards ("GAAS").

6. E&Y had a direct professional relationship with SFC and with each of the SFC Subsidiaries (more particularly described as SFC and, as at December 31, 2010, those entities set out in the Corporate Organization Chart at Schedule "C10").

7. E&Y as auditor of SFC did not have any relationship with the equity or debt holders of SFC in their capacity as security holders of SFC. E&Y was not a shareholder, other equity holder or a holder of funded debt of SFC or any SFC Subsidiary.

8. At all relevant times, E&Y provided services to SFC and the SFC Subsidiaries upon pre-established contractual terms with the expectation of receiving fees for the professional services rendered, dependent in no way on the Company's financial performance.

9. E&Y's Auditors' Reports in respect of the financial statements for the fiscal years ended December 31, 2007 to 2010 were prepared for the purposes set out in the *Business Corporations Act (Canada)*. Although incorporated by reference (as required by applicable securities laws) into prospectuses filed by SFC, E&Y's Auditors' Reports were not prepared for that purpose.

10. E&Y's claims against SFC and the SFC Subsidiaries are:

- (a) Creditor claims;

- (b) Derived from E&Y's retainers by and/or on behalf of SFC and the SFC Subsidiaries and E&Y's relationship with such parties, all of which are wholly independent and conceptually different from the claims advanced by the plaintiffs on behalf of the Interested Parties (as defined below);
- (c) Claims that include the costs of defending and responding to various proceedings, both pre- and post-filing; and
- (d) Not equity claims in the sense contemplated by the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36. Equity holders of SFC have not advanced, and could not advance, any claims against the SFC Subsidiaries. Restructuring legislation (and jurisprudence) in the jurisdictions of incorporation of the relevant subsidiaries does not provide for subordination of these claims to the claims of other unsecured creditors.

PROCEEDINGS AGAINST E&Y

11. E&Y has been named as a defendant in various legal proceedings in connection with the services that it provided to SFC. The plaintiffs in these actions, on behalf of current and past holders of SFC's securities (collectively the "Interested Parties"), seek to have the actions certified as class proceedings under the relevant legislation. None of the actions has been certified and leave is required for certain of the relief sought. Current proceedings in which claims are advanced against E&Y are:

- (a) an action in the Ontario Superior Court of Justice titled *Trustees of the Labourers' Pension Fund of Central and Eastern Canada et al. v Sino-Forest Corporation et al.* bearing Court File No. CV-11-431153-00CP, in which the plaintiffs seek

damages of approximately \$9.2 billion in the aggregate on behalf of resident and non-resident Interested Parties;

- (b) an action in the Quebec Superior Court titled *Guining Lui v Sino-Forest Corporation et al.* bearing Court File No. 200-06-000132-111, in which the plaintiffs seek unquantified damages likely on behalf of Quebec resident Interested Parties; and
- (c) an action in the Supreme Court of the State of New York titled *David Leopard and IMF Finance SA et al. v. Sino-Forest Corporation et al.* bearing Court Index No. 200-06-000132-111, in which the plaintiffs seek unquantified damages on behalf of Interested Parties who purchased shares over the counter (“OTC”) in the United States, and noteholders;

(collectively, the “Class Actions”).

12. E&Y is exposed to further proceedings, including those that may be commenced in the future in connection with the services performed for SFC (the “Other Proceedings”).

13. The Class Actions include allegations that the financial statements of SFC contain material misstatements, and that E&Y misrepresented that SFC’s reporting was in accordance with GAAP and that E&Y had conducted its audits in accordance with GAAS.

14. The claims advanced against E&Y in the Class Actions are in fact and in law distinct and different from the claims advanced as against SFC and its directors and officers, employees and/or agents.

15. On May 22, 2012, following an investigation by Staff of the Ontario Securities Commission (the "OSC"), the OSC released a Statement of Allegations that included allegations that SFC and certain of its former directors and officers engaged in a complex fraudulent scheme to inflate SFC's assets, dishonestly concealing their control over certain related parties, falsified evidence of ownership and dishonestly concealed weaknesses in internal controls within SFC.

16. The OSC Statement of Allegations states that E&Y, as auditors, "were not made aware of Sino-Forest's systematic practice of creating deceitful Purchase Contracts and Sales Contracts, including key attachments to these contracts," and that SFC and certain of its directors and officers "knew or ought to have known that their auditors during the Material Time relied on the validity" of certain allegedly deceitful documents and information. (See paragraphs 19 and 81 of the Statement of Allegations.)

17. To the extent that the allegations of the OSC are proven true and there are misstatements contained in SFC's consolidated financial statements, such misstatements are the result of negligence and/or fraud on the part of SFC and/or the SFC Subsidiaries and/or their respective directors, officers, employees and/or agents (or certain of them) and constitute a breach of contract by them of the express terms of the Engagement Letters or inducing breach of contract, among other wrongs.

E&Y'S CLAIMS

18. E&Y has incurred losses, costs and expenses and is exposed to further and additional losses, costs and expenses as described in this Proof of Claim. E&Y claims as against SFC and the SFC Subsidiaries in respect of:

- (a) Claims against SFC for:
 - (i) Breach of contract (including but not limited to breach of contractual terms including contractual representations);
 - (ii) Negligent misrepresentation;
 - (iii) Fraudulent misrepresentation;
 - (iv) Injury to reputation; and
 - (v) Vicarious liability;
- (b) Claims against the SFC Subsidiaries for the same relief in (a) (i) – (v) above, as well as for inducing breach of contract;
- (c) Contractual indemnity; and
- (d) Contribution and indemnity under the *Negligence Act* and any other applicable legislation outside of Ontario.

(a) **Claims Against SFC**

19. E&Y asserts claims for damages and restitution in respect of: (i) breach of contract; (ii) negligent misrepresentation; (iii) fraudulent misrepresentation; (iv) reputational loss; and (v) vicarious liability.

20. E&Y has suffered and will continue to suffer the damages set out below.

21. E&Y performed auditing services for SFC and the SFC Subsidiaries pursuant to contracts – formal engagement letters which, together with E&Y’s General Terms and Conditions for Audit and Review Engagements (incorporated by reference into the Engagement Letters), constituted the terms of these engagements.

22. E&Y’s retainer, according to its express terms, was to audit and report on the consolidated financial statements of SFC. In accordance with Canadian professional standards, financial statements are to be consolidated when an auditor is reporting on the financial statements of a company having one or more subsidiaries.

23. The Engagement Letters in all years generally reflect the agreement of SFC that, among other things:

- (a) The audit would be conducted in accordance with Canadian auditing standards. Those standards require that E&Y comply with ethical requirements and plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement, whether due to fraud or error;
- (b) There are inherent limitations in the audit process, including the use of judgement and selective testing of data and the possibility that collusion or forgery may preclude the detection of material error, fraud or illegal acts. Accordingly, there is some risk that a material misstatement of the consolidated financial statements may remain undetected; and

- (c) Management and, where appropriate, the Audit Committee, acknowledge and understand that they have responsibility for the preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with GAAP and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and unaudited interim financial information that are free from material misstatement, whether due to fraud or error.

24. The Engagement Letters reflect the following, the wording of which did not vary materially from year to year, setting out management's responsibilities in connection with the consolidated financial statements:

"The preparation and fair representation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management is also responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

The design and implementation of internal controls to prevent and detect fraud are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of a fraud. Management of the Company is responsible for apprising us of all known instances of fraud or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations, and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could

have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/client privilege or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. (...)

Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; and information regarding all related parties and related party transactions. (...)"

25. E&Y entered into separate engagement letters with SFC in connection with each prospectus and debt offering memoranda which incorporated E&Y's audit report by reference (the "Offering Engagement Letters"). Pursuant to each of the Offering Engagement Letters, SFC undertook that:

"Management of the Company and the underwriter bear the primary responsibility to ensure the prospectus [or the offering memorandum, as the case may be] contains no misrepresentations."

26. Those Offering Engagement Letters are attached to this Proof of Claim at Schedule "C2".

27. In each year, E&Y's audit team included junior and senior members who spoke Mandarin and/or Cantonese and who read Chinese.

(I) Breach of Contract

28. If the claims in the Class Actions and Other Proceedings are proven, SFC breached its contractual obligations, as set out in the Engagement Letters at Schedule "C1" and outlined above.

29. On May 22, 2012, the OSC publicly alleged that SFC and certain of its directors and officers engaged in a complex fraud meant to inflate the value of SFC's assets. If the OSC's allegations are proven true, SFC would have committed an egregious breach of the express terms of the Engagement Letters.

30. The OSC allegations include the following:

- (a) SFC dishonestly concealed its control over certain suppliers, customers and other parties with whom it had significant levels of business transactions and misstated the true economic substance of certain of those transactions in its financial disclosure;
- (b) SFC used a dishonest process to create documents to evidence ownership for the vast majority of timber holdings; and
- (c) SFC's disclosure of various weaknesses in internal controls was misleading, untrue and incomplete.

31. The OSC stated that SFC failed to disclose the alleged deceitful documentation process to E&Y. In that regard, the OSC observed in the Statement of Allegations:

"19. During the Material Time, Sino-Forest's auditors were not made aware of Sino-Forest's systematic practice of creating deceitful Purchase Contracts and Sales Contracts, including key attachments to these contracts."

32. The OSC stated that SFC and its executives knew or should have known that E&Y relied upon the allegedly deceitful financial information. In that regard, the OSC stated as follows in the Statement of Allegations:

“81. Sino-Forest, Overseas Management and Horsley knew or ought to have known that their auditors during the Material Time relied on the validity of the Purchase Contracts and their attached Confirmations as proof of ownership of Sino-Forest’s Standing Timber assets.”

33. If proven true, the OSC allegations indicate that SFC breached its contractual obligations to E&Y under the Engagement Letters by failing to ensure the accuracy of financial information and failing to ensure that management of SFC and the SFC Subsidiaries maintained adequate internal controls to prevent material misstatements.

34. If proven true, SFC’s failure to disclose its allegedly deceitful documentation practices to E&Y would constitute a direct breach of SFC’s obligation to disclose known instances of fraud, or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties to E&Y.

35. In addition to its common law claims for damages, E&Y is indemnified contractually by SFC and its liability limited in respect of losses, damages, costs and expenses, including legal fees and expenses, incurred in respect of E&Y’s Services, as defined in the Engagement Letters. As set out in more detail below, E&Y claims indemnification in respect of the Class Actions and Other Proceedings.

(II) and (III) Negligent and Fraudulent Misrepresentation

36. In performing its audit work in connection with the consolidated financial statements for fiscal years ended December 31, 2007 to 2010, E&Y relied in good faith on (among other things) representations, documents, information and reports provided by SFC and the SFC Subsidiaries.

37. As expressly stated in the 2010 Auditors' Report and the Engagement Letters, management was responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian GAAP, and for such internal controls as management determined were necessary to enable the preparation of consolidated financial statements that were free from material misstatement, whether due to fraud or error. E&Y relied on management of SFC and the SFC Subsidiaries, including management's representations and warranties and the information in the accounts of SFC and the SFC Subsidiaries, in carrying out its work.

38. Examples of representations made by SFC during the 2007 to 2010 audits include:

- a) Management Representation Letters;
- b) D&O Questionnaires;
- c) Compliance with the Code of Conduct and Whistleblower Policy;
- d) Legal opinions delivered to E&Y by SFC; and
- e) Other direct representations.

(A) Management Representation Letters

39. In the course of each of the audits for the fiscal years ended December 31, 2007 to 2010 inclusive, management of SFC provided E&Y with a letter of representation (collectively the "Management Representation Letters") on behalf of SFC and the SFC Subsidiaries. The Management Representation Letter for fiscal 2007 was signed by Allen Chan, David Horsley, Alvin Lim and Tom Maradin. The Management Representation Letters for fiscal 2008-2010 were signed by Allen Chan, David Horsley and Tom Maradin. Copies of the Management Representation Letters for each year are attached to this Proof of Claim at Schedule "C4".

40. The Management Representation Letters state:

...we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles.

41. E&Y reasonably relied on the Management Representation Letters in conducting its audit of the consolidated financial statements for the years ended December 31, 2007-2010.

42. The Management Representation Letters varied from year to year, but generally contained the following representations upon which E&Y reasonably relied:

- (a) that management of the Company understood that they were responsible for the fair presentation of the consolidated financial statements;

- (b) that management of the Company believed that the consolidated financial statements fairly presented, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP;
- (c) that management of the Company assessed the risk that the consolidated financial statements might be materially misstated as a result of fraud as being low and had no knowledge of any fraud or suspected fraud that could have a non-trivial effect on the consolidated financial statements;
- (d) that management of the Company had provided E&Y with access to all information relevant to the preparation and audit of the consolidated financial statements, including financial records and related data and all significant contracts and agreements;
- (e) that the Company had satisfactory title to all assets appearing in the consolidated balance sheet;
- (f) that management of the Company had disclosed all significant intercompany transactions;
- (g) that management of the Company, agreed with the findings of specialists in evaluating the valuation of timber assets;
- (h) that management of the Company had disclosed to E&Y all related party transactions;

- (i) that there were no instances where any officer or employee of the Company had an interest in a company with which the Company did business that would be considered a "conflict of interest"; and
- (j) that management of the Company had appropriately consolidated all entities for which SFC directly or indirectly had a controlling financial interest.

43. E&Y also obtained additional management representation letters in connection with each of the prospectus and debt offerings where E&Y's audit reports were incorporated by reference (the "Offering Management Representation Letters"). A sample of the Offering Management Representation Letters are attached to this Proof of Claim at Schedule "C5".

(B) The D&O Questionnaires

44. In each of the 2007-2010 audits, all directors and officers of SFC completed questionnaires in respect of related party and independence matters (the "D&O Questionnaires"). A sample of the D&O Questionnaires are attached to this Proof of Claim at Schedule "C6"

45. E&Y reasonably relied on the D&O Questionnaires in conducting its audit of the consolidated financial statements for each of the fiscal years ended December 31, 2007-2010.

46. The D&O Questionnaires required the directors and officers of SFC to disclose (i) an interest of 5% or more or (ii) a directorship in any company that had transacted with SFC or the SFC Subsidiaries during the year under audit. E&Y relied upon the disclosure by the directors and officers in the D&O Questionnaires.

(C) Company Policies

47. At all material times, SFC maintained a Code of Conduct. E&Y placed reliance upon the directors, officers and employees of SFC and the SFC Subsidiaries compliance with the Code of Conduct when conducting its audit of the consolidated financial statements for each of the fiscal years ended December 31, 2007-2010. A copy of the Code of Conduct, obtained during the 2010 audit, is attached at Schedule "C7".

48. The Code of Conduct states that the members of senior management "are expected to lead according to high standards of ethical conduct, in both words and actions..." The Code of Conduct required the honest and accurate recording and reporting of information, and that any violations or suspected violations of the Code, and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters, be reported.

49. At all material times, SFC maintained a Whistleblower Policy. E&Y placed reliance upon the existence of and compliance with the Whistleblower Policy in conducting its audit of the consolidated financial statements for each of the fiscal years ended December 31, 2007-2010. A copy of the Whistleblower Policy, obtained during the 2010 audit, is attached at Schedule "C8".

(D) The Legal Opinions

50. SFC provided E&Y with certain legal opinions from its outside counsel, Jingtian & Gongcheng, Attorneys at Law in the People's Republic of China, for the purposes of E&Y's audits of the consolidated financial statements of SFC, and with respect to timber title and ownership, including the nature of and appropriate reliance upon official documentation from the

various Forestry Bureaus. E&Y reasonably relied upon the legal opinions in conducting its audit of the consolidated financial statements for each of the fiscal years ended December 31, 2007 to 2010, to the express knowledge of SFC, the SFC Subsidiaries and their respective directors, officers and employees, all as they intended E&Y would do. A copy of the legal opinion received in connection with E&Y's audit of the consolidated financial statement for the fiscal year ended December 31, 2007 is attached at Schedule "C9".

(E) Other Direct Representations

51. In respect of the transactions completed in each of the fiscal years ended December 31, 2007 to 2010, SFC and/or its directors, officers, employees or agents made direct representations to E&Y upon which it reasonably relied. Those representations include, but are not limited to, representations in respect of:

- (a) timber assets;
- (b) title to the timber assets;
- (c) purchases and sales of timber assets, including individual transactions, supported by contracts and set-off documentation, to support the Company's representation that accounts receivable and accounts payable had been settled;
- (d) valuation of the timber holdings;
- (e) use of the SFC Subsidiaries;
- (f) relationships with the authorized intermediaries; and
- (g) related party transactions.

52. As described at paragraph 67 herein, attached at Schedule "B" is chart summarizing the representations that were made to E&Y in respect of assets, liabilities, revenues and expenses of SFC and the SFC Subsidiaries, setting out the key client-prepared documents received by E&Y and upon which E&Y relied. Management of SFC coordinated the provision of the representations, information and documents to E&Y. E&Y reasonably relied in good faith on these representations.

53. As expressly stated in the Engagement Letters and the 2010 Auditors' Report, SFC's management was responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for such internal controls as management determined were necessary to enable the preparation of consolidated financial statements that were free from material misstatement, whether due to fraud or error. E&Y relied on SFC management's representations and warranties in carrying out its work.

(II) Reputational Loss

54. Had E&Y been aware of the alleged misconduct of SFC, the SFC Subsidiaries and their respective directors, officers, employees and agents, E&Y would not have opined on, associated itself with or consented to any use of its opinions with respect to the financial statements of SFC and the SFC Subsidiaries. The continued proceedings and events arising out of the financial affairs of SFC have the potential to impact the good reputation of E&Y in its market place, to its detriment.

(III) SFC's Vicarious Liability

55. SFC is vicariously liable for the acts of its directors, officers, employees and agents, the SFC Subsidiaries and their directors, officers, employees and agents.

56. In particular, given the consolidated nature of the financial statements, representations were received from SFC's management and management of the SFC Subsidiaries expressly on the authority of and on behalf of SFC, which is vicariously liable for the accuracy of those representations and the potential and actual losses flowing to E&Y in reliance thereon.

(b) Claims Against the SFC Subsidiaries

57. As stated above, E&Y was engaged to audit the consolidated financial statements of SFC. Consolidated financial statements are produced by aggregating the financial statements of one or more subsidiary companies on a line-by-line basis (i.e., adding together corresponding items of assets, liabilities, revenues and expenses) with the financial statements of the parent company, eliminating intercompany balances and transactions and providing for any non-controlling interest in a subsidiary company. Where the assets, liabilities, revenues and expenses of an entity's subsidiary companies comprise material proportions of the corresponding elements of the consolidated financial statements, auditing the consolidated financial statements of an entity therefore involves obtaining audit evidence and performing audit procedures in respect of the assets, liabilities, revenues and expenses not only of the entity itself, but also of the subsidiaries.

58. In the case of E&Y's audits of the consolidated financial statements of SFC, the bulk of audit evidence obtained by E&Y and a significant majority of audit procedures performed by E&Y related to the SFC Subsidiaries, because of the corporate structure of the Sino-Forest group of companies:

- (a) SFC, the entity that issued the publicly-traded debt and equity, is a holding company whose primary assets are cash, direct or indirect investments in the SFC

Subsidiaries, and intercompany balances due from one or more of the SFC Subsidiaries;

(b) The business of SFC was conducted at the subsidiary level. On a consolidated basis, all assets of SFC other than a portion of the consolidated cash were owned by the SFC Subsidiaries. Attached to this Proof of Claim at Schedule "C10" is a corporate organization chart for SFC as at December 31, 2010. Also attached at Schedules "C11" and "C12" are publicly available corporate search results conducted in respect of the SFC Subsidiaries or certain of them. With respect to the timber assets and the timber related operations reported in the consolidated financial statements of SFC:

- (i) The timber assets were all held by a small number of the SFC Subsidiaries;
- (ii) The purchase and sale of the timber assets was done by or on behalf of those of the SFC Subsidiaries;
- (iii) Those SFC Subsidiaries were the signatories to the purchase and sale contracts;
- (iv) The Forestry Bureau Confirmations relied upon by E&Y in the course of its audits were issued to those SFC Subsidiaries; and
- (v) The relationships with the authorized intermediaries were through those SFC Subsidiaries; and

- (c) SFC itself had only three (3) employees: David Horsley, Tom Maradin and an administrative assistant. All other officers and employees of the Sino-Forest group were employed by various SFC Subsidiaries. Two SFC Subsidiaries, Sino-Wood Partners, Limited ("Sino-Wood") and Sino-Panel (Asia) Inc. ("Sino-Panel") employed the majority of the personnel who conducted and accounted for the business of the SFC Subsidiaries incorporated in Hong Kong and the British Virgin Islands, including those SFC Subsidiaries which owned a significant majority of the timber assets.

59. A significant majority of information and representations provided to E&Y in connection with E&Y's audits of the consolidated financial statements for 2007 to 2010 were provided by or on behalf of various SFC Subsidiaries.

(I) Breach of Contract

60. E&Y was retained, pursuant to the terms of the Engagement Letters, to audit and report on the consolidated financial statements.

61. E&Y entered into direct engagements with Sino-Panel (Asia) Inc. and Sino-Wood Partners, Limited to audit their financial statements each for the years-ended December 31, 2007 and 2008. Attached at Schedule "C3" are copies of the Engagement Letters for Sino-Panel (Asia) Inc. and Sino-Wood Partners, Limited for fiscal year ended December 31, 2007.

62. In the course of completing the audit engagements for SFC and the SFC Subsidiaries, E&Y received directly from and/or on behalf of the SFC Subsidiaries their financial information, and relied upon that information in connection with completing its work under these

engagements, as well as aggregating the financial results with those of other SFC Subsidiaries, and SFC itself, for the purposes of opining on the consolidated financial statements of SFC and the SFC Subsidiaries.

(II) Inducing Breach of Contract

63. The SFC Subsidiaries, and their respective directors, officers, employees and agents, knew or ought to have known that the information being provided to E&Y was provided for the purpose of E&Y's audit of the consolidated financial statements of SFC.

64. The information provided by the SFC Subsidiaries and their directors, officers, employees and agents may have been misleading and deceitful as it is being alleged in the Class Actions that SFC's consolidated financial statements misrepresented the state of SFC's assets and activities. The OSC has made similar allegations.

65. If proven, the alleged deceitful and misleading information provided by the SFC Subsidiaries and their directors, officers, employees and agents would have led SFC to breach its obligations to E&Y pursuant to the Engagement Letters, thereby causing E&Y to incur the damages more particularly described in this Proof of Claim.

(III) and (IV) Negligent and Fraudulent Misrepresentation

66. In performing its audits of the 2007-2010 consolidated financial statements, E&Y reasonably relied in good faith on (among other things) representations, documents, information and reports, as applicable, provided by, *inter alia*, the SFC Subsidiaries and their directors, officers, employees and agents all as described above in this Proof of Claim.

67. In addition, the SFC Subsidiaries are vicariously liable for the actions and omissions of their directors, officers, employees and agents who may have provided E&Y with allegedly deceitful and misleading information.

68. By way of example, attached to this Proof of Claim at Schedule B is a chart summarizing the SFC Subsidiaries that provided key client-prepared documents and/or delivered documents evidencing representations made to E&Y in its audits of the 2007-2010 consolidated financial statements of SFC. In building up the chart, E&Y limited itself to certain types of documents that E&Y considers particularly significant. The chart may therefore be incomplete with respect to other documents that were provided by certain SFC Subsidiaries. The chart illustrates the strong connection between the recorded book value of the timber assets in the SFC Subsidiaries and E&Y's reliance on key client-prepared documents from those SFC Subsidiaries.

69. If the allegations of the OSC are proven, the SFC Subsidiaries made negligent and/or fraudulent misrepresentations to E&Y upon which E&Y relied to its detriment thereby causing E&Y to incur the damages, more particularly described in this Proof of Claim.

(V) Reputational Loss

70. Had E&Y been aware of the alleged misconduct of SFC, the SFC Subsidiaries and their respective directors and officers, E&Y would not have opined on, associated itself with or consented to any use of its opinions with respect to the financial statements of SFC and the SFC Subsidiaries. The continued proceedings and events arising out of the financial affairs of SFC have the potential to impact the good reputation of E&Y in its market place, to its detriment.

(c) Contractual Indemnity

(I) **Audit Engagement Letters**

71. Each of the Engagement Letters for E&Y's audits of the consolidated financial statements of SFC for the Company's 2007 to 2010 fiscal years inclusive provides that E&Y's total aggregate liability shall be limited to the greater of: (i) the total fees paid to E&Y for its services (as defined); and (ii) CDN \$1,000,000.

72. Each of the Engagement Letters for E&Y's audits of the consolidated financial statements of SFC for the Company's 2007-2010 fiscal years provides that SFC will re-imburse E&Y for legal fees incurred in certain circumstances.

73. The Engagement Letter for E&Y's audit of the consolidated financial statements of SFC for the Company's 2010 fiscal year includes the following specific indemnification provision:

To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of or relating to the Services or this Agreement. On behalf of yourself and your affiliates, you release us, the other EY Firms and the EY Persons from all claims and causes of action (together, "Claims"), pending or threatened, that you or they may have arising out of the Services or this Agreement to the extent such Claims result from or arise out of any misrepresentation or fraudulent act or omission by you, your employees or agents on your behalf.

74. The Engagement Letters for the year-end audits for fiscal 2007-2010 generally incorporated E&Y's engagements to perform quarterly reviews of the Company's interim financial statements.

(II) Offering Engagement Letters

75. As stated above, E&Y entered into separate Offering Engagement Letters with SFC in connection with each equity and debt offering which incorporated E&Y's audit reports by reference defined above. Each of the Offering Engagement Letters provides that SFC will indemnify E&Y generally, will limit E&Y's liability and will re-imburse E&Y for legal fees in certain circumstances.

76. The Offering Engagement Letters are attached to this Proof of Claim at Schedule "C2".

(III) Claim for Contractual Indemnification

77. E&Y asserts indemnity claims against SFC for its legal fees and other costs incurred to defend the Class Actions and Other Proceedings and, in the event E&Y is found liable to the plaintiffs, any Interested Parties or any other party, for any damages and/or interest award E&Y may be ordered to pay, pursuant to the terms of the above-described engagement letters.

(d) Statutory Claims for Contribution and Indemnity

78. E&Y asserts contribution and indemnity claims in the event E&Y is found liable to the plaintiffs, any Interested Parties or any other party, for any damages and/or interest award E&Y may be condemned to pay, under ss. 1 and 2 of the *Negligence Act* and any applicable legislation outside of Ontario against SFC and the SFC Subsidiaries as joint and several tortfeasors.

E&Y'S DAMAGES

79. As a result of the conduct of SFC, the SFC Subsidiaries and their respective former directors and officers, E&Y has incurred the following damages:

- (a) Legal costs and professional costs incurred in defending the multiple proceedings, including the Class Actions and Other Proceedings brought against E&Y, which proceedings are the proximate and foreseeable consequence of the alleged negligent, deceitful and fraudulent practice of SFC, SFC Subsidiaries and their respective directors and officers. To this day, E&Y's legal and related costs total approximately \$5,000,000;
- (b) Exposure to awards of damages and interest in the multiple proceedings, including the Class Actions and Other Proceedings, brought against E&Y, which proceedings are the proximate and foreseeable consequence of the alleged negligent, deceitful and fraudulent practice of SFC, SFC Subsidiaries and their respective directors and officers; and
- (c) Any reputational loss resulting from the Class Actions and the Other Proceedings and events arising out of the financial affairs of SFC which has the potential to impact the good reputation of E&Y in its market place, to its detriment; and

80. As a result of the allegedly negligent, deceitful and fraudulent practices of SFC, the SFC Subsidiaries and their respective directors and officers, which unequivocally would result in a breach of SFC's obligations pursuant to the Engagement Letters and SFC Subsidiaries Letters, and/or an inducement to SFC to breach SFC's contractual obligations to E&Y, E&Y will incur further damages if any awards in favour of the Interested Parties or other parties are ordered.

NATURE AND CLASS OF CLAIMS

81. E&Y asserts this claim as an unsecured creditor.

82. E&Y's claim is distinct from any and all potential and actual claims by the plaintiffs in the Class Actions against SFC. E&Y's claim for contribution and indemnity is not based upon the claims against SFC advanced in the Class Actions, but rather in part upon the Class Actions' claims against E&Y on behalf of the Interested Parties.

83. As any success of the plaintiffs in the Class Actions against E&Y on behalf of the Interested Parties would not necessarily lead to success against SFC and vice-versa, E&Y has a distinct claim against SFC independent of that of the plaintiffs in the Class Actions on behalf of the Interested Parties. The success of E&Y's claims against SFC and the SFC Subsidiaries, and the success of the claims advanced by the Class Action plaintiffs, are not co-dependent. Either could succeed if the other were to fail.

84. The relationship between E&Y on the one hand, and SFC, SFC Subsidiaries and their respective directors and officers on the other, is contractual and at arm's length. The nature of the relationship between a shareholder, who may be in a position to assert an equity claim (in addition to other claims) is fundamentally different from the relationship existing between a corporation and its auditors.

85. The policy rationale for subordinating equity claims to the claims of creditors of the corporation, given the well-established corporate law recognizing the bargain that shareholders have struck and the inherent fact that their fortunes rise or fall with those of the company, does not apply to auditors.

86. Shareholders accept both risk and reward, and benefit directly from any increase in the value of the equity in a company. An auditor is in a fundamentally different position, namely

that of a professional service provider who entered into a contract with the debtor company based upon the expectation of receiving a pre-established payment, independently of the company's financial performance.

87. E&Y is prepared to provide to the Monitor, on a confidential basis, further submissions with respect to the nature and quality, as well as quantity, of its claims.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Ernst & Young LLP

June 20, 2012

Dono Samal

Chief legal counsel

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SINO-FOREST CORPORATION

SCHEDULE B: LIST OF SINO-FOREST CORPORATION SUBSIDIARIES THAT PROVIDED KEY DOCUMENTS AND REPRESENTATIONS ON WHICH ERNST & YOUNG LLP RELIED IN ITS AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS OF SINO-FOREST CORPORATION (Note 1)

Company Name (Note 2)	Jurisdiction of Incorporation (Note 2)	Date of Incorporation (Note 2)	Unsecured Guarantors (Note 3)	Pledgors of Subsidiary Shares (Note 3)	Book Value of Timber Assets at Dec 31, 2010 (000s) (Note 4)	Year Ended December 31 (Note 5)		
						2010	2009	2008 2007
Sino-Global Holdings Inc.	BVI		*	▲				
Grandeur Winway Limited	BVI	24-Nov-06	*				X	X
Sinowin Investments Limited	BVI	2-Jul-02	*				X	X
Max Gain Development Limited	BVI	4-Feb-02	*					
Sino-Maple (Shanghai) Trading Co., Ltd.	PRC						X	X
Sino-Maple (Shanghai) Co., Ltd.	PRC						X	X
Sinowin Plantings (Suzhou) Co., Ltd.	PRC						X	X
Jiangsu Jiarun Plantings Co., Ltd.	PRC							
Suzhou City Yuejia Gardening Design Co., Ltd.	PRC							
Suzhou City Lvyyun Garden Engineering Co., Ltd.	PRC						X	
Suqian Jiashu Plantings Co., Ltd.	PRC							
Sino-Panel Corporation	Canada							
Sino-Wood Partners, Limited	HK		*	▲			X	X
Sino-Forest Resources Inc.	BVI	12-Dec-97	*				X	X
Dynamic Profit Holdings Limited	BVI	27-Sep-10	*	▲				X
Sino-Forest Investments Limited	BVI	8-Sep-03	*				X	X
Mandra Forestry Holdings Limited	BVI	31-Dec-04	√				X	X
Mandra Forestry Finance Limited	BVI	31-Dec-04	√					
Mandra Forestry Anhui Limited	BVI	28-Jan-11	√					
Anqing Mandra Forestry Limited	PRC				\$53,375		X	
Mandra Forestry (Jiangxi) Limited	PRC				\$48,112		X	
Yhuang Mandra Forestry Limited	PRC				\$15,788		X	
Xuancheng Mandra Forestry Limited	PRC				\$23,655		X	
Zodi Mandra Forestry Limited	PRC				\$34,653		X	
Wuhu Mandra Forestry Limited	PRC				\$244			
Mandra Forestry Hubei Limited	BVI		√					
Huanggang Mandra Forestry Limited	PRC				\$1,167			
Sino-Forest (China) Investments Limited	PRC						X	X
Sino-Forest (Suzhou) Trading Co., Ltd.	PRC						X	X
Sino-Forest (Yangjiang) Co., Ltd.	PRC							
Sino-Forest (Guangzhou) Co., Ltd.	PRC						X	X
Shenzhen Sino-Forest Science and Technology Co., Ltd.	PRC							
Sino-Wood (Heyuan) Co., Ltd.	PRC				\$49,857		X	X
Sino-Forest (Heyuan) Co., Ltd.	PRC							
Guangxi Gujia Forestry Co., Ltd.	PRC				\$8,664			X
Gaoyao Jiayao Forestry Development Co., Ltd.	PRC				\$8,543			X
Zhangzhou Jiamin Forestry Development Co., Ltd.	PRC				\$490			X
Sino-Wood Trading Limited	BVI	29-Dec-09	*				X	
Sino-Plantation Limited	HK		*	▲				
Sino-Wood (Guangxi) Limited	HK	19-Jan-07	*					
Sino-Wood (Jiangxi) Limited	HK		*					
Sino-Wood (Guangdong) Limited	HK		*					
Sino-Wood (Fujian) Limited	HK		*					
Jiangxi Jiachang Forestry Development Co., Ltd.	PRC				\$8,789			X
Suri-Wood Inc.	BVI	1-Sep-97	*	▲	\$329,311		X	X
Ace Supreme International Limited	BVI	2-Jan-09	*		\$199,600		X	X
Alliance Max Limited	BVI	22-Dec-09	*		\$98,923		X	X
Trillion Edge Limited	BVI	22-Dec-09	*		\$201,892		X	X
General Excel Limited	BVI	22-Dec-09	*		\$37,018		X	X
Brain Force Limited	BVI	22-Dec-09	*		\$90,524		X	
Prime Kinetic Limited	BVI	22-Dec-09	*		\$45,027		X	
Poly Market Limited	BVI	22-Dec-09	*		\$57,050		X	
Value Quest International Limited	BVI	11-Aug-10	*		\$57,335		X	
Well Keen Worldwide Limited	BVI	11-Aug-10	*		\$52,685		X	
Cheer Gold Worldwide Limited	BVI	11-Aug-10	*		\$21,174		X	
Regal Win Capital Limited	BVI	11-Aug-10	*		\$23,833		X	
Harvest Wonder Worldwide Limited	BVI	11-Aug-10	*		\$70,221		X	
Rich Choice Worldwide Limited	BVI	11-Aug-10	*		\$178,401		X	
Amplemax Worldwide Limited	BVI	2-Jan-09	*		\$229,030		X	X
Glory Billion International Limited	BVI	2-Jan-09	*		\$203,050		X	X
Smart Sure Enterprises Limited	BVI	2-Jan-09	*		\$192,260		X	X
Expert Bonus Investments Limited	BVI	2-Jan-09	*		\$203,640		X	X
Express Point Holdings Limited	BVI	2-Jan-09	*		\$184,545		X	X
Sinowood Finance Limited	BVI							
Khan Forestry Inc	BVI	8-Sep-05	*					X
Sino-Capital Global Inc.	BVI	14-Feb-97	*	▲			X	X
Greenheart Group Limited	Bermuda		*				X	X
Greenheart Resources Holdings Limited	BVI	8-Oct-04	*				X	
Sinowood Limited	Cayman Islands		*	▲				
Sino-Forest Bio-Science Limited	BVI	18-Jun-03	*					X
Sino-Biotechnology (Guangzhou) Limited	PRC							X
Sinowood Holdings Limited	Cayman Islands		*					
Homix Limited	BVI	10-Jul-08	*				X	
Sino-Global Management Consulting Inc.	BVI	30-Jul-10	*					
Guangzhou Panyu Dacheng Wood Co., Ltd.	PRC							
Jiangsu Dayang Wood Co., Ltd.	PRC							
Sino-Global (Guangzhou) Forestry Management Consulting Inc.	PRC							
Mega Harvest International Limited	BVI							
NZ Forestry Holding Company Limited	New Zealand				\$67,513		X	
MIFV Limited	New Zealand							
Mangakahia Forest Limited and Limited	New Zealand							
Mangakahia Forest Māori Land Limited	New Zealand							
Sino-Forest International (Barbados) Corporation	Barbados		*	▲			X	
Sino-Panel Holdings Limited	BVI	19-May-00	*	▲				X
Sino-Panel (Asia) Inc.	BVI	12-Dec-97	*	▲			X	X
Sino-Panel (China) Investments Limited	PRC		*		\$134,310		X	X
Sino-Panel (Guangxi) Limited	BVI		*				X	X
Sino-Panel (Yunnan) Limited	BVI	19-Jan-07	*				X	X
Sino-Panel (North East China) Limited	BVI	23-Feb-05	*				X	X
Sino-Panel (Xiangxi) Limited	BVI	12-Oct-01	*				X	X

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SINO-FOREST CORPORATION

SCHEDULE B: LIST OF SINO-FOREST CORPORATION SUBSIDIARIES THAT PROVIDED KEY DOCUMENTS AND REPRESENTATIONS ON WHICH ERNST & YOUNG LLP RELIED IN ITS AUDITS OF THE CONSOLIDATED FINANCIAL STATEMENTS OF SINO-FOREST CORPORATION (Note 1)

Company Name (Note 2)	Jurisdiction of Incorporation (Note 2)	Date of Incorporation (Note 2)	Unsecured Guarantors (Note 3)	Pledgors of Subsidiary Shares (Note 3)	Book Value of Timber Assets at Dec 31, 2010 (000s) (Note 4)	Year Ended December 31			
						2010	2009	2008	2007
Sino-Panel (Hunan) Limited	BVI	27-Nov-06	*				X	X	
SFR (China) Inc.	BVI	20-Jan-11	*					X	X
Sino-Panel (Suzhou) Limited	BVI	8-Aug-05	*					X	X
Sino-Panel (Gaoyao) Ltd.	BVI	12-Dec-97	*					X	X
Sino-Panel (Guangzhou) Limited	BVI	19-Sep-06	*					X	X
Sino-Panel (North Sea) Limited	BVI	20-Jul-07	*					X	X
Sino-Panel (Guizhou) Limited	BVI	18-Sep-07	*					X	X
Sino-Panel (Huailua) Limited	BVI	18-Sep-07	*					X	X
Sino-Panel (Qinzhou) Limited	BVI	18-Sep-07	*					X	X
Sino-Panel (Yongzhou) Limited	BVI	18-Sep-07	*					X	X
Sino-Panel (Fujian) Limited	BVI	2-Oct-07	*					X	X
Sino-Panel (Shaoyang) Limited	BVI	2-Oct-07	*					X	X
Sino-Panel (China) Nursery Limited	BVI	22-Dec-09	*						
Sino-Panel (Russia) Limited	BVI	12-Feb-10	*				X		
Sino-Panel Trading Limited	BVI	28-Apr-10	*						
Sino-Panel (Fujian) Co., Ltd.	PRC								
Sino-Panel (Guangxi) DevelopmentCo., Ltd.	PRC				\$12,011	X	X	X	X
Sino-Panel (Gangma) Co., Ltd.	PRC				\$23,430		X	X	X
Heilongjiang Jiamu Panel Co., Ltd.	PRC						X	X	X
Xiangxi Autonomous State Jiasen Forestry Development Co., Ltd.	PRC							X	X
Hunan Jiayu Wood Products (Hongjiang) Co., Ltd.	PRC							X	X
Hunan Jiayu Wood Products Co., Ltd.	PRC				\$4,208			X	X
Shaoyang Jiading Wood Products Co., Ltd.	PRC				\$86	X	X	X	X
Jiafeng Wood (Suzhou) Co., Ltd.	PRC					X	X	X	X
Zhangjiagang Free Trade Zone Jiashen International Trading Co., Ltd.	PRC							X	X
Guangdong Jiayao Wood Products DevelopmentCo., Ltd.	PRC				\$42,949	X	X	X	X
Sino-Panel (Guangzhou) Trading Co., Ltd.	PRC					X	X	X	X
Sino-Panel (Beihai) DevelopmentCo., Ltd.	PRC					X	X	X	X
Hunan Jiayu Wood Products (Zhijiang) Co., Ltd.	PRC				\$884			X	
Sino-Panel (Jianghua) Co., Ltd.	PRC				\$17,377		X	X	X
Sino-Panel (Guangzhou) Nursery Co., Ltd.	PRC								
Heilongjiang Jialin Trading Co., Ltd.	PRC								
Sino-Panel (Heilongjiang) Trading Co., Ltd.	PRC								
Sino-Panel (Hezhou) Co., Ltd.	PRC				\$30,236		X	X	X
Sino-Panel (Yunnan) Trading Co., Ltd.	PRC							X	
Jiangxi Jiawei Panel Co., Ltd.	PRC				\$41,926	X	X		
Sino-Panel (Sanjiang) Co., Ltd.	PRC				\$4,726			X	X
Sino-Panel (Hunan) Forest ManagementCo., Ltd.	PRC					X			
Sino-Panel (Luzhai) Co., Ltd.	PRC				\$9,888		X	X	X
Sino-Panel (Beihai) Wood Products Co., Ltd.	PRC								
Sino-Panel (Hunan) DevelopmentCo., Ltd.	PRC								
Sino-Panel (Guangdong) Forest Management Co., Ltd.	PRC								
Sino-Panel (Guangxi) Forest ManagementCo., Ltd.	PRC								
Sino-Panel (Jiangxi) Forest ManagementCo., Ltd.	PRC								
Beihai Changqing Wooden Co., Ltd.	PRC							X	X
Sino-Panel (Yuanling) Co., Ltd.	PRC				\$4,120		X	X	
Total Timber Assets:					\$3,122,516		X	X	

Notes

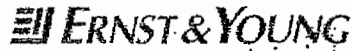
Note 1: This schedule was prepared on a confidential basis for inclusion in the Proofs of Claim of Ernst & Young LLP against (i) Sino-Forest Corporation and its subsidiaries and (ii) the Directors and Officers of Sino-Forest Corporation and for no other purpose. This schedule is intended to be illustrative in nature and does not reflect all documents and/or representations provided to Ernst & Young LLP in connection with the audits for the fiscal years indicated.

Note 2: Corporation names, jurisdictions of incorporation and dates of incorporation are based on information provided to Ernst & Young LLP by Sino-Forest Corporation and its subsidiaries.

Note 3: "*" denotes guarantor of all notes. "*" denotes guarantor of convertible notes only. "1" denotes entities that have granted the shares of one or more subsidiary corporations as security for their guarantees of the notes. These indicators were based in each case on information provided to Ernst & Young LLP by FTI Consulting Canada Inc. in its capacity as Monitor of Sino-Forest Corporation.

Note 4: According to information provided to Ernst & Young LLP in connection with its audit of the consolidated financial statements of Sino-Forest Corporation for the year ended December 31, 2010.

Note 5: An "X" indicates that Ernst & Young LLP received one or more key documents and/or representations from the entity during the audit of the consolidated financial statements for the fiscal year indicated. This schedule is intended to be illustrative in nature and does not reflect all documents and/or representations provided to Ernst & Young LLP in connection with the audits for the fiscal years indicated.



Ernst & Young LLP
Chartered Accountants
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7

Phone: (416) 864-1234
Fax: (416) 864-1174

June 21, 2007

Mr. James (Jamie) M. E. Hyde
Chairman of the Audit Committee
c/o Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

*Copy to head office
Original to comp.*

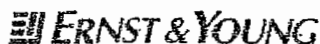
Dear Mr. Hyde:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to perform a statutory audit and report on the consolidated financial statements of Sino-Forest Corporation ("Sino-Forest" or the "Company") for the year ended December 31, 2007. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

Audit Responsibilities and Limitations

2. The objective of our audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles.
3. We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance that the consolidated financial statements taken as a whole are free of material misstatement, whether caused by error or fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of the data underlying the financial statements, the inherent limitations of internal controls, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.
4. In accordance with professional standards established by the Canadian Institute of Chartered Accountants ("CICA"), we will communicate certain matters related to the conduct and

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Sent 6/27



results of the audit to the Company's Audit Committee. Such matters include, when applicable, disagreements with management, whether or not resolved; serious difficulties encountered in performing the audit; our level of responsibility under professional standards in Canada for the financial statements, for internal control, and for other information in documents containing the audited financial statements; unrecorded audit differences that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole; changes in the Company's significant accounting policies and methods for accounting for significant unusual transactions or for controversial or emerging areas; our judgments about the quality of the Company's accounting principles; our basis for conclusions regarding sensitive accounting estimates; management's consultations, if any, with other accountants; and major issues discussed with management prior to our retention.

5. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies and procedures. In addition, in accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between Ernst & Young LLP, its partners and professional employees and Sino-Forest (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Forest.
6. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal controls over financial reporting. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal controls over financial reporting or to identify all significant weaknesses.
7. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments and significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit procedures, as well as related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.

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8. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.

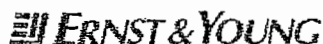
Reviews of Unaudited Interim Financial Information

9. We will perform a review of the Company's unaudited interim financial information in accordance with CICA Handbook Section 7050, *Auditor Review of Interim Financial Statements*, for the third quarter of the Company's fiscal year and we will report orally to the Audit Committee in this regard.
10. A review of interim financial information consists principally of performing analytical procedures and making inquiries of management responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express an opinion on the interim financial information.
11. A review includes obtaining sufficient knowledge of the entity's business and its internal control as it relates to the preparation of both annual and interim financial information to: identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with Canadian generally accepted accounting principles.
12. A review is not designed to provide assurance on internal control or to identify significant weaknesses. However, we will communicate with the Audit Committee regarding any significant weaknesses noted during our review procedures.
13. If, during our review procedures, we determine there is evidence that fraud or illegal or possibly illegal acts exist or may have occurred (other than illegal acts that are clearly inconsequential), we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the interim financial information, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee is adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant unrecorded differences noted during our review procedures.

Management's Responsibilities and Representations

14. The preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management is also

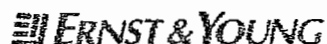
J. J. Salton



responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

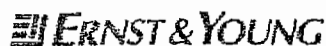
15. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management; as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations, and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/ client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may alter the form of report we may issue on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. The Company and we will disclose any such withholding of information to the Audit Committee.
16. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.
17. Management of the Company is responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded differences accumulated by us during the applicable Audit Service and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements and unaudited interim financial information taken as a whole.

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Sent 11/07



18. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information. Management is responsible for affirming to us in its representation letter and providing us information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:
- its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;
 - any plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - information relating to the measurement and disclosure of transactions with related parties;
 - an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA HB Section 1508, *Measurement Uncertainty*;
 - information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
 - information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;
 - information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.
19. At the conclusion of the applicable Audit Service, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our procedures comprise the evidential matter we will rely upon in completing the applicable Audit Service.
20. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly as further described in the

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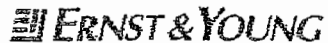
attached additional Terms and Conditions (refer to the provision captioned "Auditor Oversight").

21. To assist EY in maintaining its independence from the Company, management of the Company is responsible for the Company's process for surveying officers and directors, and for requesting that substantial stockholders, officers, and directors disclose matters to the Company for communication to EY regarding the nature of any direct or material indirect business relationships that the substantial stockholder, officer, or director, or any member of their immediate family (i.e., a person's spouse, spouse equivalent, and dependents), has with EY or any of its affiliates, or an ownership interest of five percent or more in, or situations where they serve as an officer or director of any company (public or private) that has a direct or material indirect business relationship with EY or any of its affiliates.

Fees and Billings

22. We estimate that the fee for our audit of the 2007 consolidated financial statements will range from US\$550,000 to US\$650,000 plus out of pocket expenses and the review of the unaudited interim financial information will range from US\$55,000 to US\$60,000 plus out of pocket expenses per quarter. However, our actual fee may exceed the top of this range. We will submit our invoices in accordance with the agreed upon billing schedule, and payment of them will be made upon receipt.
23. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us, and are dependent upon the Company's personnel providing a reasonable level of assistance during the Audit Services. Should our assumptions with respect to these matters be incorrect or should the results of our procedures, the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. In addition, fees for any consent to the use of the audit report outside of Section 1(b) of the Addendum or any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and may be the subject of other written agreements.
24. Canadian securities legislation requires that any reporting issuer filing an auditor's report dated on or after March 30, 2004 must have that report signed by an auditing firm that has registered with the Canadian Public Accountability Board ("CPAB"). Audit firms registered with CPAB are required to fund CPAB's costs. Fees are levied based on the most recent audit fees as defined by CPAB, charged by the Canadian firm and reported in our registration information. We will bill all reporting issuer clients a portion of the CPAB levy on a recovery basis. Your proportionate share will be based upon the most recent audit fees reported to CPAB and billed for your engagement, multiplied by the annual levy rate set by CPAB. CPAB sets the rate annually and the fee for the most recent year that has been determined was 1.6% of audit fees. This amount will be charged at the effective CPAB rate annually and will be billed when the annual invoice is received from CPAB.

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Sent 11/1/07



Use and Disclosure of the Audit Report

25. The use and disclosure of EY's audit report shall be governed by the terms of the Addendum attached to this letter, which form an integral part of this Agreement.

Other Matters

26. The Company shall provide to us copies of the printer's proofs of its annual report prior to publication for our review. Management of the Company bears the primary responsibility to ensure the annual report contains no misrepresentations. Management is also responsible for identifying subsequent events and providing appropriate disclosure in, and/or adjustment of, the audited financial statements as a result of such events as required by generally accepted accounting principles. We will review the report for consistency between the annual financial statements and other information contained in the report, and to determine if the financial statements and our report thereon have been accurately reproduced. If we identify any errors or inconsistencies which may impact on the financial statements, we will advise management and the Audit Committee as appropriate.

27. By your signature below, you confirm that the Company, through its Board of Directors, has authorized the Audit Committee to enter into this Agreement with us on the Company's behalf and that you have been expressly authorized by the Audit Committee to execute this Agreement on behalf of, and to bind, the Company.

28. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Fred Clifford.

Yours very truly,

Erat + Young LLP

Chartered Accountants
Licensed Public Accountants

Acknowledged and agreed:
Sino-Forest Corporation

By: *James M. E. Hyde*
James (Jamie) M.E. Hyde
Chairman of the Audit Committee

Date: *Sept 7/07*

Handwritten signature and date: Sept 11/07



Addendum
Use and Disclosure of the Audit Report

(1) **Annual Financial Statements**

(a) E&Y acknowledges that the Company is a reporting issuer under Canadian securities legislation and/or is subject to securities legislation in other jurisdictions and has an obligation to:

- (i) file its annual financial statements and E&Y's accompanying audit report (referred to as the "audit report") with the securities regulators having jurisdiction over the Company; and
- (ii) mail those documents to its security holders, either as part of the Company's annual report to shareholders (referred to as the "annual report") or separately.

Filing those documents and/or including them in the annual report will result in such documents being "released" as that term is defined in section 138.1 of the *Securities Act* (Ontario).

(b) E&Y hereby consents (within the meaning contemplated by section 138.3(1)(e)(iii) of the *Securities Act* (Ontario)) to the annual filing of the audit report and to the inclusion of the audit report in the annual report if all of the conditions set out below are met. The effective date of such consent is deemed to be the date of the audit report. The conditions are as follows:

- (i) the filing of the audit report or the mailing of the annual report, as the case may be, occurs within 5 business days of the date of the audit report;
- (ii) neither the chief executive officer nor the chief financial officer of the Company is aware of anything which would result in the financial statements containing a misrepresentation (as such term is defined in section 1(1) of the *Securities Act* (Ontario));
- (iii) since the date of the audit report no "material change" (as that term is defined in section 1(1) of the *Securities Act* (Ontario)) or other event has occurred, or information become available, that would require disclosure in or adjustment to the financial statements to make those statements current and in accordance with Canadian generally accepted accounting principles as of the date that they are being released; and
- (iv) the consent provided in this engagement letter has not been withdrawn in writing before the audit report is filed and/or the annual report is mailed.

(c) E&Y expressly does not consent to the use of the audit report, or the opinions expressed in the audit report, in any "document" or "public oral statement" (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)), in any other circumstance. In particular, E&Y does not consent to:

- (i) the filing of the audit report after the outside date referred to in paragraph (b)(i);
- (ii) the inclusion of the audit report in the annual report if the annual report is mailed after the outside date referred to in paragraph (b)(i);
- (iii) the inclusion of the audit report in:
 - (1) a prospectus, a takeover bid circular, an issuer bid circular, a directors' circular, a rights offering circular, or other document related to a distribution, purchase or sale of securities of the Company or another reporting issuer;
 - (2) a business acquisition report or similar document filed by another reporting issuer; or

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- (3) any "document" (as that term is defined in section 138.1 of the *Securities Act* (Ontario)) other than as specified in 1(b); or
 - (iv) the Company or any other person summarizing or quoting from the audit report in any "document" or "public oral statement" (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)).
- (d) If the Company wishes to (i) file the audit report with a securities commission after the outside date referred to in paragraph (b)(i) but within the time specified by the applicable securities legislation; or (ii) include the audit report in the annual report if the annual report is mailed after the outside date referred to in paragraph (b)(i) then;
- (1) a further written consent from E&Y is required; and
 - (2) E&Y will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, E&Y is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

- (e) If the Company wishes to include, summarize, quote from or otherwise use the audit report in any "document" or "public oral statement" (as those terms are defined in section 138.1 of the *Securities Act* (Ontario)), in any manner other than that permitted under paragraph (b) or (d), the following procedures will apply:
- (i) the Company will, in writing, request E&Y's further written consent to that use;
 - (ii) if E&Y agrees that the request is an appropriate use of the audit report, the Company and E&Y will enter into an engagement letter setting out the terms of such engagement, including the scope of the procedures to be undertaken by E&Y and its fee for performing these services; and
 - (iii) E&Y will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, E&Y is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

(2) Interim Financial Statements

We expressly do not consent to the use of any communication, report, statement or opinion prepared by E&Y on the interim financial statements and such communication may not be included in, summarized in, quoted from or otherwise used in any "document" or "public oral statement" (as such terms are defined in section 138.1 of the *Securities Act* (Ontario)).

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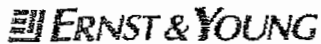


Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data to other EY Entities for the purpose of rendering the Services. EY may also disclose Client Data to other EY Entities for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence as well as to implement standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that own in the aggregate more than 50% of the total vote or value of such non-US corporation);
 - (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
 - (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item,

(together, (a), (b) and (c) referred to as "Tax Advice").



EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.

8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.
10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for

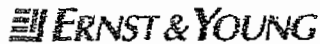
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items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.

11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client were not planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.
14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), strict liability, failure of essential purpose or otherwise,
 - (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph shall not limit EY's liability for death, bodily injury or physical damage to tangible property caused by the negligent acts or omissions of EY, and shall not limit EY's liability for loss or damage caused by the fraud or wilful misconduct of EY.

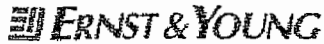
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For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
16. **No Application** - The preceding two sections (*Limitation of Liability*, *Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

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21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings*. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

A handwritten signature in black ink, appearing to read 'J. Smith', located in the bottom right corner of the page.

**August 7, 2008 audit engagement letter for the year ended
December 31, 2008**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

August 7, 2008

Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Attention: Mr. David Horsley, CFO

Dear Mr. Horsley:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to audit and report on the consolidated financial statements of Sino-Forest Corporation ("Sino-Forest" or the "Company") for the year ending December 31, 2008. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

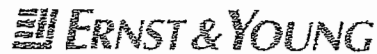
Consolidated Financial Statement Audit Responsibilities and Limitations

2. The objective of the audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles. Should conditions not now anticipated preclude us from completing the audit and issuing a report, we will advise the Audit Committee and management promptly and take such action as we deem appropriate.
3. We will conduct the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance that the consolidated financial statements taken as a whole are free of material misstatement, whether caused by error or fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. As the Company is aware, there are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of data, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain



undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards. Accordingly, there is some risk that a material misstatement of the financial statements would remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.

4. In accordance with professional standards established by the Canadian Institute of Chartered Accountants ("CICA"), we will communicate certain matters related to the conduct and results of the audit to the Company's Audit Committee. Such matters include, when applicable, disagreements with management, whether or not resolved; serious difficulties encountered in performing the audit; our level of responsibility under professional standards in Canada for the financial statements, for internal control, and for other information in documents containing the audited financial statements; unrecorded audit differences that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole; changes in the Company's significant accounting policies and methods for accounting for significant unusual transactions or for controversial or emerging areas; our judgments about the quality of the Company's accounting principles; our basis for conclusions regarding sensitive accounting estimates; management's consultations, if any, with other accountants; and major issues discussed with management prior to our retention.
5. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies and procedures. In addition, in accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between EY, its partners and professional employees and Sino-Forest (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Forest.
6. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal control over financial reporting. Our consideration of internal control for the audit of the financial statements will not be sufficient to enable us to express an opinion on the effectiveness of internal control over financial reporting or to identify all significant weaknesses.
7. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the



attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments, as well as related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.

8. We will communicate in writing to management and the Audit Committee all significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit of the Company's consolidated financial statements. In addition, if we become aware that the Audit Committee's oversight of the Company's external financial reporting and internal control over financial reporting is ineffective, we will communicate our conclusion in writing to the Board of Directors.
9. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.

Reviews of Unaudited Interim Financial Information

10. We will perform a review of the Company's unaudited interim financial information in accordance with CICA Handbook Section 7050, *Auditor Review of Interim Financial Statements*, for the first, second and third quarters of the Company's fiscal year and we will report orally to the Audit Committee in this regard.
11. A review of interim financial information consists principally of performing analytical procedures and making inquiries of management responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with Canadian generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express an opinion on the interim financial information.



12. A review includes obtaining sufficient knowledge of the entity's business and its internal control as it relates to the preparation of both annual and interim financial information to: identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with Canadian generally accepted accounting principles.
13. A review is not designed to provide assurance on internal control or to identify significant weaknesses. However, we will communicate with the Audit Committee regarding any significant weaknesses noted during our review procedures.
14. If, during our review procedures, we determine there is evidence that fraud or illegal or possibly illegal acts exist or may have occurred (other than illegal acts that are clearly inconsequential), we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the interim financial information, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee is adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant unrecorded differences noted during our review procedures.

Management's Responsibilities and Representations

15. The preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management is responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.
16. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.



17. Management of the Company is responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded differences accumulated by us during the applicable Audit Service and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements and unaudited interim financial information taken as a whole.
18. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations, and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may prevent us from opining on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. We will disclose any such withholding of information to the Audit Committee.
19. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information. Management is responsible for affirming to us in its representation letter and providing us information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:
- its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;



- any plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - information relating to the measurement and disclosure of transactions with related parties;
 - an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA HB Section 1508, *Measurement Uncertainty*;
 - information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
 - information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;
 - information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.
20. At the conclusion of the applicable Audit Service, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our procedures comprise the evidential matter we will rely upon in completing the applicable Audit Service.
21. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly as further described in the attached additional Terms and Conditions (refer to the provision captioned "*Auditor Oversight*").
22. Management shall make appropriate inquiries of the Company's officers, directors, and substantial stockholders to determine whether any business relationships exist between any such officer, director, or substantial stockholder (or any entity for or of which such an officer, director, or substantial stockholder acts in a similar capacity) and EY or any other member firm of the global Ernst & Young organization, other than one pursuant to which such a member firm performs professional services. For this purpose, a "substantial



stockholder" is a person or entity (excluding mutual funds) that owns a beneficial interest of five percent or more of the Company.

23. Management shall discuss any independence matters with EY that, in its judgment, could bear upon EY's independence.

Fees and Billings

24. We estimate that the fee for our audit of the 2008 consolidated financial statements will range from \$700,000 to \$900,000 plus out of pocket expenses and the review of the unaudited interim financial information will range from \$60,000 to \$75,000 plus out of pocket expenses per quarter. However, our actual fee may exceed the top of this range based on changes to the business (e.g., nature of the business or change in business entities) or additional scope work. We will submit our invoices in accordance with the agreed upon billing schedule, and payment of them will be made upon receipt.
25. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us, and are dependent upon the Company's personnel providing a reasonable level of assistance during the Audit Services. Should our assumptions with respect to these matters be incorrect or should the results of our procedures, the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. Circumstances that may significantly affect the targeted completion dates and our fee estimate include, but are not limited, to the following:

Audit Facilitation

- (a) Changes to the timing of the engagement at the Company's request;
- (b) Audit schedules are not (i) provided by the Company on the date requested, (ii) completed in a format acceptable to EY, (iii) mathematically correct, or (iv) in agreement with Company records (e.g., general ledger accounts);
- (c) Significant delays in responding to our requests;
- (d) Deterioration in the quality of the Company's accounting records during the current year in comparison to the prior year;
- (e) A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the Company;
- (f) Draft financial statements with appropriate supporting documentation are not prepared accurately and timely by the Company;
- (g) The engagement team, while performing work on the Company's premises, is not provided with high-speed access to the Internet for purposes of conducting the engagement.



Significant Issues or Changes

- (a) Significant weaknesses are identified in the Company's internal control over financial reporting that result in the expansion of our audit procedures;
- (b) A significant level of proposed audit adjustments;
- (c) A significant number of financial statement drafts are submitted for our review or a significant level of deficiencies in the draft financial statements;
- (d) Significant new issues or changes, such as new accounting issues, changes in accounting policies, events or transactions not contemplated in our budgets; changes in the Company's financial reporting or IT systems, or changes in the Company's personnel, their responsibilities or their availability.
- (e) Changes in audit scope caused by events that are beyond our control.

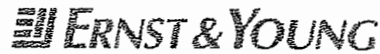
26. In addition, fees for any consent to the use of the audit report outside of Section 1(b) of the Addendum or any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and may be the subject of other written agreements supplemental to those in this Agreement.
27. Canadian securities legislation requires that any reporting issuer filing an auditor's report dated on or after March 30, 2004 must have that report signed by an auditing firm that has registered with the Canadian Public Accountability Board ("CPAB"). Audit firms registered with CPAB are required to fund CPAB's costs. Fees are levied based on the most recent audit fees as defined by CPAB, charged by the Canadian firm and reported in our registration information. We will bill all reporting issuer clients a portion of the CPAB levy on a recovery basis. Your proportionate share will be based upon the most recent audit fees reported to CPAB and billed for your engagement, multiplied by the annual levy rate set by CPAB. CPAB sets the rate annually and the fee for the most recent year that has been determined was 1.6% of audit fees; however, the fee is subject to adjustment by CPAB. This amount will be charged at the effective CPAB rate annually and will be billed when the annual invoice is received from CPAB.

Use and Disclosure of the Audit Report

28. The use and disclosure of EY's audit report shall be governed by the terms of the Addendum attached to this letter, which form an integral part of this Agreement.

Other Matters

29. The Company shall provide to us copies of the printer's proofs of its annual report prior to publication for our review. Management of the Company bears the primary responsibility to ensure the annual report contains no misrepresentations. Management is also responsible for



identifying subsequent events and providing appropriate disclosure in, and/or adjustment of, the audited financial statements as a result of such events as required by generally accepted accounting principles. We will review the report for consistency between the annual financial statements and other information contained in the report, and to determine if the financial statements and our report thereon have been accurately reproduced. If we identify any errors or inconsistencies which may impact on the financial statements, we will advise management and the Audit Committee as appropriate.

30. By your signature below, you confirm that the Company, through its Board of Directors, has authorized the Audit Committee to enter into this Agreement with us on the Company's behalf and that you have been expressly authorized by the Audit Committee to execute this Agreement on behalf of, and to bind, the Company.
31. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

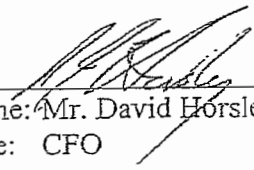
EY appreciates the opportunity to be of assistance to the Company. To confirm the terms upon which the Company has agreed to engage EY, please have this letter signed below where indicated and return it to Ms. Linda Zhu, 700 West Georgia Street, P.O. Box 10101, Vancouver, BC V7Y 1C7, Canada.

Yours very truly,

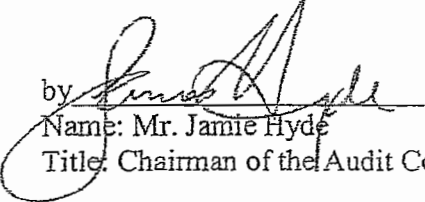
Ernst + Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

by 
Name: Mr. David Horsley
Title: CFO

Acknowledged on behalf of the
Company's Audit Committee:

by 
Name: Mr. Jamie Hyde
Title: Chairman of the Audit Committee



Addendum

Use and Disclosure of the Audit Report

(1) **Annual Financial Statements**

- (a) EY acknowledges that the Company is a reporting issuer under Canadian securities legislation and/or is subject to securities legislation in other jurisdictions and has an obligation to:
- (i) file its annual financial statements and EY's accompanying audit report (referred to as the "audit report") with the securities regulators having jurisdiction over the Company; and
 - (ii) distribute those documents to its security holders, either as part of the Company's annual report to shareholders (referred to as the "annual report") or separately.

Filing those documents and/or including them in the annual report will result in such documents being "released" as that term is defined under applicable securities laws.

- (b) EY hereby consents (within the meaning contemplated by applicable securities laws) to the annual filing of the audit report and to the inclusion of the audit report in the annual report if all of the conditions set out below are met. The effective date of such consent is deemed to be the date of the audit report. The conditions are as follows:
- (i) the filing of the audit report or the distribution of the annual report, as the case may be, occurs within 5 business days of the date of the audit report;
 - (ii) neither the chief executive officer nor the chief financial officer of the Company is aware of anything which would result in the financial statements containing a misrepresentation (as such term is defined under applicable securities laws);
 - (iii) since the date of the audit report, no "material change" (as that term is defined under applicable securities laws) or other event has occurred, or information has become available, that would require disclosure in or adjustment to the financial statements to make those statements current and in accordance with Canadian generally accepted accounting principles as of the date that they are being released; and
 - (iv) the consent provided in this engagement letter has not been withdrawn in writing before the audit report is filed and/or the annual report is distributed.



- (c) EY expressly does not consent to the use of the audit report, or the opinions expressed in the audit report, in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any other circumstance. In particular, EY does not consent to:
- (i) the filing of the audit report after the outside date referred to in paragraph (b)(i);
 - (ii) the inclusion of the audit report in the annual report if the annual report is distributed after the outside date referred to in paragraph (b)(i);
 - (iii) the inclusion of the audit report in:
 - (1) a prospectus, a takeover bid circular, an issuer bid circular, a directors' circular, a rights offering circular, or other document related to a distribution, purchase or sale of securities of the Company or another reporting issuer;
 - (2) a business acquisition report or similar document filed by another reporting issuer; or
 - (3) any "document" (as that term is defined under applicable securities laws) other than as specified in 1(b); or
 - (iv) the Company or any other person summarizing or quoting from the audit report in any "document" or "public oral statement" (as those terms are defined under applicable securities laws).
- (d) If the Company wishes to (i) file the audit report with a securities commission after the outside date referred to in paragraph (b)(i) but within the time specified by the applicable securities legislation; or (ii) include the audit report in the annual report if the annual report is distributed after the outside date referred to in paragraph (b)(i) then;
- (1) a further written consent from EY is required; and
 - (2) EY will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, EY is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44,



The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document, published by the Canadian Institute of Chartered Accountants.

- (e) If the Company wishes to include, summarize, quote from or otherwise use the audit report in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any manner other than that permitted under paragraph (b) or (d), the following procedures will apply:
 - (i) the Company will, in writing, request EY's further written consent to that use;
 - (ii) if EY agrees that the request is an appropriate use of the audit report, the Company and EY will enter into an engagement letter setting out the terms of such engagement, including the scope of the procedures to be undertaken by EY and its fee for performing these services; and
 - (iii) EY will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, EY is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

(2) Interim Financial Statements

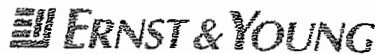
We expressly do not consent to the use of any communication, report, statement or opinion prepared by EY on the interim financial statements and such communication may not be included in, summarized in, quoted from or otherwise used in any "document" or "public oral statement" (as such terms are defined under applicable securities laws).



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that



own in the aggregate more than 50% of the total vote or value of such non-US corporation);

- (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
- (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item, together, (a), (b) and (c) referred to as "Tax Advice"),

EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).



EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.

8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.
10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems,

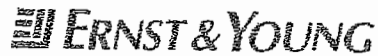


methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client will not be planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.

14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided



shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

16. **No Application** - The preceding two sections (*Limitation of Liability, Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory



professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings*. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**October 1, 2009 audit engagement letter for the year ended
December 31, 2009**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

1 October 2009

Dear Mr. Horsley:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to audit and report on the consolidated financial statements of Sino-Forest Corporation ("Sino-Forest" or the "Company") for the year ending December 31, 2009. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

Consolidated financial statement audit responsibilities and limitations

2. The objective of the audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles. Should conditions not now anticipated preclude us from completing the audit and issuing a report, we will advise the Audit Committee and management promptly and take such action as we deem appropriate.
3. We will conduct the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance that the consolidated financial statements taken as a whole are free of material misstatement, whether caused by error or fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. As the Company is aware, there are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of data, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards. Accordingly, there is some risk that a material misstatement of the financial statements would remain undetected. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.

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4. In accordance with professional standards established by the Canadian Institute of Chartered Accountants ("CICA"), we will communicate certain matters related to the conduct and results of the audit to the Company's Audit Committee. Such matters include, when applicable, disagreements with management, whether or not resolved; serious difficulties encountered in performing the audit; our level of responsibility under professional standards in Canada for the financial statements, for internal control, and for other information in documents containing the audited financial statements; unrecorded audit differences that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole; changes in the Company's significant accounting policies and methods for accounting for significant unusual transactions or for controversial or emerging areas; our judgments about the quality of the Company's accounting principles; our basis for conclusions regarding sensitive accounting estimates; management's consultations, if any, with other accountants; and major issues discussed with management prior to our retention.
5. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies and procedures. In addition, in accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between EY, its partners and professional employees and Sino-Forest (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Forest.
6. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal control over financial reporting. Our consideration of internal control for the audit of the financial statements will not be sufficient to enable us to express an opinion on the effectiveness of internal control over financial reporting or to identify all significant weaknesses.
7. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments, as well as related party transactions identified by



us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.

8. We will communicate in writing to management and the Audit Committee all significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit of the Company's financial statements. In addition, if we become aware that the Audit Committee's oversight of the Company's external financial reporting and internal control over financial reporting is ineffective, we will communicate our conclusion in writing to the Board of Directors.
9. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.

Reviews of unaudited interim financial information

10. We will perform a review of the Company's unaudited interim financial information in accordance with CICA Handbook Section 7050, *Auditor Review of Interim Financial Statements*, for the first, second and third quarters of the Company's fiscal year and we will report orally to the Audit Committee in this regard.
11. A review of interim financial information consists principally of performing analytical procedures and making inquiries of management responsible for financial and accounting matters. A review is substantially less in scope than an audit conducted in accordance with Canadian generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we will not express an opinion on the interim financial information.
12. A review includes obtaining sufficient knowledge of the entity's business and its internal control as it relates to the preparation of both annual and interim financial information to: identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to conform with Canadian generally accepted accounting principles.
13. A review is not designed to provide assurance on internal control or to identify significant weaknesses. However, we will communicate with the Audit Committee regarding any significant weaknesses noted during our review procedures.



14. If, during our review procedures, we determine there is evidence that fraud or illegal or possibly illegal acts exist or may have occurred (other than illegal acts that are clearly inconsequential), we will bring such matters to the attention of an appropriate level of management. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the interim financial information, we will report this matter directly to the Audit Committee. We will determine that the Audit Committee is adequately informed of illegal acts that come to our attention unless they are clearly inconsequential. We also will inform the Audit Committee and appropriate members of management of significant unrecorded differences noted during our review procedures.

Management's responsibilities and representations

15. The preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management is responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.
16. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.
17. Management of the Company is responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded differences accumulated by us during the applicable Audit Service and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements and unaudited interim financial information taken as a whole.
18. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud or suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators



or others), and for providing us full access to information and facts relating to these instances and allegations, and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may prevent us from opining on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. We will disclose any such withholding of information to the Audit Committee.

19. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information. Management is responsible for affirming to us in its representation letter and providing us information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:

- its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;
- any plans or intentions that may affect the carrying value or classification of assets and liabilities;
- information relating to the measurement and disclosure of transactions with related parties;
- an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA HB Section 1508, *Measurement Uncertainty*;
- information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
- information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;



- information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.
20. At the conclusion of the applicable Audit Service, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our procedures comprise the evidential matter we will rely upon in completing the applicable Audit Service.
21. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly as further described in the attached additional Terms and Conditions (refer to the provision captioned "*Auditor Oversight*").
22. Management shall make appropriate inquiries of the Company's officers, directors, and substantial stockholders to determine whether any business relationships exist between any such officer, director, or substantial stockholder (or any entity for or of which such an officer, director, or substantial stockholder acts in a similar capacity) and EY or any other member firm of the global Ernst & Young organization, other than one pursuant to which such a member firm performs professional services. For this purpose, a "substantial stockholder" is a person or entity (excluding mutual funds) that owns a beneficial interest of five percent or more of the Company.
23. Management shall discuss any independence matters with EY that, in its judgment, could bear upon EY's independence.



Fees and billings

24. We estimate that the fee for our audit of the 2009 consolidated financial statements will range from \$775,000 to \$862,000 plus out of pocket expenses and the review of the unaudited interim financial information will be \$75,000 plus out of pocket expenses per quarter. However, our actual fee may exceed our estimated fee based on changes to the business (e.g., nature of the business or change in business entities) or additional scope work. Out-of-scope activities will be agreed with management on a weekly basis throughout the course of the audit and will be billed at a rate ranging from \$180 to \$200 per hour. We will submit our invoices in accordance with the agreed upon billing schedule, and payment of them will be made upon receipt.
25. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us, and are dependent upon the Company's personnel providing a reasonable level of assistance during the Audit Services. Should our assumptions with respect to these matters be incorrect or should the results of our procedures, the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. Circumstances that may significantly affect the targeted completion dates and our fee estimate include, but are not limited, to the following:

Audit facilitation

- (a) Changes to the timing of the engagement at the Company's request;
- (b) Audit schedules are not (i) provided by the Company on the date requested, (ii) completed in a format acceptable to EY, (iii) mathematically correct, or (iv) in agreement with Company records (e.g., general ledger accounts);
- (c) Significant delays in responding to our requests;
- (d) Deterioration in the quality of the Company's accounting records during the current year in comparison to the prior year;
- (e) A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the Company;
- (f) Draft financial statements with appropriate supporting documentation are not prepared accurately and timely by the Company;
- (g) The engagement team, while performing work on the Company's premises, is not provided with high-speed access to the Internet for purposes of conducting the engagement.



Significant issues or changes

- (h) Significant weaknesses are identified in the Company's internal control over financial reporting that result in the expansion of our audit procedures;
- (i) A significant level of proposed audit adjustments;
- (j) A significant number of financial statement drafts are submitted for our review or a significant level of deficiencies in the draft financial statements;
- (k) Significant new issues or changes, such as new accounting issues, changes in accounting policies, events or transactions not contemplated in our budgets; changes in the Company's financial reporting or IT systems, or changes in the Company's personnel, their responsibilities or their availability.
- (l) Changes in audit scope caused by events that are beyond our control.

26. In addition, fees for any consent to the use of the audit report outside of Section 1(b) of the Addendum or any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and may be the subject of other written agreements supplemental to those in this Agreement.

27. Canadian securities legislation requires that any reporting issuer filing an auditor's report dated on or after March 30, 2004 must have that report signed by an auditing firm that has registered with the Canadian Public Accountability Board ("CPAB"). Audit firms registered with CPAB are required to fund CPAB's costs. Fees are levied based on the most recent audit fees as defined by CPAB, charged by the Canadian firm and reported in our registration information. We will bill all reporting issuer clients a portion of the CPAB levy on a recovery basis. Your proportionate share will be based upon the most recent audit fees reported to CPAB and billed for your engagement, multiplied by the annual levy rate set by CPAB. CPAB sets the rate annually and the fee for the most recent year that has been determined was 1.6% of audit fees; however, the fee is subject to adjustment by CPAB. This amount will be charged at the effective CPAB rate annually and will be billed when the annual invoice is received from CPAB.

Use and disclosure of the audit report

28. The use and disclosure of EY's audit report shall be governed by the terms of the Addendum attached to this letter, which form an integral part of this Agreement.



Other matters

29. The Company shall provide to us copies of the printer's proofs of its annual report prior to publication for our review. Management of the Company bears the primary responsibility to ensure the annual report contains no misrepresentations. Management is also responsible for identifying subsequent events and providing appropriate disclosure in, and/or adjustment of, the audited financial statements as a result of such events as required by generally accepted accounting principles. We will review the report for consistency between the annual financial statements and other information contained in the report, and to determine if the financial statements and our report thereon have been accurately reproduced. If we identify any errors or inconsistencies which may impact on the financial statements, we will advise management and the Audit Committee as appropriate.
30. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

EY appreciates the opportunity to be of assistance to the Company. To confirm the terms upon which the Company has agreed to engage EY, please have this letter signed below where indicated and return it to Ms. Linda Zhu, 700 West Georgia Street, P.O. Box 10101, Vancouver, BC V7Y 1C7, Canada.

Yours very truly,

Ernst + Young LLP

Chartered Accountants

Agreed:

Sino-Forest Corporation

By: 

Name: Mr. David Horsley

Title: Chief Financial Officer

Acknowledged on behalf of the

Company's Audit Committee:

By: 

Name: Mr. Jamie Hyde

Title: Chairman of the Audit Committee

I have the authority to bind the Company.



Addendum

Use and disclosure of the audit report

1. Annual financial statements

(a) EY acknowledges that the Company is a reporting issuer under Canadian securities legislation and/or is subject to securities legislation in other jurisdictions and has an obligation to:

- (i) file its annual financial statements and EY's accompanying audit report (referred to as the "audit report") with the securities regulators having jurisdiction over the Company; and
- (ii) distribute those documents to its security holders, either as part of the Company's annual report to shareholders (referred to as the "annual report") or separately.

Filing those documents and/or including them in the annual report will result in such documents being "released" as that term is defined under applicable securities laws.

(b) EY hereby consents (within the meaning contemplated by applicable securities laws) to the annual filing of the audit report and to the inclusion of the audit report in the annual report if all of the conditions set out below are met. The effective date of such consent is deemed to be the date of the audit report. The conditions are as follows:

- (i) the filing of the audit report or the distribution of the annual report, as the case may be, occurs within 5 business days of the date of the audit report;
- (ii) neither the chief executive officer nor the chief financial officer of the Company is aware of anything which would result in the financial statements containing a misrepresentation (as such term is defined under applicable securities laws);
- (iii) since the date of the audit report, no "material change" (as that term is defined under applicable securities laws) or other event has occurred, or information has become available, that would require disclosure in or adjustment to the financial statements to make those statements current and in accordance with Canadian generally accepted accounting principles as of the date that they are being released; and
- (iv) the consent provided in this engagement letter has not been withdrawn in writing before the audit report is filed and/or the annual report is distributed.



- (c) EY expressly does not consent to the use of the audit report, or the opinions expressed in the audit report, in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any other circumstance. In particular, EY does not consent to:
- (i) the filing of the audit report after the outside date referred to in paragraph (b)(i);
 - (ii) the inclusion of the audit report in the annual report if the annual report is distributed after the outside date referred to in paragraph (b)(i);
 - (iii) the inclusion of the audit report in:
 - (1) a prospectus, a takeover bid circular, an issuer bid circular, a directors' circular, a rights offering circular, or other document related to a distribution, purchase or sale of securities of the Company or another reporting issuer;
 - (2) a business acquisition report or similar document filed by another reporting issuer; or
 - (3) any "document" (as that term is defined under applicable securities laws) other than as specified in 1(b); or
 - (iv) the Company or any other person summarizing or quoting from the audit report in any "document" or "public oral statement" (as those terms are defined under applicable securities laws).
- (d) If the Company wishes to (i) file the audit report with a securities commission after the outside date referred to in paragraph (b)(i) but within the time specified by the applicable securities legislation; or (ii) include the audit report in the annual report if the annual report is distributed after the outside date referred to in paragraph (b)(i) then:
- (1) a further written consent from EY is required; and
 - (2) EY will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, EY is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.



- (e) If the Company wishes to include, summarize, quote from or otherwise use the audit report in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any manner other than that permitted under paragraph (b) or (d), the following procedures will apply:
- (i) the Company will, in writing, request EY's further written consent to that use;
 - (ii) if EY agrees that the request is an appropriate use of the audit report, the Company and EY will enter into an engagement letter setting out the terms of such engagement, including the scope of the procedures to be undertaken by EY and its fee for performing these services; and
 - (iii) EY will undertake such additional procedures as are required in accordance with professional standards to enable it to determine whether it can furnish its further written consent.

If, after completion of the applicable procedures, EY is in a position to provide its further written consent to such use, it will do so in accordance with Assurance Guideline No. 44, *The Auditor's Written Consent to the Use of the Audit Report in a Continuous Disclosure Document*, published by the Canadian Institute of Chartered Accountants.

2. Interim financial statements

We expressly do not consent to the use of any communication, report, statement or opinion prepared by EY on the interim financial statements and such communication may not be included in, summarized in, quoted from or otherwise used in any "document" or "public oral statement" (as such terms are defined under applicable securities laws).



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

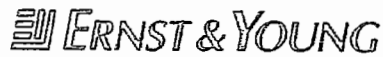
When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.
9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.



10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.
13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;



- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.



17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.
20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**December 7, 2010 audit engagement letter for the year ended
December 31, 2010**

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December 7, 2010

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Dear Mr. Horsley:

1. This Engagement Letter, together with the attached General Terms and Conditions for Audit and Review Engagements, (collectively, this "Agreement"), confirms the terms and conditions upon which Ernst & Young LLP ("we" or "EY") has been engaged to audit and report on the consolidated financial statements of Sino-Forest Corporation (the "Company") for the year ending December 31, 2010. We have also been engaged to review and report on the Company's unaudited interim financial information for the first, second and third quarters of the Company's fiscal year. The services described in this paragraph may hereafter be referred to as either the "Audit Services" or the "Services."

Audit responsibilities and limitations

2. The objective of our audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles. Should conditions not now anticipated preclude us from completing our audit and issuing a report (the "Report") as contemplated by this Agreement, we will advise you and the Audit Committee promptly and take such action as we deem appropriate.
3. We will conduct the audit in accordance with Canadian auditing standards as promulgated by the Canadian Institute of Chartered Accountants ("CICA"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement, whether due to fraud or error. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of data and the possibility that collusion or forgery may preclude the detection of material error, fraud, or illegal acts. Accordingly, there is some risk that a material misstatement of the consolidated financial statements may remain undetected. Also, an audit is not designed to detect fraud or error that is immaterial to the consolidated financial statements.

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A handwritten signature or mark, possibly a stylized 'Y' or 'J', located at the bottom right of the page.



4. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing and extent of our audit procedures, the Company's internal control over financial reporting. This consideration will not be sufficient to enable us to express an opinion on the effectiveness of internal control or to identify all significant deficiencies.
5. In accordance with the standards established by the CICA, we will communicate certain matters related to the conduct and results of the audit to the Audit Committee. Such matters include:
 - ▶ our responsibility under Canadian auditing standards for forming and expressing an opinion on the consolidated financial statements that have been prepared by management with the oversight of the Audit Committee and that such an audit does not relieve management and the Audit Committee of their responsibilities;
 - ▶ an overview of the planned scope and timing of the audit;
 - ▶ significant findings from the audit. Significant findings from the audit include: (1) our views about the significant qualitative aspects of the Company's accounting practices, including accounting policies, accounting estimates, and financial statement disclosures; (2) significant difficulties, if any, encountered during the audit; (3) uncorrected misstatements, other than those we believe are trivial; (4) disagreements with management, if any, whether or not satisfactorily resolved; and (5) other matters, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding the oversight of the financial reporting process, including significant matters in connection with the Company's related parties; and
 - ▶ written representations requested from management and significant matters, if any, arising from the audit that were discussed, or the subject of correspondence, with management.
6. We will obtain pre-approval from the Audit Committee for any services we are to provide to the Company pursuant to the Audit Committee's pre-approval process, policies and procedures. In addition, in accordance with Canadian auditing standards, we will communicate in writing to the Audit Committee any relationships between EY, its partners and professional employees and Sino-Forest Corporation (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Forest Corporation.
7. In addition, we will communicate all relationships and other matters between EY, other member firms of the global Ernst & Young organization ("network firms") and the Company that, in our professional judgment, may reasonably be thought to bear on independence (including total fees charged during the period covered by the consolidated financial statements for audit and non-audit services provided by EY and network firms to the Company and components controlled by the Company) and the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level. Further, we will confirm that the engagement team and others in EY as appropriate, EY and, when applicable, network firms have complied with relevant ethical requirements regarding independence.
8. If we determine that there is evidence that fraud or possible non-compliance with laws and regulations may have occurred, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving management or fraud involving

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employees who have significant roles in internal control or others where the fraud results in a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will communicate with the Audit Committee matters involving non-compliance with laws and regulations that come to our attention unless they are clearly inconsequential

9. We will communicate in writing significant deficiencies in internal control identified during the audit of the Company's consolidated financial statements.
10. We also may communicate our observations as to the potential for economies in, or improved controls over, the Company's operations.

Review of unaudited interim financial information

11. Our review of the Company's unaudited interim financial information will be performed in accordance with CICA Handbook Section 7050, Auditor Review of Interim Financial Statements and we will report orally to the Audit Committee in this regard.
12. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Canadian auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we will not express an audit opinion on the interim financial information.
13. A review includes obtaining a sufficient understanding of the Company's business and its internal control as it relates to the preparation of the interim financial information to: identify the types of potential misstatements in the interim financial information and consider the likelihood of their occurrence; and select the inquiries, analytical and other review procedures that will provide us with a basis for reporting whether anything has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Canadian generally accepted accounting principles.
14. You agree that where any document containing interim financial information includes a reference to us having reviewed the interim financial information, our interim review report will also be included in the document.

Management's responsibilities and representations

15. Our audit will be conducted on the basis that management and where appropriate, the Audit Committee, acknowledge and understand that they have responsibility:
 - (a) For the preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepted accounting principles;
 - (b) For such internal control as management determines is necessary to enable the preparation of the consolidated financial statements and unaudited interim financial information that are free from material misstatement, whether due to fraud or error; and

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- (c) To provide us with: 1) access, on a timely basis, to all information of which management is aware that is relevant to the preparation of the consolidated financial statements and unaudited interim financial information such as records, documentation and other matters; 2) additional information that we may request from management for the purpose of the audit; and 3) unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence, their personnel and their auditors for purposes of the group audit.

Management's failure to provide us with the information referred to above or access to persons within the Company may cause us to delay our report, modify our procedures, or even terminate our engagement.

16. Management is also responsible for adjusting the consolidated financial statements and unaudited interim financial information to correct material misstatements identified by us during the applicable Audit Service and pertaining to the latest period presented and for affirming to us in its representation letter that they believe the effects of unrecorded misstatements are immaterial, individually and in aggregate, to the consolidated financial statements and unaudited interim financial information as a whole.
17. Management is responsible for apprising us of all allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and providing us full access to these allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could result in a misstatement of the consolidated financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Company's consolidated financial statements; prevent us from consenting to the inclusion of previously issued auditors' reports in future Company filings; alter the form of report we may issue on such financial statements; or otherwise affect our ability to continue as the Company's independent auditors. We will disclose any such withholding of information to the Audit Committee.
18. We will make specific inquiries of management about the representations contained in the consolidated financial statements and unaudited interim financial information. At the conclusion of the engagement, we will also obtain written representations from management about these matters, and that management: (1) has fulfilled its responsibility for the preparation and fair presentation of the consolidated financial statements and unaudited interim financial information in accordance with Canadian generally accepting accounting principles and that all transactions have been recorded and are reflected in the consolidated financial statements and unaudited interim financial information; and (2) has provided us with all relevant information and access as contemplated in this Agreement. The responses to those inquiries, the written

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representations, and the results of our procedures comprise evidence on which we will rely in forming an opinion on the consolidated financial statements and expressing a conclusion on the unaudited interim financial information.

19. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly as further described in the attached additional Terms and Conditions (refer to the provision captioned "Canadian Public Accountability Board").

Fees and billings

20. We estimate that our fees for the 2010 Audit Services will be between \$847,000 and \$879,000 plus out of pocket expenses and the review of the unaudited interim financial information will be between \$50,000 and \$60,000 plus out of pocket expenses per quarter in 2011. However, our actual fees may exceed the top of this range based on changes to the business (e.g., nature of the business or change in business entities) or out-of-scope work. Out-of-scope activities will be agreed with management on a weekly basis throughout the course of the audit. We will submit our invoices in accordance with the agreed upon billing schedule, and payment to them will be made upon receipt.
21. Our estimated pricing and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us and are dependent upon the Company's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, results of our audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust our fees and planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of other written agreements. Circumstances that may significantly affect the targeted completion dates and our fee estimate include, but are not limited, to the following :

Audit facilitation

- (a) Changes to the timing of the engagement at the Company's request;
- (b) Audit schedules are not (i) provided by the Company on the date requested, (ii) completed in a format acceptable to EY, (iii) mathematically correct, or (iv) in agreement with Company records (e.g., general ledger accounts);
- (c) Significant delays in responding to our requests;
- (d) Deterioration in the quality of the Company's accounting records during the current year in comparison to the prior year;
- (e) A completed trial balance, referenced to the supporting analyses and schedules and financial statements, is not provided timely by the Company;

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- (f) Draft financial statements with appropriate supporting documentation are not prepared accurately and timely by the Company;
- (g) The engagement team, while performing work on the Company's premises, is not provided with high-speed access to the Internet for purposes of conducting the engagement.

Significant issues or changes

- (a) Significant deficiencies are identified in the Company's internal control over financial reporting that result in the expansion of our audit procedures;
 - (b) A significant level of proposed audit adjustments;
 - (c) A significant number of financial statement drafts are submitted for our review or a significant level of disclosure deficiencies in the draft financial statements;
 - (d) Significant new issues or changes, such as new accounting issues, changes, accounting policies, events or transactions not contemplated in our budgets, changes in the Company's financial reporting or IT systems, or changes in the Company's personnel, their responsibilities or their availability;
 - (e) Changes in audit scope caused by events that are beyond our control.
22. In addition, fees for any consent to the use of the audit report outside of Section "Use and disclosure of the audit report" below, any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and may be the subject of other written agreements supplemental to those in this Agreement.
23. Canadian securities legislation requires that any reporting issuer filing an auditors' report dated on or after 30 March 2004 must have that report signed by an auditing firm that has registered with the Canadian Public Accountability Board ("CPAB"). Audit firms registered with CPAB are required to fund CPAB's costs. Fees are levied based on the most recent audit fees as defined by CPAB, charged by the Canadian firm and reported in our registration information. We will bill all reporting issuer clients a portion of the CPAB levy on a recovery basis. Your proportionate share will be based upon the most recent audit fees reported to CPAB and billed for your engagement, multiplied by the annual levy rate set by CPAB. CPAB sets the rate annually and the fee for the most recent year that has been determined was 2.0% of audit fees; however, the fee is subject to adjustment by CPAB. This amount will be charged at the effective CPAB rate annually and will be billed when the annual invoice is received from CPAB.

Use and disclosure of the audit report

24. The use and disclosure of EY's audit report shall be governed by the following terms:

Annual financial statements

- (a) EY acknowledges that the Company is a reporting issuer under Canadian securities legislation and/or is subject to securities legislation in other jurisdictions and has an obligation to file its annual financial statements, including EY's accompanying report (referred to as the "audit report") with such securities regulators as well as distribute those

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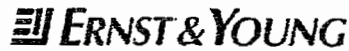


documents to its security holders, either as part of the Company's annual report to shareholders (referred to as the "annual report" or separately).

Filing those documents and/or including them in the annual report will result in such documents being "released" as that term is defined under applicable securities laws.

- (b) EY hereby consents (within the meaning contemplated by applicable securities laws) to the annual filing of the audit report and to the inclusion of the audit report in the annual report if all of the conditions set out below are met. The effective date of such consent is deemed to be the date of the audit report. The conditions are as follows:
- i. the filing of the audit report or the distribution of the annual report, as the case may be, occurs within 5 business days of the date of the audit report;
 - ii. neither the chief executive officer nor the chief financial officer of the Company is aware of anything which would result in the financial statements containing a misrepresentation (as such term is defined under applicable securities laws);
 - iii. since the date of the audit report, no "material change" (as that term is defined under applicable securities laws) or other event has occurred, or information has become available, that would require disclosure in or adjustment to the financial statements to make those statements current and in accordance with Canadian generally accepted accounting principles as of the date that they are being released; and
 - iv. the consent provided in this engagement letter has not been withdrawn in writing before the audit report is filed and/or the annual report is distributed.
- (c) EY expressly does not consent to the use of the audit report, or the opinions expressed in the audit report, in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any other circumstance, including but not limited to the inclusion of the report in any offering document, business acquisition report, inclusion in an annual report distributed after the outside date in paragraph (b)(i) or filing of the audit report after the outside date in paragraph (b)(i) or use by the Company or any other person of the audit report in any "document" or "public statement" (as those terms are defined under applicable securities laws).
- (d) If the Company wishes to (i) file the audit report with a securities commission after the outside date referred to in paragraph (b)(i) but within the time specified by the applicable securities legislation; or (ii) include the audit report in the annual report if the annual report is distributed after the outside date referred to in paragraph (b)(i) then a further written consent from EY is required and additional procedures as required in accordance with professional standards will be undertaken by EY.
- (e) If the Company wishes to include, summarize, quote from or otherwise use the audit report in any "document" or "public oral statement" (as those terms are defined under applicable securities laws), in any manner other than that permitted under paragraph (b) or (d), the following procedures will apply:
- i. the Company will, in writing, request EY's further written consent to that use;

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- ii. if EY agrees that the request is an appropriate use of the audit report, the Company and EY will enter into an engagement letter setting out the terms of such engagement, including the scope of the procedures to be undertaken by EY and its fee for performing these services; and
- iii. EY will undertake such additional procedures as are required in accordance with professional standards.

If, after completion of the applicable procedures, EY is in a position to provide its further written consent to such use, it will do so in accordance with CICA Handbook Section 7500, *The Auditor's Consent to the Use of the Auditors' Report in Connection with Designated Documents*, published by the Canadian Institute of Chartered Accountants.

Interim financial statements

We expressly do not consent to the use of any communication, report, statement or opinion prepared by EY on the interim financial statements and such communication may not be included in, summarized in, quoted from or otherwise used in any "document" or "public oral statement" (as such terms are defined under applicable securities laws).

Other matters

25. The Company shall provide us with copies of the printer's proofs of its annual report prior to publication for our review. Management of the Company is primarily responsible to ensure that the annual report contains no misrepresentations. We will review the document for consistency between the annual consolidated financial statements and other information contained in the document, and to determine if the consolidated financial statements and our report thereon have been accurately reproduced. If we identify any errors or inconsistencies that may affect the consolidated financial statements, we will advise management and those charged with governance, as appropriate.

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We appreciate the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms and conditions on which the Company has agreed to engage us, please sign below on behalf of the Company and return it to Mr. Fred Clifford, 222 Bay Street, Toronto, ON, M5K 1J7.

Yours very truly,

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

Agreed:
Sino-Forest Corporation

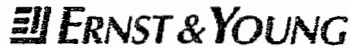
Acknowledged on behalf of the
Company's Audit Committee:

By: *David Horsley*
Name: Mr. David Horsley
Title: Chief Financial Officer

By: *Jamie Lyde*
Name: Mr. Jamie Lyde
Title: Chairman of the Audit Committee

I have the authority to bind the Company.

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General Terms and Conditions

Our relationship with you

1. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
2. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Report(s), the performance of the Services, and our other obligations under this Agreement.

Your responsibilities

3. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our reports

4. You may not rely on any draft Report.

Notice re: Québec

5. From time to time, we may have individual partners and employees performing the Services within the Province of Québec who are members of the *Ordre des comptables agréés du Québec*. Any individual member of the *Ordre des comptables agréés du Québec* performing professional services hereunder assumes full personal civil liability arising from the practice of his or her profession, regardless of his or her status within our partnership. He or she may not invoke the liability of our partnership as a ground for excluding or limiting his or her own liability. The limitations that follow below under the heading "Limitations" shall therefore not apply to limit the personal civil liability of members of the *Ordre des comptables agréés du Québec* (and with respect to such members, such limitations shall be deemed to not be included in this Agreement).

Limitations

6. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other

consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.

7. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, aggregate damages in excess of the greater of (i) the total fees paid to us for the Services and (ii) \$1,000,000. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
8. If we are liable to you (or to any others for whom Services are provided) under this Agreement or otherwise in connection with the Services, for loss or damage to which any other persons have also contributed, our liability to you shall be several and not joint and several, solidary or *in solidum*, with such others, and shall be limited to our fair share of that total loss or damage, based on our contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
9. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services (and the parties agree that the limitation periods established by the *Limitations Act, 2002* (Ontario) or any other applicable legislation shall be varied and/or excluded accordingly). This limitation will not apply to the extent prohibited by applicable law or professional regulations.

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10. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The limitations in Sections 6 through 9 and this Section 10 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to rely on and enforce them.

Indemnity

11. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of or relating to the Services or this Agreement. On behalf of yourself and your affiliates, you release us, the other EY Firms and the EY Persons from all claims and causes of action (together, "Claims"), pending or threatened, that you or they may have arising out of the Services or this Agreement to the extent such Claims result from or arise out of any misrepresentation or fraudulent act or omission by you, your employees or agents on your behalf.

Confidentiality

12. We follow professional standards of confidentiality and will treat information related to you disclosed to us by you or on your behalf ("Client Information") as set forth in the Rules of Professional Conduct of provincial Institutes of Chartered Accountants or the Code of Ethics of the *Ordre des comptables agréés du Québec* (as applicable).
13. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations.
14. We may disclose Client Information to other EY Firms and EY Persons to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, or

for quality, risk management or financial accounting purposes.

Canadian Public Accountability Board

15. You acknowledge that we may from time to time receive requests or orders from the Canadian Public Accountability Board ("CPAB") to provide them with information and copies of documents in our files, including our working papers and other work-product relating to your affairs. You consent to us providing or producing, as applicable, these documents and information without further reference to, or authority from, you. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of our audit of you, we will advise you of the request or order.
16. When CPAB requests access to our working papers or other work-product relating to your affairs, we will, on a reasonable efforts basis, refuse access to any document over which you have expressly informed us that you assert privilege, except where CPAB has the legal authority to access such documents. In jurisdictions where express consent is required for disclosure of privileged documents to CPAB you hereby provide such consent. We acknowledge (and you authorize us to advise CPAB) that any disclosure of privileged documents to CPAB is permitted only to the extent required by law and for the limited purpose of CPAB's exercise of statutory authority. We also acknowledge (and you authorize us to advise CPAB) that you do not intend to waive privilege for any other purpose and that you expect your documents to be held by CPAB as privileged and confidential material. You must mark any document over which you assert privilege as privileged and inform us of the grounds for your assertion of privilege (such as whether you claim solicitor-client privilege or litigation privilege).
17. We will also be required to provide CPAB with information relating to the fees that you pay us for audit services, other accounting services and non-audit services (and you agree to the disclosure of such information).

Data protection

18. We may collect, use, transfer, store or otherwise process (collectively, "Process")

02/01/11



Client Information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which we and the other EY Firms operate (which are listed at www.ey.com). We will Process Personal Data in accordance with applicable law, professional regulations and our privacy policy (which is available at www.ey.com/ca). We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements.

19. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

Solicitation and hiring of EY personnel

20. Our auditor independence may be impaired if you solicit or hire certain EY personnel. This may either delay the provision of the Services or cause us to resign from the engagement. You shall not, during the term of this Agreement, and for 12 months following its termination for any reason, without our prior written consent, solicit for employment or hire in any role, including a position on your Board of Directors, any current or former partner or professional employee of EY, any affiliate thereof, any other EY Firm or any of their respective affiliates, if any such person either: i) performed any audit, review, attest or related service for or relating to you at any time (a) since the date on which your most recent audited financial statements were filed with the relevant securities regulator(s) or stock exchange(s) (or, since the beginning of the most recent fiscal year to be covered by your first such financial statements, if applicable), or (b) in the 12 months ended the date on which your most recent financial statements were filed with the relevant securities regulator(s) or stock exchange(s); or (ii) influences EY's operations or financial policies or has any capital balances or any other continuing financial arrangement with EY.

Fees and expenses generally

21. You shall pay our professional fees and expenses in connection with the Services. In lieu of specific itemized charges, our technology tools, administrative support personnel, printing and other routine expenses

are charged at 11.5% of our professional fees. Out-of-pocket expenses for items such as travel, meals, accommodation and other matters specifically related to this engagement will also be invoiced. Our invoices are rendered on a periodic basis as our assignment progresses. Payment of our invoices is due upon receipt. Interest on overdue accounts accrues at 12% per annum starting 30 days following the date of our invoice. EY may suspend performance of the Services in the event you fail to pay our invoice. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally).

22. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

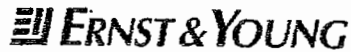
Force majeure

23. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

24. This Agreement applies to all Services performed at any time (including before the date of this Agreement).
25. This Agreement shall terminate on the completion of the Services. We may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
26. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.

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27. The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement.

Governing law and dispute resolution

28. This Agreement, and any non-contractual obligations arising out of this Agreement or the Services, shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. Any dispute, claim or other matter arising out of or relating to this Agreement or the Services shall be subject to the exclusive jurisdiction of the Ontario courts, to which each of us agrees to submit for these purposes.

Miscellaneous

29. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered.

30. Both of us may execute this Agreement (and modifications or supplements to it) by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify or supplement this Agreement.

31. We retain ownership in the working papers compiled in connection with the Services.

32. Neither of us may assign any of our rights, obligations or claims under this Agreement.

33. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.

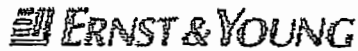
34. If there is any inconsistency between provisions in different parts of this Agreement,

those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the letter to which these General Terms and Conditions are attached, (b) these General Terms and Conditions, and (c) other annexes to this Agreement.

35. We are a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and we are registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, an LLP partner is not personally liable for the debts, obligations or liabilities of the LLP arising from the negligence of persons not under his or her direct supervision (including other LLP partners) or most other debts or obligations of the LLP. As an LLP, we are required to maintain certain insurance. Our insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

J 02/01/11

**July 4, 2008 offering memorandum engagement letter for
Convertible Senior Notes due 2013**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1L7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

July 4, 2008

Mr. Jamie Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Dear Sirs:

Re: Offering Memorandum

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the offering memorandum for convertible senior notes of Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the offering memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the offering document.

Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are included in the offering memorandum.

- Balance sheets as at the end of the three most recently completed years; and
- Statements of income and retained earnings, comprehensive income and cash flows for each of the last three years.

We have audited the balance sheet of the Company as at December 31, 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the year then ended. Our report to the shareholders on the annual financial statements for the year ended December 31, 2007 was dated March 12, 2008 and is to be included in the offering memorandum relating to the offering and issue of convertible senior notes of the Company, to be filed by the Company under the securities legislations of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Newfoundland and Labrador.



In order to provide our consent to the use of our auditors' report in the offering memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final offering memorandum and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the offering memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the offering memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

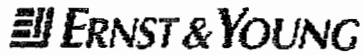
Securities legislation requires that the offering memorandum includes comparative unaudited interim financial statements for the current fiscal year. In order to consent to the use of our auditors' report in the offering memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2008 to be included in the offering memorandum.

The period covered by the interim financial information is specified by securities legislation. If the final offering memorandum is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2008 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be included in the offering memorandum, we will provide a written report on our review thereof to be included in the offering memorandum.



Other information in the offering memorandum

In addition to financial statements, an offering memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the offering memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the offering memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

We are required by provincial securities legislation and upon the request of the underwriter to issue the following letters:

Upon filing the preliminary offering memorandum:

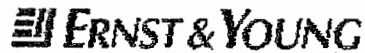
- An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon filing the final offering memorandum:

- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon closing of the offering:

- A bring-down letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of convertible senior notes, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to Merrill Lynch International (the "underwriter"). The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements included in the offering memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of the convertible senior notes. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.



You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

Fees

Our fees will be billed as work progresses are based on the amount of time required, at our billing rates, ranging from \$200 to \$500 per hour, plus out-of-pocket expenses. Payment in full should be made within 30 days of the date each billing is received.

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the offering memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

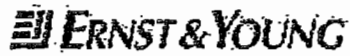
Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

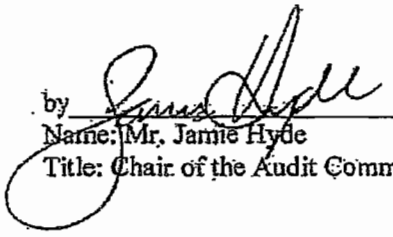
Chartered Accountants



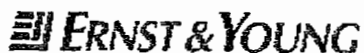
Agreed:
Sino-Forest Corporation

Acknowledged on behalf of the
Company's Audit Committee:

by _____
Name: Mr. David Horsley
Title: Chief Financial Officer

by 
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee

I have the authority to bind the Company.



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that own in the aggregate more than 50% of the total vote or value of such non-US corporation);
 - (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
 - (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item,(together, (a), (b) and (c) referred to as "Tax Advice"),



EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.

8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.



10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client will not be planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.
14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
 - (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the



performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and

- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
16. **No Application** - The preceding two sections (*Limitation of Liability, Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.



20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.
21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings*. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

May 17, 2009 short form prospectus engagement letter



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7

Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

May 17, 2009

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Short Form Prospectus

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the prospectus for Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the prospectus contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the prospectus. Our consent is to be included in the prospectus.

Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are incorporated by reference in the prospectus.

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the prospectus relating to the offering of common shares of the Company, to be filed by the Company under the Securities Acts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the "Acts").

In order to provide our consent to the use of our auditors' report in the prospectus, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final prospectuses and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the prospectus that may require an adjustment to, or disclosure in, the audited financial

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statements or other information in the prospectus that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

Pursuant to Canadian securities laws, comparative interim financial statements for the most recently completed financial period are incorporated by reference in the prospectus. In order to consent to the use of our auditors' report in the prospectus described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the prospectus. We have reviewed the interim consolidated financial statement for the three month periods ended March 31, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three months period ended March 31, 2009 and 2008 to be incorporated by reference in the short form prospectus, we will have to complete additional subsequent event review procedures.

The period covered by the interim financial information is specified by securities legislation. If the final prospectus is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the prospectus, we will provide a written report on our review thereof to be included in the prospectus.



Other information in the prospectus

In addition to financial statements, a prospectus includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the prospectus in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the prospectus, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by securities commissions and other parties

We are required by provincial securities legislation to issue the following letters:

Upon filing the preliminary prospectus:

- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon filing the final prospectus:

- (i) Consent letters addressed to the securities commissions, in which we give our consent to the use of our report in the prospectus;
- (ii) A comfort letter addressed to the securities regulatory authorities expressing negative assurance with respect to unaudited interim financial statements incorporated by reference in the prospectus;
- (iii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of securities, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to Credit Suisse Securities (Canada) Inc. (the "underwriter"). The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the prospectus, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of securities. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed securities offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in



every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the prospectus and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.



Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

by *David Horsley*
Name: Mr. David Horsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

by *Jamie Hyde*
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



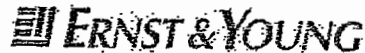
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**June 22, 2009 offering memorandum engagement letter for
Exchange of Guaranteed Senior Notes due 2011**

JUN 2



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8209
Fax: 604 643 5422
ey.com/ca

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C8

22 June 2009

Exchange Offer Memorandum ("Offering Memorandum")

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the offer to exchange any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes Due 2011 (the "Exchange Notes") issued by the Company. Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and Credit Suisse Securities (USA) LLC (the "Deal Manager") bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 - *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

Audited financial statements

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the Offering Memorandum. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' reports in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' reports in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering

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Memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited Interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statement for the three month periods ended March 31, 2009 and 2008 and provided our report thereon to the audit committee of the Company. In order for the interim financial statements for the three months period ended March 31, 2009 and 2008 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the final Offering Memorandum is delayed, the Company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be incorporated by reference in the Offering Memorandum.



Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

We are required upon the request of the Deal Manager to issue the following letters:

Upon completion of the Offering Memorandum:

- A comfort letter addressed to the Directors of the Company and the Deal Manager expressing assurances with respect to specified financial information included or incorporated by reference in the offering memorandum.

Upon closing of the offering:

- A bring-down letter addressed to the Directors of the Company and the Deal Manager.



Auditor assistance to the Deal Manager

As indicated above, in connection with the proposed offering of Exchange Notes, we understand that the Deal Manager request that we perform certain procedures for the purpose of issuing a comfort letter to the Deal Manager. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the Deal Manager's request and the results of performing those procedures. In addition, we understand that the Deal Manager may request that we attend a meeting (the "due diligence meeting") at which the Deal Manager and the Deal Manager's legal counsels may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the Deal Manager is an experienced agent and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will attend a due diligence meeting and provide a comfort letter to the Deal Manager which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the Deal Manager regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the Deal Manager is seeking comfort and the procedures they are requesting. As the Company, not the Deal Manager, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

Our comfort letter is not to be relied upon, quoted or referred to by the addressees or any of their registered broker-dealer foreign affiliates in connection with the offer, sale or exchange of the securities outside of Canada and the United States. For greater certainty, our comfort letter is not to be relied upon, quoted or referred to by the addressees or any of their registered broker-dealer foreign affiliates in connection with the offer, sale or exchange of the securities in foreign jurisdictions, including, without limitation, any offer or sale of such securities on an exempt basis outside of Canada and the United States under any applicable registration exemptions referred to in the Offering Memorandum.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the Deal Manager and the Deal Manager's legal counsels may have.



You should be aware that there could be sensitive matters that the Deal Manager and the Deal Manager's legal counsels may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of the Exchange Notes. At the due diligence meetings we will not respond to Deal Manager's questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to questions asked at the due diligence meeting result in termination of, or change in, the proposed offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in every way with the Deal Manager and the Deal Manager's legal counsels, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

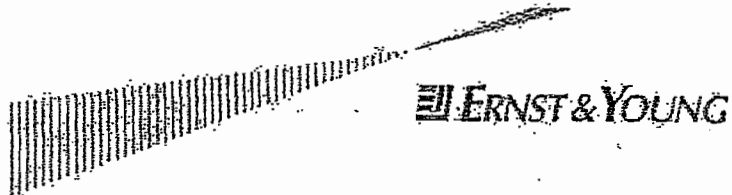
You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the Deal Manager and the Deal Manager's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the Deal Manager that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the Exchange Notes offering referred to above. In addition, we will notify the Deal Manager of our professional standards for participation in a due diligence meeting.

Fees

Our fees which will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted exclude applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150



We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

by *David Hersley*
Name: Mr. David Hersley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

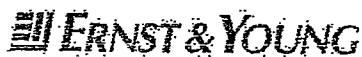
by *Jamie Hyde*
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

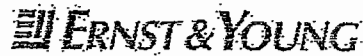
When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,

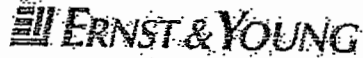
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or willful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.



15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

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November 17, 2009 short form prospectus engagement letter



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 50101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/CA

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Short Form Prospectus

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the prospectus for Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.


Management of the Company and the underwriter bear the primary responsibility to ensure the prospectus contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the prospectus. Our consent is to be included in the prospectus.

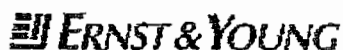
Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are incorporated by reference in the prospectus.

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the prospectus relating to the offering of common shares of the Company, to be filed by the Company under the Securities Acts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Newfoundland and Labrador (the "Acts").

In order to provide our consent to the use of our auditors' report in the prospectus, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final prospectuses and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the prospectus that may require an adjustment to, or disclosure in, the audited financial

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statements or other information in the prospectus that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

Pursuant to Canadian securities laws, comparative interim financial statements for the most recently completed financial period are incorporated by reference in the prospectus. In order to consent to the use of our auditors' report in the prospectus described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the prospectus. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the short form prospectus, we will have to complete additional subsequent event review procedures.

The period covered by the interim financial information is specified by securities legislation. If the final prospectus is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the prospectus, we will provide a written report on our review thereof to be included in the prospectus.

**ERNST & YOUNG****Other information in the prospectus**

In addition to financial statements, a prospectus includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the prospectus in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the prospectus, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by securities commissions and other parties

We are required by provincial securities legislation to issue the following letters:

Upon filing the preliminary prospectus:

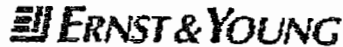
- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon filing the final prospectus:

- (i) Consent letters addressed to the securities commissions and the underwriter, in which we give our consent to the use of our report in the prospectus;
- (ii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of securities, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to the underwriter. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the prospectus, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of securities. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed securities offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in



every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the prospectus and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.



Additional terms and conditions are attached and form an integral part of this engagement letter, they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

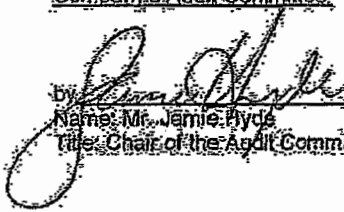
Ernst & Young LLP

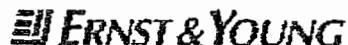
Chartered Accountants

Agreed:
Sino-Forest Corporation

by 
Name: Mr. David Horsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee

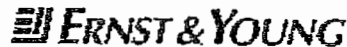
by 
Name: Mr. Jamie Pyds
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.

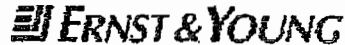


6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

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8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



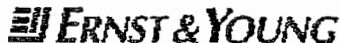
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10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**November 17, 2009 offering memorandum engagement letter for
Convertible Senior Notes due 2016**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
750 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 3200
Fax: 604 613 5422
ey.com/ca

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Offering Memorandum

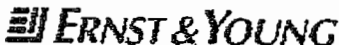
This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the offering memorandum for convertible senior notes of Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the offering memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the offering document.

Audited financial statements

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the offering memorandum relating to the offering and issue of convertible senior notes of the Company. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the offering memorandum, to be filed by the Company under the securities legislations of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

In order to provide our consent to the use of our auditors' report in the offering memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final offering memorandum and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the offering memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the offering memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.



Unaudited interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the offering memorandum. In order to consent to the use of our auditors' report in the offering memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the offering memorandum. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the offering memorandum, we will have to complete additional subsequent event review procedures.

If the final offering memorandum is delayed, the company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

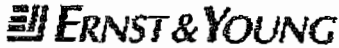
If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the offering memorandum, we will provide a written report on our review thereof to be included in the offering memorandum.

Other information in the offering memorandum

In addition to financial statements, the offering memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the offering memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the offering memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the



event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon filing the preliminary offering memorandum:

- An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon filing the final offering memorandum:

- Consent letters addressed to the underwriter, in which we give our consent to the use of our report in the offering memorandum.
- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon closing of the offering:

- An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the offering memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the offering memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the offering memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of the convertible senior notes.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed convertible senior notes offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the convertible senior notes offering referred to above.



Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the offering memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.



ERNST & YOUNG

International Exempt Offering Memorandum

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

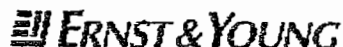
Chartered Accountants

Agreed:
Sino-Forest Corporation

by
Name: Mr. David Horsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

by
Name: Mr. Jamie Flyge
Title: Chair of the Audit Committee



Terms and Conditions

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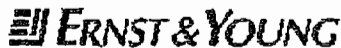


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12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.
13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.



14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the



mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**November 17, 2009 International Exempt Offering Memorandum
engagement letter**



ERNST & YOUNG

Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 3200
Fax: 604 643 5422
ey.com/ca

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: International Exempt Offering Memorandum ("Offering Memorandum")

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the purposes of the international offering of common shares outside of Canada (the "Offering Memorandum"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

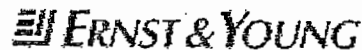
Audited financial statements

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the Offering Memorandum. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' reports in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' reports in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering

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Memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

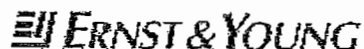
Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the final Offering Memorandum is delayed, the company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be included in the Offering Memorandum.



Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon filing the preliminary prospectus:

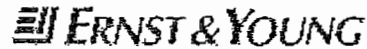
- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the Offering Memorandum;

Upon filing the final prospectus:

- (i) Consent letters addressed to the underwriter, in which we give our consent to the use of our report in the Offering Memorandum;
- (ii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the Offering Memorandum;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the Offering Memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of securities.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed securities offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the securities offering referred to above.



Fees

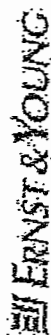
Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.



Offering Memorandum

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

Chartered Accountants

Agreed:
Sino-Forrest Corporation

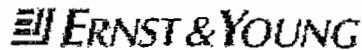
by
Name: Mr David Horsley
Title: Chief Financial Officer

I have the authority to bind the Company.

Acknowledged on behalf of the
Company's Audit Committee:

by
Name: Mr. Jarrile Hyde
Title: Chair of the Audit Committee

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Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

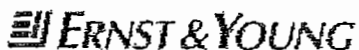
When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



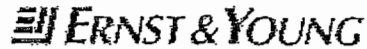
13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,

- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

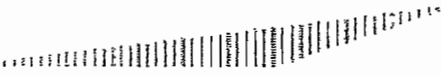
For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



EDMUND P. VOLINIC

20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**September 28, 2010 offering memorandum engagement letter for
Guaranteed Senior Notes due 2017**



Ernst & Young LLP
Chartered Accountants
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7
Tel: 416 864 1234
Fax: 416 864 1174
ey.com/ca

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd. W., Suite 1208
Mississauga, Ontario L5B 3C3

28 September 2010

Offering Memorandum

Dear Mr. Horsley:

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the offer to issue \$500,000,000 Guaranteed Senior Notes due 2017 (the "Senior Notes"). Our partners, Fred Clifford and Josephine Man, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 - Auditor Involvement with Offering Documents of Public and Private Entities, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

Audited financial statements

We have audited the balance sheets of the Company as at 31 December 2009, 2008 and 2007, and the statements of Income, retained earnings and cash flows for each of the years then ended. Our reports to the shareholders was dated 15 March 2010 on the financial statements for the years ended 31 December 2009 and 2008, and 13 March 2009 on the financial statements for the years ended 31 December 2008 and 2007. Our auditors' report for the years ended 31 December 2009 and 2008 and for the years ended 31 December 2008 and 2007 are to be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' report in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering Memorandum that is derived from such financial statements.

Handwritten signature and date: [Signature] Sept 28/10



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We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited Interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and six month periods ended 30 June 2010 and 2009 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statements for the three and six month periods ended 30 June 2010 and 2009 and provided our report thereon to the audit committee of the Company. In order for the interim financial statements for the three and six month periods ended 30 June 2010 and 2009 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the Offering Memorandum is delayed, the Company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2010 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be included in the Offering Memorandum.

Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.

A handwritten signature in black ink, appearing to be 'J.P. [unclear] 2010', located in the bottom right corner of the page.



28 September 2010 3

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon completion of the Offering Memorandum:

- A consent letter addressed to the underwriter, in which we give our consent to the use of our report in the Offering Memorandum.
- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included or incorporated by reference in the Offering Memorandum.

Upon closing of the offering:

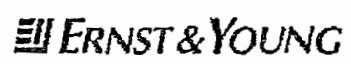
- A bring-down letter addressed to the Directors of the Company and the underwriter.

Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the Offering Memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

JP
September



28 September 2010 4

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of the convertible senior notes.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed convertible senior notes offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the convertible senior notes offering referred to above.

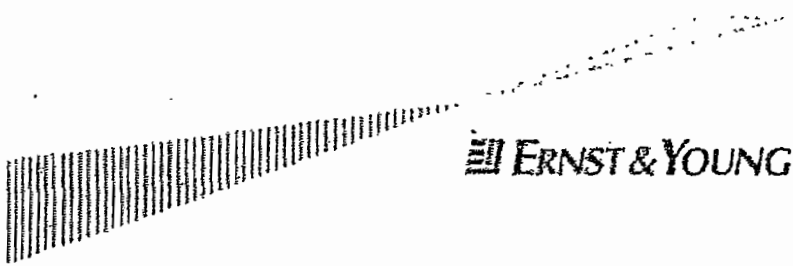
Fees

Our fees which will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted exclude applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

<u>Level</u>	<u>Hourly rate</u>
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

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ERNST & YOUNG

28 September 2010 5

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

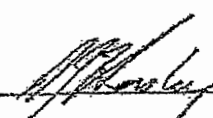
To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

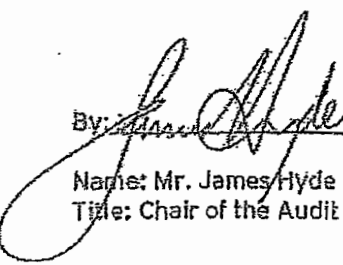
Sincerely,

Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Agreed:
Sino-Forest Corporation

Acknowledged on behalf of the
Company's Audit Committee:

By: 
Name: Mr. David Horsley
Title: Chief Financial Officer

By: 
Name: Mr. James Hyde
Title: Chair of the Audit Committee


28/9/10



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General Terms and Conditions

Our relationship with you

1. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
2. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Report(s), the performance of the Services, and our other obligations under this Agreement.

Your responsibilities

3. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our reports

4. You may not rely on any draft Report.

Notice re: Québec

5. From time to time, we may have individual partners and employees performing the Services within the Province of Québec who are members of the *Ordre des comptables agréés du Québec*. Any individual member of the *Ordre des comptables agréés du Québec* performing professional services hereunder assumes full personal civil liability arising from the practice of his or her profession, regardless of his or her status within our partnership. He or she may not invoke the liability of our partnership as a ground for excluding or limiting his or her own liability. The limitations that follow below under the heading "Limitations" shall therefore not apply to limit the personal civil liability of members of the *Ordre des comptables agréés du Québec* (and with respect to such members, such limitations shall be deemed to not be included in this Agreement).

Limitations

6. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.
7. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, aggregate damages in excess of the greater of (I) the total fees paid to us for the Services and (II) \$1,000,000. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.

8. If we are liable to you (or to any others for whom Services are provided) under this Agreement or otherwise in connection with the Services, for loss or damage to which any other persons have also contributed, our liability to you shall be several and not joint and several, solidary or *in solidum*, with such others, and shall be limited to our fair share of that total loss or damage, based on our contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
9. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services (and the parties agree that the limitation periods established by the *Limitations Act, 2002* (Ontario) or any other applicable legislation shall be varied and/or excluded accordingly). This limitation will not apply to the extent prohibited by applicable law or professional regulations.
10. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The limitations in Sections 6 through 9 and this Section 10 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to rely on and enforce them.

Indemnity

11. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of or relating to the Services or this Agreement. On behalf of yourself and your affiliates, you release us, the other EY Firms and the EY Persons from all claims and causes of action (together, "Claims"), pending or threatened, that you or they may have arising out of the Services or this Agreement to the extent such Claims result from or arise out of any misrepresentation or fraudulent act or omission by you, your employees or agents on your behalf.

Confidentiality

12. We follow professional standards of confidentiality and will treat information related to you disclosed to us by you or on your behalf ("Client Information") as set forth in the Rules of Professional Conduct of provincial Institutes of Chartered Accountants or the Code of Ethics of the *Ordre des comptables agréés du Québec* (as applicable).



**April 16, 2008 audit engagement letter for Sino-Panel Asia Inc. for
year ended December 31, 2007**



Ernst & Young LLP

Phone:

Chartered Accountants

Fax:

Pacific Centre

700 West Georgia Street

P.O. Box 10101

Vancouver, British Columbia V7Y 1C7

April 16, 2008

Sino-Forest Corporation

90 Burnhamthorpe Road W., Suite 1208

Mississauga, ON

L5B 3C3

Attention: Mr. Jamie Hyde, Chairman of the Audit Committee

Dear Mr. Hyde:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to perform an audit and report on the consolidated financial statements of **Sino-Panel Asia Inc.** (the "Company") for the year ended December 31, 2007. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

Audit Responsibilities and Limitations

2. The objective of our audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles.
3. We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable rather than absolute assurance that the consolidated financial statements taken as a whole are free of material misstatement whether caused by error, fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of the data underlying the financial statements, the inherent limitations of internal controls, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.



4. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal controls over financial reporting. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal controls over financial reporting or to identify all significant weaknesses.
5. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments and significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit procedures, as well as related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.
6. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.
7. In accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between Ernst & Young LLP, its partners and professional employees and Sino-Panel Asia Inc. (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Panel Asia Inc.



Management's Responsibilities and Representations

8. The preparation and fair presentation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management also is responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.
9. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud, suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/ client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may alter the form of report we may issue on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. The Company and we will disclose any such withholding of information to the Audit Committee.
10. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; information relating to any illegal or possibly illegal acts, and all facts related thereto; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.



11. Management of the Company is responsible for adjusting the consolidated financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded audit differences accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

12. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements. Management is responsible for affirming to us in its representation letter and providing us with information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:
 - its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;
 - any plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - information relating to the measurement and disclosure of transactions with related parties;
 - an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA Handbook Section 1508, *Measurement Uncertainty*;
 - information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
 - information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;
 - information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.

13. At the conclusion of the audit, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the consolidated financial statements.



14. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly, as further described in the attached additional Terms and Conditions (refer to the provision captioned "*Auditor Oversight*").

Fees and Billings

15. Our fees will be billed as work progresses are based on the time required at our billing rate, being \$220 per hour, plus expenses. However, our actual fee may exceed the top of this range. Payment of our invoices will be made upon receipt.
16. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us and are dependent upon the Company's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. In addition, fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the audit fee referred to above and may be the subject of other written agreements.

Other Matters

17. By your signature below, you confirm that the Company, through its Board of Directors, has expressly authorized you to enter into this Agreement with us on behalf of, and to bind, the Company.
18. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

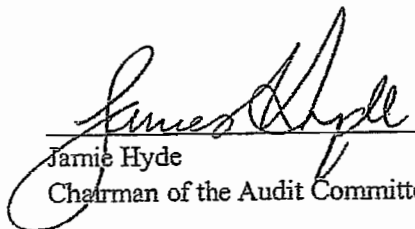


EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Linda Zhu, Engagement Partner, 700 West Georgia Street, P.O. Box 10101, Vancouver BC, V7Y 1C7.

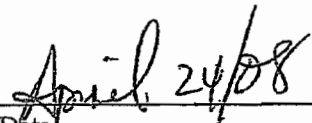
Yours very truly,

Ernst & Young LLP

Acknowledged and agreed:
Sino-Forest Corporation



Jamie Hyde
Chairman of the Audit Committee



Date



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data to other EY Entities for the purpose of rendering the Services. EY may also disclose Client Data to other EY Entities for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence as well as to implement standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that own in the aggregate more than 50% of the total vote or value of such non-US corporation);
 - (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or



- (c) where SEC audit independence restrictions apply to the relationship between client and EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item, (together, (a), (b) and (c) referred to as "Tax Advice"),

EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.
- When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).
- EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.
8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time



and expenses incurred up to the end of the notice period together with reasonable time and expense incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.

10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client were not planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.



14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether liability is based on breach of contract, tort (including negligence), strict liability, failure of essential purpose or otherwise,

- (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph shall not limit EY's liability for death, bodily injury or physical damage to tangible property caused by the negligent acts or omissions of EY, and shall not limit EY's liability for loss or damage caused by the fraud or wilful misconduct of EY.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

16. **No Application** - The preceding two sections (*Limitation of Liability*, *Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).

17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not



previously filed such financial statements, since the beginning of the most recent fiscal year to covered by client's first such financial statements), or in the 12 months preceding that date.

18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.
21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel*, and *Legal Proceedings*. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**April 16, 2008 audit engagement letter for Sino-Wood Partners,
Limited for year ended December 31, 2007**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7

Phone: 604 891-8200
Fax: 604 643-5422

April 16, 2008

Sino-Forest Corporation

90 Burnhamthorpe Road W., Suite 1208

Mississauga, ON

L5B 3C3

Attention: Mr. Jamie Hyde, Chairman of the Audit Committee

Dear Mr. Hyde:

1. This engagement letter, including any additional terms that are attached, (collectively, the "Agreement") confirms the terms upon which Ernst & Young LLP ("we" or "EY") has been engaged to perform an audit and report on the consolidated financial statements of **Sino-Wood Partners, Limited** (the "Company") for the year ended December 31, 2007. The services described in this paragraph may hereafter be referred to as either "Audit Service" or "Audit Services."

Audit Responsibilities and Limitations

2. The objective of our audit is to express an opinion on whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in conformity with Canadian generally accepted accounting principles.
3. We will conduct our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable rather than absolute assurance that the consolidated financial statements taken as a whole are free of material misstatement whether caused by error, fraud or illegal acts whose consequences have a material effect on the consolidated financial statements. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of the data underlying the financial statements, the inherent limitations of internal controls, and the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature. Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate the possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted



auditing standards. Also, an audit is not designed to detect error or fraud that is immaterial to the consolidated financial statements.

4. As part of our audit, we will consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Company's internal controls over financial reporting. This consideration will not be sufficient to enable us to provide assurance on the effectiveness of internal controls over financial reporting or to identify all significant weaknesses.
5. If we determine that there is evidence that misstatements, resulting from error, other than trivial errors, or that fraud or illegal or possibly illegal acts may exist or have occurred (other than illegal acts that are considered inconsequential), we will bring such matters to the attention of an appropriate level of management. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed and whether the communication is also made to the Audit Committee. If we become aware of fraud involving senior management or fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements, we will report this matter directly to the Audit Committee. We will also determine that the Audit Committee is adequately informed of misstatements, resulting from error, other than trivial errors and illegal or possibly illegal acts that come to our attention unless they are clearly inconsequential. In addition, we will inform the Audit Committee and appropriate members of management of significant audit adjustments and significant weaknesses in the design or implementation of internal controls to prevent or detect fraud or error noted during our audit procedures, as well as related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement and disclosure.
6. We also may communicate to the appropriate levels of management other opportunities we observe for economies in or improved controls over the Company's operations. The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities.
7. In accordance with CICA Handbook Section 5751, *Communications with Those Having Oversight of the Financial Reporting Process*, we will communicate in writing to the Audit Committee any relationships between Ernst & Young LLP, its partners and professional employees and Sino-Wood Partners, Limited (including related entities) that, in our professional judgment, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to Sino-Wood Partners, Limited.



Management's Responsibilities and Representations

8. The preparation and fair presentation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles are the responsibility of the management of the Company. Management also is responsible for establishing and maintaining effective internal controls, for properly recording transactions in the accounting records, for safeguarding assets, and for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

9. The design and implementation of internal controls to prevent and detect fraud and error are the responsibility of the Company's management, as is an assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud. Management of the Company is responsible for apprising us of all known instances of fraud, suspected fraud, illegal or possibly illegal acts and allegations involving financial improprieties received by management or the Audit Committee (regardless of the source or form and including, without limitation, allegations by "whistle-blowers," employees, former employees, analysts, regulators or others), and for providing us full access to information and facts relating to these instances and allegations and any internal investigations of them, on a timely basis. Allegations of financial improprieties include allegations of manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading EY, or other allegations of illegal acts or fraud that could have a non-trivial effect on the financial statements or otherwise affect the financial reporting of the Company. If the Company limits the information otherwise available to us under this paragraph (based on the Company's claims of solicitor/ client privilege, litigation privilege, or otherwise), the Company will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of our Audit Services and may alter the form of report we may issue on the Company's financial statements; prevent us from consenting to the inclusion of previously issued auditor's reports in future Company filings; or otherwise affect our ability to continue as the Company's auditors. The Company and we will disclose any such withholding of information to the Audit Committee.

10. Management of the Company is responsible for providing us with and making available complete financial records and related data and copies of all minutes of meetings of shareholders, directors and committees of directors; information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements; information relating to any illegal or possibly illegal acts, and all facts related thereto; and information regarding all related parties and related party transactions. Failure to provide this information on a timely basis may cause us to delay our report, modify our procedures or even terminate the engagement.



11. Management of the Company is responsible for adjusting the consolidated financial statements to correct material misstatements and for affirming to us in its representation letter that the effects of any unrecorded audit differences accumulated by us during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

12. As required by Canadian generally accepted auditing standards, we will make specific inquiries of management about the representations contained in the consolidated financial statements. Management is responsible for affirming to us in its representation letter and providing us with information regarding the recognition, measurement and disclosure of specific items, including but not limited to the following:
 - its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the consolidated financial statements or used to support amounts in the consolidated financial statements;
 - any plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - information relating to the measurement and disclosure of transactions with related parties;
 - an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with CICA Handbook Section 1508, *Measurement Uncertainty*;
 - information relating to claims and possible claims, whether or not they have been discussed with the Company's legal counsel;
 - information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Company is contingently liable;
 - information on whether the Company has satisfactory title to assets, whether liens or encumbrances on assets exist, or whether assets are pledged as collateral;
 - information relating to compliance with aspects of contractual agreements that may affect the consolidated financial statements; and
 - information concerning subsequent events.

13. At the conclusion of the audit, we obtain representation letters from certain members of management to confirm significant representations on matters that are directly related to items that are material, either individually or in the aggregate, to the consolidated financial statements; matters that are not directly related to items that are material to the consolidated financial statements but are significant, either individually or in the aggregate to the engagement; and those that are relevant to your judgments or estimates that are material, either individually or in the aggregate, to the consolidated financial statements. The responses to the inquiries of management, the written representations from management and the results of our audit tests comprise the evidential matter we will rely upon in forming an opinion on the consolidated financial statements.



14. Management of the Company is responsible for advising us of any documents or other information provided during the course of the audit over which it intends to assert a claim of privilege and should mark any such documentation accordingly, as further described in the attached additional Terms and Conditions (refer to the provision captioned "*Auditor Oversight*").

Fees and Billings

15. Our fees will be billed as work progresses are based on the time required at our billing rate, being \$220 per hour, plus expenses. However, our actual fee may exceed the top of this range. Payment of our invoices will be made upon receipt.
16. Our estimated fees and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations Company personnel have made to us and are dependent upon the Company's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. In addition, fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the audit fee referred to above and may be the subject of other written agreements.

Other Matters

17. By your signature below, you confirm that the Company, through its Board of Directors, has expressly authorized you to enter into this Agreement with us on behalf of, and to bind, the Company.
18. The attached additional Terms and Conditions form an integral part of this engagement letter and govern our respective rights and obligations arising therefrom.

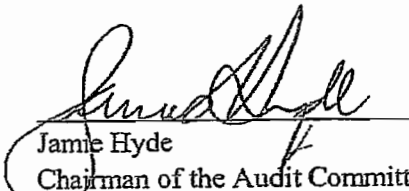


EY appreciates the opportunity to be of assistance to the Company. If this Agreement accurately reflects the terms on which the Company has agreed to engage EY, please sign below on behalf of the Company and return it to Linda Zhu, Engagement Partner, 700 West Georgia Street, P.O. Box 10101, Vancouver BC, V7Y 1C7.

Yours very truly,

Ernst & Young LLP

Acknowledged and agreed:
Sino-Forest Corporation



Jamie Hyde
Chairman of the Audit Committee



Date



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data to other EY Entities for the purpose of rendering the Services. EY may also disclose Client Data to other EY Entities for the purposes of fulfilling its professional obligations to manage conflicts of interest and to maintain auditor independence as well as to implement standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that



own in the aggregate more than 50% of the total vote or value of such non-US corporation);

- (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
- (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item, (together, (a), (b) and (c) referred to as "Tax Advice"),

EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order. When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege). EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.
8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in



electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.

9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.
10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to



any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client were not planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.

14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), strict liability, failure of essential purpose or otherwise,

- (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph shall not limit EY's liability for death, bodily injury or physical damage to tangible property caused by the negligent acts or omissions of EY, and shall not limit EY's liability for loss or damage caused by the fraud or wilful misconduct of EY.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY

This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings*. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.



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or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

16. **No Application** - The preceding two sections (*Limitation of Liability, Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.
21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner.

2007



Sino-Forest Corporation

March 14, 2008

Ernst & Young LLP
Chartered Accountants

In connection with your audit of the consolidated financial statements of Sino-Forest Corporation (the "Company") as of December 31, 2007 and for year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and your audit was conducted in accordance with Canadian generally accepted auditing standards, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances. It is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of financial statement information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, as of March 14, 2008 which are true to the best of our knowledge and belief:

A. Financial Statements and Financial Records

1. We acknowledge that, as members of management of the Company, we are responsible for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with Canadian generally accepted accounting principles.
2. The significant accounting policies adopted in the preparation of the consolidated financial statements are fully and fairly described in the financial statements.
3. As members of management of the Company, we believe that the Company has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

J. 3/14/08 1 3/14/08



Sino-Forest Corporation

B. Fraud and Error

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.
2. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud and have determined such risk to be low.

We have no knowledge of any fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the consolidated financial statements over the preceding three year period. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's consolidated financial statements received in communications from employees, former employees, analysts, regulators, or others. In addition, all "whistle-blower" allegations coming to our attention have been disclosed to you. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the Company.

3. We believe that the effects of those unrecorded financial statement misstatements aggregated by you during your audit, as summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. In addition, to the extent that audit differences have been subsequently identified in the current period that affect prior year financial statements, we have evaluated the effect of correcting prior year consolidated financial statements and believe that the effects of the unrecorded audit differences are immaterial, both individually and in the aggregate, to the prior year consolidated financial statements taken as a whole.

C. Illegal Acts

1. We are not aware of any illegal or possibly illegal acts, as defined in CICA Handbook Section 5136.

D. Independence and Conflicts of Interest

1. Based on inquiries we have made of our officers, directors, and substantial shareholders, except as described below, we are not aware of any business relationship between any such officer, director, or substantial stockholder (or any entity for or of which such an officer or director acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Entity"), other than one pursuant to which an EY Entity performs professional services. For this purpose, a "substantial shareholder" is a person or entity (excluding mutual funds) that owns five percent or more in the Company.



Sino-Forest Corporation

2. We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Company's audit.

E. Completeness of Information

1. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on December 20, 2007.
2. We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
3. There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the consolidated financial statements.
4. We have disclosed to you all known related parties and related party transactions, including compensation payments, sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the year ended, as well as related balances due to or from such parties at the year end. These transactions have been properly measured and disclosed in the consolidated financial statements.
5. As it relates to share-based payments, we have made available to your representatives all plan documents and data related to granting, vesting, exercising, canceling, and forfeiting share-based payments, including modifications to existing plans or previously granted awards.

F. Recognition, Measurement and Disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.



Sino-Forest Corporation

G. Risks and Measurement Uncertainties

1. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
2. The Company believes that the judgements and estimates used in calculating the income tax provision represent the appropriate likelihood of various outcomes occurring.

H. Ownership of Assets

1. The Company has satisfactory title to all assets appearing in the consolidated balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged except as disclosed in the consolidated financial statements. All assets to which the Company has satisfactory title appear in the balance sheets.

I. Receivables and Revenues

1. Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the balance sheet date, goods shipped on consignment or approval, or other types of arrangements not constituting sales. All revenue recognized as of the balance sheet date has been realized (or is realizable) and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable, and (4) collectibility is reasonably assured.
2. Adequate provision has been made for losses, costs, and expenses that may be incurred subsequent to the balance sheet date in respect of sales and services rendered prior to that date and for uncollectible accounts, discounts, returns, and allowances, etc., that may be incurred in the collection of receivables at that date.
4. We have disclosed to you all sales terms (both express and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.
5. We have adequately disclosed a description of our major revenue generating products and services, the types of arrangements (including multiple-element arrangements) used to deliver these products or services, and a description of the revenue recognition policies applicable to these products or services.
6. We believe that the deposits for the purchase of logs in Inner Mongolia are fully recoverable through future timber purchases.



Sino-Forest Corporation

J. Inventories

1. Inventories were priced at the lower of cost and market as follows:
 - Raw materials and expense materials - at the lower of cost and replacement cost.
 - Work-in-process and finished goods - at the lower of cost (including material and labour costs and overhead costs based on actual rates) and market (i.e., estimated realizable value less costs to complete and sell).

In arriving at such values, full allowance was made for defective, slow-moving, excess, unusable or obsolete stock. Adequate provision has been made for losses under firm purchase commitments for goods for inventory. There have been no reductions of the selling prices of finished goods subsequent to the year end and none are contemplated.

2. Physical counts and measurement of inventories were made by competent employees under the supervision of the management as at the year end, and the quantities were determined by actual count, weight or measurement.
3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at the year end; goods on consignment from others; or goods invoiced to customers.

K. Financial Instruments

The Company has properly classified financial assets with readily determinable fair values as either held for trading, held-to-maturity, loans and receivables or available-for-sale. The Company has the positive intent and ability to hold to maturity all financial assets that are classified as held-to-maturity.

The Company has properly classified financial liabilities with readily determinable fair values as either held for trading or other financial liabilities.

Our valuation methodologies have been consistently applied from period to period and we believe that the methods and significant assumptions used are reasonable, reflect those we believe would be used by market participants, and result in a measure of fair value that is appropriate for financial statement measurement and disclosure purposes. In addition, our disclosures related to fair value measurement are complete and adequate.

L. Long-term Investments

1. These investments are valued at cost.
2. Appropriate loss provisions have been provided in the accounts for any other than temporary declines in the value of investments.
3. All income for the year on the investments has been recorded in the accounts.



Sino-Forest Corporation

M. Investments in Subsidiaries and Affiliates

1. We have appropriately consolidated all entities for which we directly or indirectly have a controlling financial interest.
2. We have appropriately accounted for all freestanding (or embedded) rights and/or obligations to repurchase the shares of a subsidiary that are held by outsiders as a financial liability in accordance with CICA Handbook Section 3061.

N. Variable Interests and Variable Interest Entities

1. We have appropriately identified and disclosed all variable interests and variable interest entities ("VIEs"). The Company has reconsidered the initial determination of whether an entity is a variable interest entity and/or whether it is the variable interest entity's primary beneficiary, as required by Accounting Guideline 15.

O. Deferred Charges

1. We believe that all material expenditures that have been deferred to future periods are recoverable.

P. Property, Plant and Equipment

1. All charges to fixed asset accounts and additions under capital leases during the year represent actual additions and no expenditures of a capital nature have been charged to expense during the year.
2. All property, plant and equipment sold or dismantled during the year have been properly accounted for in the accounts.
3. Appropriate rates have been used to depreciate and amortize these assets over our estimation of their useful lives.

Q. Long-Lived Assets

1. Long-lived assets to be held and used, have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. Where appropriate under CICA Handbook Section 3063, such assets have been written down to fair value. Our estimates of future cash flows used to assess recoverability of such assets are based on reasonable and supportable assumptions regarding the cash flows expected to result from the use of the assets and their eventual disposition. Assets classified as held for sale under CICA Handbook Section 3475 are measured at the lower of carrying amount or fair value less cost to sell.



Sino-Forest Corporation

R. Events of Default under Debt Agreements

1. No events of default have occurred with respect to any of the Company's debt agreements.

S. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance..
4. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.

T. Oral or Written Guarantees

1. There are no oral or written guarantees including guarantees of the debt of others.

U. Share Capital

1. Share capital repurchase options or agreements, or share capital reserved for options, warrants, conversion, or other requirements have been properly recorded or disclosed in the consolidated financial statements.

V. Purchase Commitments

1. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for

7



Sino-Forest Corporation

inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).

2. The master purchase timber contracts signed were all for prices that approximated market value at the outset of the contract. The Company has neither the ability nor intention to settle any of these contracts on a net basis.
3. The imported wood log contracts are negotiated in Hong Kong.

W. Employee Future Benefits

1. The Company has no employee future benefits as defined in CICA Handbook Section 3461.

X. Consolidated Accounts and Equity-Accounted Investments

1. All significant intercompany transactions have been disclosed to you and properly eliminated in the consolidated financial statements (intercompany profits in inventories and property, plant and equipment, intercompany balances, etc.).
2. The cost of acquisition of investments has been assigned in the financial statements to the purchased assets (including goodwill, after adjustment for minority interest) and liabilities in accordance with their values as at the dates of acquisition.
3. The intercompany loans and current accounts represent a permanent investment in the associated subsidiary.

Y. Segment Information

1. The information about operating segments included in the notes to the consolidated financial statements has been prepared and presented in conformity with CICA Handbook Section 1701. We have appropriately identified our operating segments based on the information used by our chief operating decision maker to evaluate operating performance of and make resource allocation decisions among business units. For reportable operating segments that are the result of the aggregation of multiple operating segments, (1) the aggregation is consistent with the objective of CICA Handbook Section 1701, (2) the aggregated operating segments have similar economic characteristics, and (3) the aggregated operating segments are similar in each of the following areas:
 1. The nature of the products and services
 2. The nature of the production processes



Sino-Forest Corporation

3. The type or class of customer for their products and services
4. The methods used to distribute their products or provide their services
5. If applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities.

Differences between the measurements used in reporting operating segment information and those used in the consolidated financial statements are adequately disclosed in the notes to the financial statements.

Z. Share-Based Payments

1. All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plan from which they were granted.
2. The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.
3. We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA 3870. The assumptions used in fair value measurements made in accordance with CICA 3870, represent our best estimates as of the measurement date of expectations of future conditions.

AA. Discontinued Operations

1. The operations and cash flows of the wood chip line of business have been eliminated from the ongoing operations of the Company as a result of the disposal transaction, and the Company will not have any significant continuing involvement in the operations of the component.
2. No significant events have occurred or circumstances have arisen that would require the reassessment of the classification of the wood chip line of business as discontinued operations.

BB. Use of the Work of a Specialist

1. We agree with the findings of specialists in evaluating the valuation of standing timber and valuation of manufacturing capital assets and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated financial statements and the underlying accounting records. We did not



Sino-Forest Corporation

give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

CC. Elective Change in Accounting Policy

1. We believe that the recognition and measurement principles of FIN 48 are preferable to the guidance available under Canadian GAAP and provide a more structured framework to account for uncertainties in income tax.

DD. Income Tax Matters

1. We have disclosed to you all significant tax planning strategies that were put in place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.
2. We recognize that we are responsible for the Company's compliance with jurisdictional tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts.
3. We have provided you all tax opinions or memoranda of law that serve as support for material tax accruals (including tax uncertainties and determinations of the application of interest and penalties) as well as any tax opinions or memoranda of law that contradicted, or provided lower levels of assurance than, the opinions or memoranda of law ultimately used by the company to support its tax positions.
4. All standing timber sales contracts entered into by Suri-Wood Inc. ("SWI") and Sino-Forest Resources Inc. ("SFRI") have been negotiated and signed in the PRC by Allen Chan, CEO. All contracts related to the acquisition of standing timbers/plantations by SWI and SFRI are negotiated and signed outside of Hong Kong. As well, all imported wood log sales contracts (both purchasing and selling) entered into by SFRI have been negotiated by Alfred Hung, VP of Corporate Finance, by telephone while Alfred Hung is in Hong Kong and signed in Hong Kong by Allen Chan. The instruction with respect to the range of profit margin on the imported wood log sales is given by Allen Chan to Alfred Hung orally in Hong Kong.
5. Contracts and agreements entered into by SWI and SFRI with Authorized Intermediaries ("AI") with respect to the wood chip business including the sale of wood chips are negotiated and signed outside Hong Kong.
6. Management by SWI and SFRI of cash and amounts receivable from Authorized Intermediaries is carried on outside Hong Kong.



Sino-Forest Corporation

7. The Company does not intend to repatriate to Canada earnings of its foreign subsidiaries that exist at December 31, 2007 in the foreseeable future.
8. All or substantially all of the administrative costs incurred by the Company (the legal entity) including investor relation costs relate to stewardship of the Company and its subsidiaries.

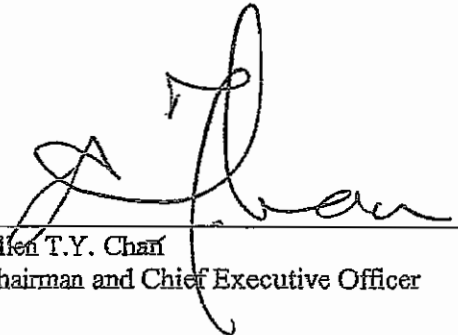
EE. Subsequent Events

1. Subsequent to December 31, 2007, no events or transactions have occurred or are pending that would have a material effect on the consolidated financial statements at that date or for the year then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the consolidated financial statements in order to make them not misleading regarding the consolidated financial position, results of operations, or cash flows of the Company.

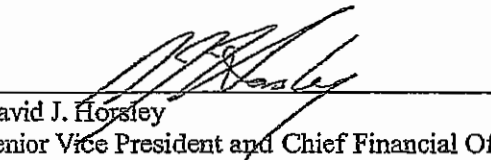
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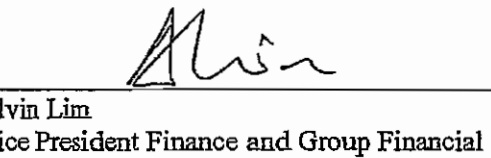
Sino-Forest Corporation


Allen T.Y. Chan
Chairman and Chief Executive Officer

3/14/08
Date


David J. Horsley
Senior Vice President and Chief Financial Officer

3/14/08
Date


Alvin Lim
Vice President Finance and Group Financial Controller

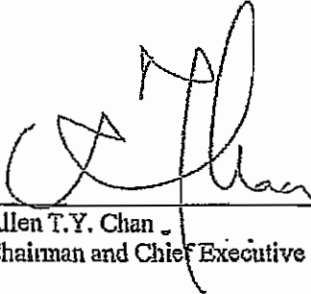
3/14/08
Date

Tom Maradin
Vice President Risk Management

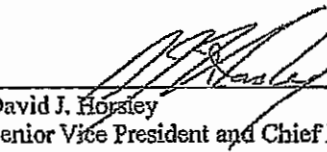
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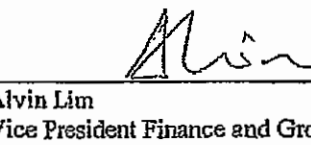
Sino-Forest Corporation


Allen T.Y. Chan
Chairman and Chief Executive Officer

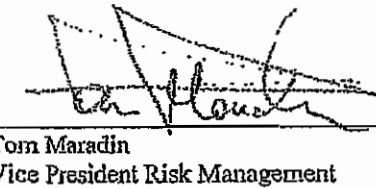
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David J. Horsley
Senior Vice President and Chief Financial Officer

3/14/08
Date


Alvin Lim
Vice President Finance and Group Financial Controller

3/14/08
Date


Tom Maradin
Vice President Risk Management

3/14/08
Date

Summary of Audit Differences

Printed Time: Wed Mar 05, 2008

Client: Sho-Forest Gar

Audit Date: 31/12/2007
Nominal Amount: 770,000

Currency: USD
SAP Consultation Limit: 7,400,000

Analysis of Audit Differences Detail (Credit)

No.	W/P Ref.	Related Entries	Account	Assets Current	Assets Non-current	Liabilities (Current)	Liabilities (Non-current)	Debit/(Credit) Current Period	Debit/(Credit) Prior Period	Non Taxable	Equity
Unrecorded Audit Differences:											
1	UC-01-GL	SFC	To reverse over-recognition of interest income in 2007 re Mendra loan Adjustment: Equity Adjustment: Interest Income					900,000		No	(900,000)
2	UB-01-GL	SFC	To account for under-recognition of realized foreign exchange gains Adjustment: Cash Adjustment: Exchange Gains	1,294,000				(1,294,000)		No	
3	E-04-AMER	Showin	Being adjustment of sales cut-off error by the end of Dec 31, 2007. Adjustment: Accounts receivable Adjustment: Accrued liabilities Adjustment: Cost of sales Adjustment: Inventory Adjustment: Sales	1,619,550	(999,470)			895,615		No	
4	UK-03	Showin	Being adjustment of sales cut-off of opening balance as at Dec 31, 2006. Adjustment: Cost of sales Adjustment: Retained Earning						1,080,936	No	
5	UN-02-GL	JF	Being adjustment of under accrued consumption tax and sales rebates in 2006 but recorded in 2007 Adjustment: Retained Earning Adjustment: Sales						(2,569,131)	No	(697,195)
6	SFC		To reverse understatement of derivative loss (2006 amount corrected in 2007 Adjustment: Loss on PV of derivative instrument Adjustment: Retained Earning	2,507,423	0	(499,470)	0	594,000		No	(594,000)
Balance Sheet Totals				527,029,000	0	197,003,000	0			No	(1,730,195)
Financial Statement Amounts				0.49%	0.00%	-0.25%	0.00%			No	1,197,299,000
Effect of unrecorded audit differences on F/S amounts										No	
Income effect of unrecorded audit differences (before tax)								(974,945)	(697,195)	No	
Minor Non-taxable items (marked 'Yes' above)								0	0	No	
Less: Tax effect at current year marginal rate								0	0	No	
Cumulative effect of unrecorded audit differences before turn-around effect								(974,945)	(697,195)	No	
Turn-around effect of prior-period unrecorded audit differences (after tax)								697,195	697,195	No	
Cumulative effect of unrecorded audit differences, after turn-around effect								(277,750)	(277,750)	No	
Current year net income								180,000%	152,273,000	No	

All Errors Judgmental Differences:

2008



Sino-Forest Corporation

March 16, 2009

Ernst & Young LLP
Chartered Accountants

In connection with your audit of the consolidated financial statements of Sino-Forest Corporation (the "Company") as of December 31, 2008 and 2007, and for the years then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles.

We understand that the purpose of your audits of our financial statements is to express an opinion thereon and your audits were conducted in accordance with Canadian generally accepted auditing standards, which involve an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances. It is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of financial statement information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, as of March 13 2009, which are true to the best of our knowledge and belief:

Financial statements and financial records

1. We acknowledge that, as members of management of the Company, we are responsible for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with Canadian generally accepted accounting principles.
2. The significant accounting policies adopted in the preparation of the consolidated financial statements are fully and fairly described in the financial statements.
3. As members of management of the Company, we believe that the Company has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

3815-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
Tel: (905) 281 8939 Fax: (905) 281 3338
E-mail: info@sinoforest.com

MAR 16 2009

MAR 16 2009



Sino-Forest Corporation

Fraud and error

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.
2. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud and have determined such risk to be low.

We have no knowledge of any fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the consolidated financial statements. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's consolidated financial statements received in communications from employees, former employees, analysts, regulators, or others. In addition, all "whistle-blower" allegations coming to our attention have been disclosed to you. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the Company.

3. We believe that the effects of those unrecorded financial statement misstatements aggregated by you during your audit, as summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. In addition, to the extent that audit differences have been subsequently identified in the current period that affect prior year financial statements, we have evaluated the effect of correcting prior year consolidated financial statements and believe that the effects of the unrecorded audit differences are immaterial, both individually and in the aggregate, to the prior year consolidated financial statements taken as a whole.

Illegal acts

1. We are not aware of any illegal or possibly illegal acts, as defined in CICA Handbook Section 5136.

Independence

1. Based on inquiries we have made of our officers, directors, and substantial shareholders, we are not aware of any business relationship between any such officer, director, or substantial stockholder (or any entity for or of which such an officer or director acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Entity"), other than one pursuant to which an EY Entity performs professional services. For this purpose, a "substantial shareholder" is a person or entity (excluding mutual funds) that owns five percent or more in the Company.
2. We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Company's audit.



Sino-Forest Corporation

Conflicts of interest

1. There are no instances where any officer or employee of the Company has an interest in a company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to Company policy.

Completeness of information

1. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on January 19, 2009.
2. We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
3. There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the consolidated financial statements.
4. We have disclosed to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been properly measured and disclosed in the consolidated financial statements.
5. As it relates to share-based payments, we have made available to your representatives all plan documents and data related to granting, vesting, exercising, cancelling, and forfeiting share-based payments, including modifications to existing plans or previously granted awards.

Recognition, measurement and disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.



Sino-Forest Corporation

Risks and measurement uncertainties

1. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
2. The Company believes that the judgements and estimates used in calculating the income tax provision represent the appropriate likelihood of various outcomes occurring.

Ownership of assets

1. The Company has satisfactory title to all assets appearing in the consolidated balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged except as disclosed in the consolidated financial statements. All assets to which the Company has satisfactory title appear in consolidated the balance sheet.

Receivables and revenues

1. Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the balance sheet date, goods shipped on consignment or approval, or other types of arrangements not constituting sales. All revenue recognized as of the balance sheet date has been realized or is realizable and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable, and (4) collectibility is reasonably assured.
2. Adequate provision has been made for losses, costs, and expenses that may be incurred subsequent to the balance sheet dates in respect of sales and services rendered prior to that those dates and for uncollectible accounts, discounts, returns, and allowances, etc., that may be incurred in the collection of receivables at that date.
3. We have disclosed to you all sales terms (both express and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.
4. We have adequately disclosed a description of our major revenue generating products and services, the types of arrangements (including multiple-element arrangements) used to deliver these products or services, and a description of the revenue recognition policies applicable to these products or services.
5. We believe that the \$0.5 million deposits for the purchase of logs paid to Inner Mongolian Forest and Timber Resources Company Limited and \$9.5 million deposit paid to Elderbridge Ltd. are fully recoverably through future timber purchases and cash refund.



Sino-Forest Corporation

6. We are not aware of any indication of impairment on the subordinated loan due from Mandra Forestry Holdings Limited.
7. During the year, settlements of trade receivables by the customers totalling US\$569 million were made by way of making direct payments on behalf of the Suri-Wood Inc. ("SWI"), Sino-Panel (Yunnan) Limited ("SP Yunnan") and Sino-Forest Resources Inc. ("SFR" to the plantation owners in relation to the purchases of tree plantations. We confirm that these fund redirection transactions were genuine and complete.
8. During the year, trade receivables of US\$60.3 million were settled through cash deposits credited directly to bank accounts of the Sino-Forest Resources Inc. by the remitting agents of the customers, which are not related parties to the Company or to the management or officers of the Company as listed below:

Name of Remitting Agents		USD '000
Winner Max Int'l Ltd.	\$	14,866
Suifenhe Longjiang Shanglian Co.,Ltd	\$	1,002
Imported and Exported Timber Exchang	\$	1,749
Sino Richly International Ltd.	\$	14,194
Lifan Trading Ltd.	\$	18,033
Marubeni Corporation	\$	21
Oji Forest & Products Co., Ltd.	\$	8
Unnamed agents	\$	10,468
	<u>\$</u>	<u>60,341</u>

Inventories

1. Inventories were priced at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
 - Raw materials and expense materials - at the lower of cost and replacement cost.
 - Work-in-process and finished goods - at the lower of cost (including material and labour costs and overhead costs based on actual rates) and net realizable value.

In arriving at such values, full allowance was made for defective, slow-moving, excess, unusable or obsolete stock. Adequate provision has been made for losses under firm purchase commitments for goods for inventory. There have been no reductions of the selling prices of finished goods subsequent to the year end and none are contemplated.

2. Physical counts and measurement of inventories were made by competent employees under the supervision of the management as at the year end, and the quantities were determined by actual count, weight or measurement.



Sino-Forest Corporation

3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at the year end; goods on consignment from others; or goods invoiced to customers.

Financial instruments

1. The Company has properly classified financial assets with readily determinable fair values as either held for trading, held-to-maturity, loans and receivables or available-for-sale. The Company has the positive intent and ability to hold to maturity all financial assets that are classified as held-to-maturity.
2. The Company has properly classified financial liabilities with readily determinable fair values as either held for trading or other financial liabilities.
3. Our valuation methodologies have been consistently applied from period to period and we believe that the methods and significant assumptions used are reasonable, reflect those we believe would be used by market participants, and result in a measure of fair value that is appropriate for financial statement measurement and disclosure purposes. In addition, our disclosures related to fair value measurement are complete and adequate.

Arrangements with financial institutions

1. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the consolidated financial statements.

Long-term investments

1. These investments are valued at cost.
2. Appropriate loss provisions have been provided in the accounts for any other than temporary declines in the value of investments.
3. All income for the year on the investments has been recorded in the accounts.
4. The cost method is used to account for the Company's investment in the share capital of Greenheart Resources Holdings Limited as such investment does not have a quoted market price and the Company does not have the ability to exercise significant influence over the investee's operating and financial policies.

Investments in subsidiaries and affiliates

1. We have appropriately consolidated all entities for which we directly or indirectly have a controlling financial interest.



Sino-Forest Corporation

2. We have appropriately accounted for all freestanding (or embedded) rights and/or obligations to repurchase the shares of a subsidiary that are held by outsiders as a financial liability in accordance with CICA Handbook Section 3863.

Variable interests and variable interest entities

1. We have appropriately identified variable interest entities (VIEs) and disclosed all variable interests in VIEs. The Company has considered its related parties and de factor agents in making the determination as to whether a VIE should be consolidated. The Company has reconsidered the initial determination of whether an entity is a VIE and/or whether it is the VIE's primary beneficiary, as required by Accounting Guideline 15.

Deferred charges

1. We believe that all material expenditures that have been deferred to future periods are recoverable.

Property, plant and equipment and assets under capital leases

1. All charges to fixed asset accounts and additions under capital leases during the year represent actual additions and no expenditures of a capital nature have been charged to expense during the year.
2. All property, plant and equipment sold or dismantled and all capital lease terminations during the year have been properly accounted for in the accounts.
3. Appropriate rates have been used to depreciate and amortize these assets over our estimation of their useful lives.

Long-lived assets to be held and used, including amortizable intangible assets

1. Long-lived assets to be held and used, including intangible assets that are subject to amortization, have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. Our estimates of future cash flows used to assess recoverability of such assets are based on reasonable and supportable assumptions regarding the cash flows expected to result from the use of the assets and their eventual disposition. Where appropriate under CICA Handbook Section 3063, such assets have been written down to fair value.



Sino-Forest Corporation

2. Subsequent to the year end, the Company finalized an agreement to sell the particleboard production lines located in Gaoyao, the People's Republic of China (the "PRC"), for approximately \$29.7 million (included relevant sales tax). The agreement has been approved by the Board of Directors. As a result, the particleboard production lines were written down to the amount equal to the selling price less cost to sell, being approximately \$26 million as of December 31, 2008.
3. Further, the Company is negotiating with the buyer of the particleboard production lines for leasing the land and building in existing Gaoyao manufacturing facility. Therefore, we do not believe there are any indicators of impairment on the remaining assets, other than the particleboard production machinery and equipment, in the Gaoyao manufacturing facility as of December 31, 2008.

Events of default under debt agreements

1. No events of default have occurred with respect to any of the Company's debt agreements.

Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.
4. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
5. The Company addressed the corporate governance allegation raised by a shareholder in 2004 and an investigation was carried out by a Special Committee appointed by the Board of Directors. The investigation was completed in September 2004 and the allegation was determined to be without merit. The Company believed that no litigation will be commenced by the shareholder that initiated the allegation. The Company has never received other correspondence from the said shareholder other than the initial corporate governance allegation issued in 2004.

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Sino-Forest Corporation

6. We consider the notice of court hearing dated January 19, 2009 received by Sino-Panel (Guangzhou) Trading Company Limited ("SP Guangzhou") in relation to the acquisition of a private entity in the PRC by Sino-Panel (Fujian) Company Limited has been improperly brought against SP (Guangzhou). Given the amount of the legal claim is immaterial, we consider it is appropriate to not disclose this litigation in the consolidated financial statements.
7. The potential severance payment and penalty, if any, calculated pursuant to the applicable PRC Labour Law and payable to employees who may be laid off as a result of the sale of the particleboard production lines in Gaoyao, is insignificant as of December 31, 2008.

Oral or written guarantees

1. There are no oral or written guarantees including guarantees of the debt of others.

Share capital

1. Share capital repurchase options or agreements, or share capital reserved for options, warrants, conversion, or other requirements have been properly recorded or disclosed in the consolidated financial statements.

Purchase commitments

1. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).
2. The master purchase timber contracts signed were all for prices that approximated market value at the outset of the contract. The Company has neither the ability nor intention to settle any of these contracts on a net basis.
3. The decision on entering into the imported wood log transactions and the signing of sales and purchase of wood log contracts for Sino-Forest Resources Inc. are all in Hong Kong.

Employee future benefits

1. The Company does not have employee future benefits as defined in CICA Handbook Section 3461.



Sino-Forest Corporation

Consolidated accounts

1. All significant intercompany transactions have been disclosed to you and properly eliminated in the consolidated financial statements (intercompany profits in inventories and property, plant and equipment, intercompany balances, etc.).
2. The cost of acquisition of investments has been assigned in the financial statements to the purchased assets (including goodwill, after adjustment for minority interest) and liabilities in accordance with their values as at the dates of acquisition.

Segment information

1. The information about operating segments included in the notes to the consolidated financial statements has been prepared and presented in conformity with CICA Handbook Section 1701. We have appropriately identified our operating segments based on the information used by our chief operating decision maker to evaluate operating performance of and make resource allocation decisions among business units. For reportable operating segments that are the result of the aggregation of multiple operating segments, (1) the aggregation is consistent with the objective of CICA Handbook Section 1701, (2) the aggregated operating segments have similar economic characteristics, and (3) the aggregated operating segments are similar in each of the following areas:
 - (a) The nature of the products and services
 - (b) The nature of the production processes
 - (c) The type or class of customer for their products and services
 - (d) The methods used to distribute their products or provide their services
 - (e) The nature of the regulatory environment.

Differences between the measurements used in reporting operating segment information and those used in the consolidated financial statements are adequately disclosed in the notes to the financial statements.

Share-based payments

1. All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plan from which they were granted.
2. The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA Handbook Section 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding

EY-HC-2008-000110/11



Sino-Forest Corporation

obligations, penalties and interest, as appropriate, under the applicable accounting standards.

- 3. We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA Handbook Section 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA Handbook Section 3870. The assumptions used in fair value measurements made in accordance with CICA Handbook Section 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Derivative financial instruments

The Company has one currency SWAP contract which is held for trading purpose.

The Company's records reflect all transactions involving derivative financial instruments, all embedded derivatives have been identified and the assumptions and methodologies used in the valuation models applied to derivative financial instruments are reasonable. All transactions involving derivative financial instruments have been conducted at arm's length and at fair values.

Use of the work of a specialist

When the company has used the work of a specialist, the following representation is included:

We agree with the findings of specialists in evaluating the valuation of standing timber and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Transaction gains and losses attributable to intercompany transactions

Transaction gains and losses attributable to intercompany foreign currency transactions that are of a long-term-investment nature (that is, settlement is not planned or anticipated in the foreseeable future) have been reported in other comprehensive income. Transaction gains and losses attributable to other intercompany foreign currency transactions have been included in net income for the period in which the exchange rates change.



Sino-Forest Corporation

Effects of new accounting principles

We have not completed the process of evaluating the effects that will result from adopting CICA Handbook Section 1582 Business Combinations, Section 1601 Consolidated Financial Statements, Section 1602 Non-Controlling Interests and EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, as discussed in Note 2. The Company is therefore unable to disclose the effects that adopting Section 1582, Section 1601, Section 1602 and EIC 173 will have on its financial position and the results of its operations when such Section is adopted.

Income Tax Matters

1. We have disclosed to you all significant tax planning strategies that were put in place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.
2. We recognize that we are responsible for the Company's compliance with jurisdictional tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts.
3. We have provided you all tax opinions or memoranda of law that serve as support for our assessment of material tax positions (including tax uncertainties and determinations of the application of interest and penalties) as well as any tax opinions or memoranda of law that contradicted, or provided lower levels of assurance than, the opinions or memoranda of law ultimately used by the company to support its tax positions.
4. In the books of companies incorporated in the British Virgin Islands at the consolidation level, Sino-Forest (China) Investment Inc. ("SFCI") has a payable of USD50.78million (i.e. RMB347,038,395) to SFR which has been outstanding for over two years as of December 31, 2008 and a receivable of USD49.13million (i.e. RMB335,814,050) from SWI. The cash flow into SFCI in RMB was generated by SFR's operation of standing timber sales in the PRC, and then such RMB cash was paid on behalf of SWI to the forestry owner in the PRC for purchasing forestry by SWI. As such, SFR was lending money of USD49.13million to SWI and SFCI was a payment agent in this regard.

In the local books of SFCI, there has been no accounting entries/record showing the payable of USD50.78million to SFR. There is no evidence in the audited financial statements, in the related party transaction forms of annual Corporate Income Tax return, in the annual foreign exchange inspection report or in other documents of SFCI which could have suggested the existence of such USD50.78million payable to SFR by SFCI.

The books of BVI companies and consolidated accounts as of December 31, 2008 will be amended to correct the accounting mistake and reflect that SFR has lent USD49.13million to SWI and USD1.65million to SFCI.



Sino-Forest Corporation

5. All standing timber sales contracts entered into by SWI and SP Yunnan have been negotiated and signed by Allen Chan, CEO, in the PRC.
6. The decision on all imported wood log sales transactions conducted by SFR, and the signing of all imported wood log sales and purchases have been done by Allen Chan, CEO, in Hong Kong. The instruction with respect to the range of profit margin on the imported wood log sales is given by Allen Chan to Alfred Hung verbally in Hong Kong.
7. Contracts and agreements entered into by SWI and SFR with Authorized Intermediaries ("AI") with respect to the wood chips business including the sale of wood chips, while that business was carried on, were negotiated and signed outside Hong Kong.
8. Management by SWI and SFR of cash and amounts receivable from Authorized Intermediaries is carried on outside Hong Kong.
9. The Company does not intend to repatriate to Canada earnings of its foreign subsidiaries that exist at December 31, 2008 in the foreseeable future.
10. All or substantially all of the administrative costs incurred by the Company (the legal entity) including investor relation costs relate to stewardship of the Company and its subsidiaries.

Subsequent events

1. Subsequent to December 31, 2008, no events or transactions, except for the investment in the shares and convertible bonds of Ornicorp Limited and the disposal of particleboard production lines located in Gaoyao, the PRC, have occurred or are pending that would have a material effect on the consolidated financial statements at that date or for the period then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the consolidated financial statements in order to make them not misleading regarding the consolidated financial position, results of operations, or cash flows of the Company.

Comparative figures

1. In connection with your audit of the comparative consolidated financial statements for the year ended December 31, 2008, we represent, to the best of our knowledge and belief, the following:

There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the financial statements for the year ended December 31, 2007, which are shown as comparative amounts in the financial statements for the year ended December 31, 2008. Any differences in the comparative amounts from the amounts in the financial statements for the year ended December 31, 2007 are solely the result of reclassifications for comparative purposes.

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Sino-Forest Corporation

Allen T.Y. Chan
Chairman and Chief Executive Officer

16 MAR 2009

Date

David J. Horsley
Senior Vice President and Chief Financial Officer

16 MAR 2009

Date

Thomas Maradin
Vice President Risk Management

16 MAR 2009

Date

Sino-Forest Corporation

Summary of Audit Differences

Client: Sino-Forest Corporation		Audit dates: 31-Dec-2008		Currency: USD								
No.	WP ref.	Account	Analysis of audit differences				Other - Specify					
			Assets	Liabilities	Income Effect	Balance Sheet as						
		(Audit differences are recorded as journal entries and description of the entry)	Non-current	Current	Non-current	Current	of the End of this	Non	Prior period	Non	Other - Specify	
		(Unrecorded Audit Differences)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)	Debit(Credit)
1	JF (P14) 4/A3	Dr. Acc Receivable Cr. Revenue (To record underpayment in project revenues based on % completion of method using actual cost and total estimated project cost)	1,050,141							(1,050,141)		
2	SP Yunnan (D23) VE	Dr. Operating related earnings Cr. AOCI (To record the effect of functional currency change for SP Yunnan)										411,941 (411,941)
3	SP China Investment	Dr. Income Tax Expense Cr. Accrued Liabilities (Income tax expense on payable outstanding for more than 2 years)		(240,000)						940,000		
4	SFC (co) 111	Dr. Interest Expenses Cr. Loan-term Prepayment (To adjust for the difference between face value and present value for prepayment with WFT)		(500,000)						500,000		
5	JF (P14) 5/B	Dr. Social Benefit Expense Cr. Other Liability (To record the unrecorded social benefit)		(485,773)						485,773		
6	SFR	Dr. Related Earnings Cr. Income tax expense Cr. Accrued Liabilities (Penalty on non-paying of imported log income)		(1,000,000)						(1,300,000)	X	2,300,000
7	SP Guangxi	Dr. Income Tax Expenses Cr. Income Tax Payables (Being deferred tax on foreign exchange gain)		(230,000)						230,000	X	
8	Guoyao	Dr. Impairment Loss Cr. Capital Assets (Impairment of participation and limitation loss in Guoyao)		(3,700,000)						3,700,000		



Sino-Forest Corporation

March 31, 2009

Ernst & Young LLP
Chartered Accountants

In connection with the Sino-Forest Corporation's (the "Company") consolidated balance sheets as at December 31, 2008 and 2007, and the consolidated statements of income and retained earnings, comprehensive income and cash flows for the years then ended included in the Company's annual report for the year ended December 31, 2008 to be filed with the Canadian securities regulatory authorities on March 31, 2009, and in connection with your consent to the use of your audit report on the abovementioned consolidated financial statements in the annual report, the representations made to you in our letter of March 16, 2008 remain current.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In addition to the foregoing, we also confirm, to the best of our knowledge and belief, the following representations made to you in connection with the procedures performed by you to enable you to provide a written consent.

General

We have responded fully to all inquiries made to us by you during the completion of your procedures.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

The revised unrecorded summary of audit difference for the year ended December 31, 2008 is attached in Appendix I.

Unaudited Financial Information

No consolidated financial statements are available for any period subsequent to December 31, 2008.

2015-29, 28/17, Sun 1 Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
50 Burnhamthorpe Road West, Suite 1203 Mississauga, Ontario, L5S 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
Tel: (905) 281 8329 Fax: (905) 281 3338
E-mail: info@sinoforest.com

MAR 31 2009

MAR 31 2009



Sino-Forest Corporation

Minutes

The dates of meetings of shareholders, directors, committees of directors and important management committees from January 19, 2009 to the date of this letter are as follows:

Compensation and Nominating Committee – February 5, 2009, March 10, 2009

We have made available to you the minutes of these meetings and such minutes are complete and authentic records of such meetings. The minutes of the above meetings have not yet been completed or circulated to the Board of Directors or the applicable committees for approval. However, in our opinion, the continuous disclosure documents (e.g. press releases, financial statements, MD&A, annual information form, etc.) filed by the Company on SEDAR since January 19, 2009 contain all of the necessary material information discussed at such meetings that is required to be disclosed under Canadian securities legislation.

Contracts

We have made available to you all significant contracts and agreements. We have complied with all aspects of the contractual agreements that would have a material effect on the financial statements in the event of non-compliance.

Share-based Payments

All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plans from which they were granted.

The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.

We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA 3870. The assumptions used in fair value measurements made in accordance with CICA 3870, represent our best estimates as of the measurement date of expectations of future conditions.

3815-29, 38/16, Sun Hong Kai Centre, 30 Hutchins Road, Wanchai, Hong Kong
90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 2K3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
Tel: (905) 281 8882 Fax: (905) 281 3338
E-mail: info@sinoforest.com

MAR 31 2009



Sino-Forest Corporation

Subsequent Events

No events, transactions or changes in accounting policies and presentation have occurred since the date of our previous letter or are pending that would have a material effect on the audited financial statements included in the Company's annual report or that are of such significance in relation to the Company's affairs to require mention in a note to the audited financial statements, in each case in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company and in accordance with generally accepted accounting principles as of the date of this letter. We have performed procedures to identify subsequent events up to and including March 31, 2009.

Approval of Document

The Annual Report and Annual Information Form have been approved for release by the board of directors of the Company.

Allen T. Y. Chan
Chairman and Chief Executive Officer
Date 31 March 2009

David L. Holsley
Senior Vice President and Chief Financial Officer
Date 3/31/09

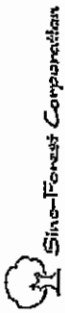
Thomas Maradin
Vice President Risk Management
Date 3/31/09

3615-29, 38/15, Sun Hung Kai Centre, 30 Harbour Road, Wharfedale, Hong Kong
90 Bathurst Quay Road West, Suite 1208 Mississauga, Ontario, L5B 3C5, Canada
www.sinoforest.com

Tel: (852) 2677 0078 Fax: (852) 2677 0002
Tel: (905) 281 8399 Fax: (905) 281 3338
E-mail: info@sinoforest.com

MAR 31 2009

Appendix I



Sino-Forest Corporation

Summary of Audit Differences

Balance Sheet

31-Dec-2008

US\$

No.	Description of Difference	Balance Sheet		Analysis of each difference		Other - Speedy
		Current	Non-current	Liabilities - Current	Liabilities - Non-current	
1	WIP ref. amount should be recorded as Journal amount and description of the entry.					
2	Dr: Accrued interest expense					
3	Dr: Prepaid expenses					
4	Dr: Long term investment					
5	Dr: Other liability					
6	Dr: Retained Earnings					
7	Dr: Prepaid expenses					
8	Dr: Cash					

MAR 31 2009

2009



Sino-Forest Corporation

March 16, 2010

Ernst & Young LLP
Chartered Accountants

In connection with your audit of the consolidated financial statements of Sino-Forest Corporation (the "Company") as of December 31, 2009 and 2008, and for the years then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles.

We understand that the purpose of your audits of our financial statements is to express an opinion thereon and your audits were conducted in accordance with Canadian generally accepted auditing standards, which involve an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances. It is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of financial statement information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, as of March 16, 2010, which are true to the best of our knowledge and belief:

Financial statements and financial records

1. We acknowledge that, as members of management of the Company, we are responsible for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with Canadian generally accepted accounting principles.
2. The significant accounting policies adopted in the preparation of the consolidated financial statements are fully and fairly described in the financial statements.
3. As members of management of the Company, we believe that the Company has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.



Sino-Forest Corporation

Fraud and error

1. We acknowledge that we are responsible for the design and implementation of internal controls to prevent and detect fraud and error;
2. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud and have determined such risk to be low.

We have no knowledge of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, or others, where the fraud could have a non-trivial effect on the consolidated financial statements. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's consolidated financial statements received in communications from employees, former employees, analysts, regulators, or others. In addition, all "whistle-blower" allegations coming to our attention have been disclosed to you. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the Company.

3. We believe that the effects of those unrecorded financial statement misstatements aggregated by you during your audit, as summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. In addition, to the extent that audit differences have been subsequently identified in the current period that affect prior year financial statements, we have evaluated the effect of correcting prior year consolidated financial statements and believe that the effects of the unrecorded audit differences are immaterial, both individually and in the aggregate, to the prior year consolidated financial statements taken as a whole.

Illegal acts

1. We are not aware of any illegal or possibly illegal acts, as defined in CICA Handbook Section 5136.

Independence

1. Based on inquiries we have made of our officers, directors, and substantial shareholders, we are not aware of any business relationship between any such officer, director, or substantial stockholder (or any entity for or of which such an officer or director acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Entity"), other than one pursuant to which an EY Entity performs professional services. For this purpose, a "substantial shareholder" is a person or entity (excluding mutual funds) that owns five percent or more in the Company.
2. We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Company's audit.



Sino-Forest Corporation

Conflicts of interest

1. There are no instances where any officer or employee of the Company has an interest in a company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to Company policy.

Completeness of information

1. We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on January 25, 2010.
2. We also have made available to you all significant contracts and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
3. There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the consolidated financial statements.
4. We have disclosed to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been properly measured and disclosed in the consolidated financial statements.
5. As it relates to share-based payments, we have made available to your representatives all plan documents and data related to granting, vesting, exercising, cancelling, and forfeiting share-based payments, including modifications to existing plans or previously granted awards.

Recognition, measurement and disclosure

1. We believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.

Risks and measurement uncertainties

1. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the

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Sino-Forest Corporation

estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.

- The Company believes that the judgements and estimates used in calculating the income tax provision represent the appropriate likelihood of various outcomes occurring.

Ownership of assets

- The Company has satisfactory title to all assets appearing in the consolidated balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged except as disclosed in the consolidated financial statements. All assets to which the Company has satisfactory title appear in consolidated the balance sheet.
- The Company has proper titles and rights on all timber holdings as recorded on the consolidated balance sheet as of December 31, 2009. There were no natural disasters with respect to any of the Company's plantations during the year ended December 31, 2009. All timber holdings are fully covered by insurance policies. The Company does not have significant asset retirement obligation on its plantations in the People's Republic of China (the "PRC").

Related party transactions

- Transactions with related parties, as defined in CICA Handbook Section 3840, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been properly recorded and/or disclosed in the consolidated financial statements.
- Moreover, no related parties have been involved in the settlement process between authorized intermediaries and any subsidiaries of the Company on the balances of accounts receivable and accounts payable. We confirm that these fund redirection transactions were genuine and complete.

Receivables and revenues

- Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the balance sheet dates, goods shipped on consignment, or other types of arrangements not constituting sales. All revenue recognized as of the balance sheet dates has been realized or is realizable and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable, and (4) collectibility is reasonably assured.
- Adequate provision has been made for losses, costs, and expenses that may be incurred subsequent to the balance sheet dates in respect of sales and services rendered prior to those dates and for uncollectible accounts, discounts, returns, and allowances, etc., that may be incurred in the collection of receivables at those dates.

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3. We have disclosed to you all sales terms (both express and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.
4. We have adequately disclosed a description of our major revenue generating products and services, the types of arrangements (including multiple element arrangements) used to deliver these products or services, and a description of the revenue recognition policies applicable to these products or services.
5. We are discussing with Inner Mongolian Forest and Timber Resources Company Limited ("IMFT"), Elderbridge Ltd. and its shareholders on a new repayment schedule for the \$0.5 million deposits for the purchase of logs paid to IMFT and \$9.5 million deposit paid to Elderbridge Ltd. We expect these deposits will be fully recoverable by future timber purchases and/or cash refund.
6. We are not aware of any indication of impairment on the subordinated loan and interest receivable from Mandra Forestry Holdings Limited.
7. During the year, settlements of trade receivables by the customers totalling US\$904 million were made by way of making direct payments on behalf of the Surt Wood Inc. ("SWI") and Sino-Forest Resources Inc. ("SFR") to the plantation owners in relation to the purchases of tree plantations. We confirm that these fund redirection transactions were genuine and complete.
8. During the year, trade receivables of US\$120.4 million were settled through cash deposits credited directly to bank accounts of the SFR by the remitting agents of the customers, which are not related parties to the Company or to the management or officers of the Company as listed below:

Name of Remitting Agents		USD '000
Winner Max Int'l Ltd.	\$	34,516,656
Imported and Exported Timber Exchange	\$	999,896
Sino Richly International Ltd.	\$	31,791,019
Lifan Trading Ltd.	\$	40,491,241
Unnamed agents	\$	12,696,444
	\$	<u>120,495,256</u>

Inventories

1. Inventories were priced at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
 - Raw materials and expense materials - at the lower of cost and replacement cost.



Sino-Forest Corporation

- Work-in-process and finished goods - at the lower of cost (including material and labour costs and overhead costs based on actual rates) and net realizable value.

Included in the balance of wood logs, there is approximately \$11 million (9 tons) worth of Hainan Yellow Rose wood logs, which has little movement in the past 2 years. We confirmed that Hainan Yellow Rose is a precious specie and there is no valuation concern. We represented the fair value of the 9 tons of Hainan Yellow Rose wood logs exceeds its carrying value as at the balance sheet date.

In arriving at such values, full allowance was made for defective, slow-moving, excess, unusable or obsolete stock. Adequate provision has been made for firm sales contracts in excess of inventory held and for firm purchase contracts. There have been no reductions of the selling prices of finished goods subsequent to the year end and none are contemplated.

- Physical counts and measurement of inventories were made by competent employees under the supervision of the management as at the year end, and the quantities were determined by actual count, weight or measurement.
- Inventory does not include items not paid for and for which no liability has been recorded in the accounts at the year end; goods on consignment from others; or goods invoiced to customers.

Financial Instruments

- The Company has properly classified financial assets with readily determinable fair values as either held for trading, held-to-maturity, loans and receivables or available-for-sale. The Company has the positive intent and ability to hold to maturity all financial assets that are classified as held-to-maturity. The Company has the positive intent and ability to hold to maturity all financial assets that are classified as held-to-maturity.
- The Company has properly classified financial liabilities with readily determinable fair values as either held for trading or other financial liabilities.
- Our valuation methodologies have been consistently applied from period to period and we believe that the methods and significant assumptions used are reasonable, reflect those we believe would be used by market participants, and result in a measure of fair value that is appropriate for financial statement measurement and disclosure purposes. In addition, our disclosures related to fair value measurement are complete and adequate.

Arrangements with financial institutions

- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the consolidated financial statements.



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Long-term investments

1. These investments are valued at cost.
2. Appropriate loss provisions have been provided in the accounts for any other than temporary declines in the value of investments.
3. All income for the year on the investments has been recorded in the accounts.
4. The cost method is used to account for the Company's investment in the share capital of Greenheart Resources Holdings Limited ("Greenheart") and Madra Forestry Holdings Limited as such investments do not have quoted market prices and the Company does not have the ability to exercise significant influence over the investees' operating and financial policies.

Investments in subsidiaries and affiliates

1. We have appropriately consolidated all entities for which we directly or indirectly have a controlling financial interest.
2. We have appropriately accounted for all freestanding (or embedded) rights and/or obligations to repurchase the shares of a subsidiary that are held by outsiders as a financial liability in accordance with CICA Handbook Section 3863.

Variable interests and variable interest entities

1. We have appropriately identified variable interest entities (VIEs) and disclosed all variable interests in VIEs. The Company has considered its related parties and de facto agents in making the determination as to whether a VIE should be consolidated. The Company has reconsidered the initial determination of whether an entity is a VIE and/or whether it is the VIE's primary beneficiary, as required by Accounting Guideline 15.
2. The Company does not have any representation in the board of directors of Omnicorp Limited ("Omnicorp") nor the ability to participate in policy-making process in Omnicorp. As well, the Company does not have special right to appoint a member of the board and they can only nominate individuals to the board which is subject to election by the shareholders of Omnicorp. The Company is not able to exercise significant influence over financing and operating policies of Omnicorp. Further, the Company does not provide or exchange any managerial personnel or provide technical support to Omnicorp. Moreover, the Company does not have the benefit of obtaining financial information other than that available through public sources.

Deferred charges

1. We believe that all material expenditures that have been deferred to future periods are recoverable.



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Property, plant and equipment and assets under capital leases

1. All charges to fixed asset accounts and additions under capital leases during the year represent actual additions and no expenditures of a capital nature have been charged to expense during the year.
2. All property, plant and equipment sold or dismantled and all capital lease terminations during the year have been properly accounted for in the accounts.
3. Appropriate rates have been used to depreciate and amortize these assets over our estimation of their useful lives.

Long-lived assets to be held and used, including amortizable intangible assets

1. Long-lived assets to be held and used, including intangible assets that are subject to amortization, have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. Our estimates of future cash flows used to assess recoverability of such assets are based on reasonable and supportable assumptions regarding the cash flows expected to result from the use of the assets and their eventual disposition. Where appropriate under CICA Handbook Section 3063, such assets have been written down to fair value.
2. Further, the Company entered into lease agreement with the buyer of the particleboard production lines for leasing the remaining undisposed land and building in existing Gaoyao manufacturing facility. We do not believe there is any indicator of impairment on the land and building of the particleboard facility in Gaoyao and the flooring facility in Suzhou, the PRC. We confirm that the Suzhou equipment and machinery are in good condition and expect to operate these equipment and machinery for at least 9 more years from January 1, 2009.

Events of default under debt agreements

1. No events of default have occurred with respect to any of the Company's debt agreements.

Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting and registration requirements, and there have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of non-

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compliance.

4. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
5. The Company has assessed the compliance on the debt covenants related to its long-term debts. The Company determined that it has complied with all debt covenants and there is no default on any of the long-term debts.

Oral or written guarantees

1. There are no oral or written guarantees including guarantees of the debt of others.

Share capital

1. Share capital repurchase options or agreements, or share capital reserved for options, warrants, conversion, or other requirements have been properly recorded or disclosed in the consolidated financial statements.

Purchase commitments

1. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).
2. The master purchase timber contracts signed were all for prices that approximated market value at the outset of the contract. The Company has neither the ability nor intention to settle any of these contracts on a net basis.
3. The decision on entering into the imported wood log transactions and the signing of sales and purchase of wood log contracts for Sino-Forest Resources Inc. are all in Hong Kong.

Employee future benefits

1. The Company does not have employee future benefits as defined in CICA Handbook Section 3461.



Sino-Forest Corporation

Consolidated accounts

1. All significant intercompany transactions have been disclosed to you and properly eliminated in the consolidated financial statements (intercompany profits in inventories and property, plant and equipment, intercompany balances, etc.).
2. The cost of acquisition of investments has been assigned in the financial statements to the purchased assets (including goodwill, after adjustment for minority interest) and liabilities in accordance with their values as at the dates of acquisition.

Segment information

1. The information about operating segments included in the notes to the consolidated financial statements has been prepared and presented in conformity with CICA Handbook Section 1701. We have appropriately identified our operating segments based on the information used by our chief operating decision maker to evaluate operating performance of and make resource allocation decisions among business units. For reportable operating segments that are the result of the aggregation of multiple operating segments, (1) the aggregation is consistent with the objective of CICA Handbook Section 1701, (2) the aggregated operating segments have similar economic characteristics, and (3) the aggregated operating segments are similar in each of the following areas:
 - (a) The nature of the products and services
 - (b) The nature of the production processes
 - (c) The type or class of customer for their products and services
 - (d) The methods used to distribute their products or provide their services
 - (e) The nature of the regulatory environment.

Differences between the measurements used in reporting operating segment information and those used in the consolidated financial statements are adequately disclosed in the notes to the financial statements.

Discontinued operations

In 2009, all risks and rewards of the particleboard line operation in Gaoyao, the PRC, have been transferred from the Company to the buyer. We have no significant continuing involvement (as defined in Emerging Issues Committee 153 – Applying the Conditions in CICA 3475.27 in Determining Whether to Report Discontinued Operations). The operations and cash flows of particleboard line operation in Gaoyao, the PRC, have been eliminated from the ongoing operations of the Company as a result of the disposal transaction.

The particleboard line is subject to custom-duty clearance in the PRC but we expect to recover any

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Sino-Forest Corporation

costs relating to custom duty clearance from the buyer. We estimated we will incur value-added tax of approximately \$2.6 million relating to the disposal of the particleboard lines based on the proportion of new and used fixed assets on the Company's book and record. We confirmed that no additional expenses are expected to incur on the particleboard line on going forward basis.

We believe the potential severance payment and penalty, if any, calculated pursuant to the applicable PRC Labour Law and payable to employees who may be laid off as a result of the discontinued operation, is negligible as of December 31, 2009.

No significant events have occurred or circumstances have arisen that would require the reassessment of the classification of the discontinued of wood chips business and particleboard line operation as discontinued operations.

Share-based payments

- All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plan from which they were granted. Delegation of the authority to grant share-based payments is within the Board's legal rights, and in accordance with the terms of the applicable share-based payment plan(s).
- The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA Handbook Section 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.
- We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA Handbook Section 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA Handbook Section 3870. The assumptions used in fair value measurements made in accordance with CICA Handbook Section 3870, represent our best estimates as of the measurement date of expectations of future conditions.
- There are 121,000 stock options granted to Mr. David Horsley with original expiry date on September 9, 2009, and 105,000 stock options granted to Mr. Edmund Mak with original expiry date on May 11, 2009, which are still outstanding at December 31, 2009. The expiry dates of above options were extended because the original expiry dates of these options fell within a blackout period. As a result, pursuant to the terms of the Company's stock option plan, the expiry dates of these options are extended to the 8th business day after the end of the current blackout period which commenced on December 21, 2009.

Derivative financial instruments

The Company has one embedded derivative, being the convertible option of Omnicorp's convertible bonds.

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The Company's records reflect all transactions involving derivative financial instruments, all embedded derivatives have been identified and the assumptions and methodologies used in the valuation models applied to derivative financial instruments are reasonable. All transactions involving derivative financial instruments have been conducted at arm's length and at fair values.

Use of the work of a specialist

We agree with the findings of specialists in evaluating the valuation of standing timber and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Transaction gains and losses attributable to intercompany transactions:

1. Transaction gains and losses attributable to intercompany foreign currency transactions that are of a long-term investment nature (that is, settlement is not planned or anticipated in the foreseeable future) have been reported in other comprehensive income. Transaction gains and losses attributable to other intercompany foreign currency transactions have been included in net income for the period in which the exchange rates change.
2. All subsidiaries are treated as self-sustaining operations since (1) the cash flows, (2) selling prices and markets of the subsidiaries' products, (3) labour, materials and other costs, and (4) the financing of the day-to-day operations of each entity are insulated from the Company. As well, the subsidiaries operate independently in PRC and do not have other significant inter-company transactions with the Company.
3. Inter-company balance mainly included three categories, which are current account, inter-company interest, and inter-company loan. There are no unusual inter-company transactions and all inter-company loans have been properly eliminated. All inter-company loan and inter-company interest are considered net investments in the subsidiaries.

Effects of new accounting principles

We have not completed the process of evaluating the effects that will result from adopting CICA Handbook Section 1582 Business Combinations, Section 1601 Consolidated Financial Statements, and Section 1602 Non-Controlling Interests as discussed in Note 2 to the consolidated financial statements. The Company is therefore unable to disclose the effects that adopting Section 1582, Section 1601 and Section 1602 will have on its financial position and the results of its operations when such Section is adopted.

Income Tax Matters

1. We have disclosed to you all significant tax planning strategies and transactions that were put in

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Sino-Forest Corporation

place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.

2. We recognize that we are responsible for the Company's compliance with jurisdictional tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts.
3. We have provided you all opinions or memoranda of law (tax or other) that serve as support for our assessment of material tax positions (including tax uncertainties and determinations of the application of interest and penalties) as well as any opinions or memoranda of law (tax or other) that contradicted, or provided lower levels of assurance than, the opinions or memoranda of law ultimately used by the company to support its tax positions.
4. All plantation sales contracts entered into by SWI, Sino-Panel (Yunnan) Limited ("SP Yunnan"), or other subsidiaries incorporated in the British Virgin Islands (the "BVI Subsidiaries") have been negotiated and signed by Allen Chan, CEO, or other members of management in the PRC. All orders or requests associated with approving sale of the PRC plantation were carried out outside of Hong Kong.
5. The decision on all imported wood log sales transactions conducted by SFR, and the signing of all imported wood log sales and purchases have been done by Allen Chan, CEO, in Hong Kong. The instruction with respect to the range of profit margin on the imported wood log sales is given by Allen Chan to Alfred Hung verbally in Hong Kong.
6. Management of cash and amounts receivable from authorized intermediaries by SWI and SFR is carried on outside Hong Kong.
7. All interest bearing loans made by Hong Kong resident companies are to subsidiaries that do not have bank accounts in Hong Kong.
8. The Company does not intend to repatriate to Canada or PRC earnings of its BVI Subsidiaries that exist at December 31, 2009 in the foreseeable future.
9. We have disclosed to you all tax positions and tax uncertainties that could potentially impact the current year tax provision for income taxes, or the recorded amount of tax assets and liabilities.
10. We have filed all applicable income tax and informational returns required by relevant tax authorities for all material operating subsidiaries in Canada, Hong Kong and the PRC.

Others

1. We have assessed the recoverability of the convertible bonds issued by Omnicorp. We considered the fair value on Greenheart's timber concession rights Greenheart, estimated by

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Sino-Forest Corporation

Poyry Forestry Industry Pte Ltd. in 2007 is not significantly different than the fair value in 2009. Based on the fair value of Greenheart's timber concession rights, we represented that there is no impairment on the convertible bonds issued by Onnicorp and the deposit of wood logs paid to Greenheart of approximately \$3 million.

2. We represented that the advances to the subsidiaries of Hornix Limited of approximately \$4 million as at December 31, 2009 is non-interest bearing, unsecured and repayable on demand. We expect to fully recover the advances in cash in the future.

Value added tax

1. As at December 31, 2009, we have approximately \$19 million balance of value-added tax recoverable relating to the purchase of plantations. We confirm that we will receive valid value-added tax invoices for the whole amount from the vendors in 2010.
2. We also confirm that for the sale of plantations by SWI and SP Yunnan, the authorized intermediaries are fully responsible for the value-added tax on all sale transactions. The Company does not have any financial liability with respect to the value-added tax under the sale of plantation transactions, under the tax regulations or the contractual relationship between SWI and SP Yunnan and the authorized intermediaries that may need to be accrued as at the balance sheet date.

Subsequent events

Except for the subsequent events disclosed in note 24 to the consolidated financial statements, no events or transactions have occurred since December 31, 2009 or are pending that would have a material effect on the consolidated financial statements as of December 31, 2009 and for the year then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the financial statements in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company.

Comparative figures

In connection with your audit of the comparative consolidated financial statements for the year ended December 31, 2009, we represent, to the best of our knowledge and belief, the following:

There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the financial statements for the year ended December 31, 2008, which are shown as comparative amounts in the financial statements for the year ended December 31, 2009. Any differences in the comparative amounts from the amounts in the financial statements for the year ended December 31, 2008 are solely the result of reclassifications for comparative purposes.



Sino-Forest Corporation

Allen T.Y. Chan
Chairman and Chief Executive Officer

16 MAR 2010

Date

David J. Forsley
Senior Vice President and Chief Financial Officer

15 MAR 2010

Date

Thomas Maradin
Vice President Risk Management

15 MAR 2010

Date



Sino-Forest Corporation

Allen T.Y. Chan
Chairman and Chief Executive Officer

16 MAR 2010

Date

David J. Horsley
Senior Vice President and Chief Financial Officer

Date

Thomas Maradin
Vice President Risk Management

16 MAR 2010

Date



Sino-Forest Corporation

SUMMARY OF RECORDED AUDIT DIFFERENCES

All identified audit differences above nominal amount		Analysis of audit differences Debit/Credit									
No.	W/P ref.	Account (Audit differences are recorded as journal entries and description of the entry.)	Assets		Liabilities		Income Effect of Correcting the Balance Sheet as of the End of the				Other, specify
			Current	Non-current	Current	Non-current	Current period	Non Taxable	Prior period	Non Taxable	
			Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit	Debit/Credit
		Common Convertible Bond									
		Gain on modification of Common Convertible Bond									
		To record the gain on extension of Common Convertible Bond									
		Future Income Tax Liabilities									
		Accrued Interest									
		Deferred Income Tax Assets									
		Future Income Tax Liabilities									
		Future Income Tax Assets									
		Income tax effect of tax effect on the equity									

3/15/2010

3/15/2010



Sino-Forest Corporation

May 11, 2010

Ernst & Young LLP
Chartered Accountants

In connection with the Sino-Forest Corporation's (the "Company") consolidated balance sheets as at December 31, 2009 and 2008, and the consolidated statements of income and retained earnings, comprehensive income and cash flows for the years then ended included in the Company's annual report for the year ended December 31, 2009 to be filed with the Canadian securities regulatory authorities on May 11, 2010, and in connection with your consent to the use of your audit report on the abovementioned consolidated financial statements in the annual report, the representations made to you in our letter of March 16, 2010 remain current.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In addition to the foregoing, we also confirm, to the best of our knowledge and belief, the following representations made to you in connection with the procedures performed by you to enable you to provide a written consent.

General

We have responded fully to all inquiries made to us by you during the completion of your procedures.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

Unaudited Financial Information

We recognize that, as members of management of the Company, we are responsible for the preparation and fair presentation of its unaudited consolidated financial statements for the period ended March 31, 2010 made available to you.

MAY 11 2010



Sino-Forest Corporation

Annual Report

We also recognize that, as members of management of the Company, we are responsible for the preparation and fair presentation of the annual report for the year ended December 31, 2009. Such document is prepared in accordance with relevant Canadian securities legislation.

Minutes

The dates of meetings of shareholders, directors, committees of directors and important management committees from January 25, 2010 to the date of this letter are as follows:

Corporate Governance Committee

February 2, 2010 (signed)

Audit Committee

February 2, 2010 (signed)

March 15, 2010 (draft only)

March 25, 2010 (draft only)

Board of Directors

February 1, 2010 (signed)

March 15, 2010 (approved but unsigned)

March 25, 2010 (approved but unsigned)

April 22, 2010 (draft only)

May 2, 2010 (draft only)

We have made available to you the minutes of these meetings and such minutes are complete and authentic records of such meetings.

Contracts

We have made available to you all significant contracts, including amendments, and agreements. We have complied with all aspects of the contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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Sino-Forest Corporation

Share-based Payments

All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plans from which they were granted. Delegation of the authority to grant share-based payments is within the Board's legal rights, and in accordance with the terms of the applicable share-based payment plan(s).

The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.

We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA 3870. The assumptions used in fair value measurements made in accordance with CICA 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Subsequent Events

No events, transactions or changes in accounting policies and presentation have occurred since the date of our previous letter or are pending that would have a material effect on the audited financial statements included in the Company's annual report or that are of such significance in relation to the Company's affairs to require mention in a note to the audited financial statements, in each case in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company and in accordance with generally accepted accounting principles as of the date of this letter. We have performed procedures to identify subsequent events up to and including May 11, 2010.

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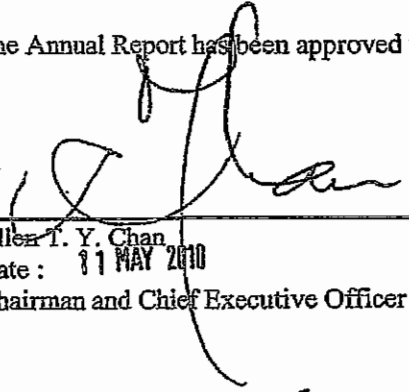
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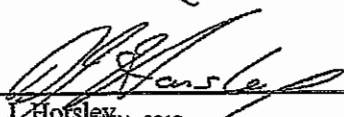
Sino-Forest Corporation

Approval of Document

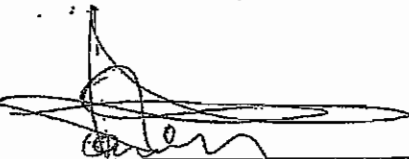
The Annual Report has been approved for release by the board of directors of the Company.



Allen T. Y. Chan
 Date : 11 MAY 2010
 Chairman and Chief Executive Officer



David J. Horsley
 Date : 11 MAY 2010
 Senior Vice President and Chief Financial Officer



Thomas Maradin
 Date : 11 MAY 2010
 Vice President Risk Management



2010

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Sino-Forest Corporation

March 15, 2011

Ernst & Young LLP
Chartered Accountants

In connection with your audit of the consolidated financial statements of Sino-Forest Corporation (the "Company") as of December 31, 2010 and 2009, and for the years then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and your audit was conducted in accordance with Canadian generally accepted auditing standards, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances. It is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of financial statement information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, as of March 14, 2011, which are true to the best of our knowledge and belief:

Financial statements and financial records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 7, 2010, for the preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles.
2. We acknowledge that, as members of management of the Company, we are responsible for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with Canadian generally accepted accounting principles.
3. The significant accounting policies adopted in the preparation of the consolidated financial statements are fully and fairly described in the financial statements.
4. As members of management of the Company, we believe that the Company has a system of internal controls adequate to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

3815-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
Tel: (905) 281 8889 Fax: (905) 281 3338
E-mail: info@sinoforest.com

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Sino-Forest Corporation

5. We have communicated to you all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since December 31, 2010.

Fraud and error

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.
2. We have assessed the risk that the consolidated financial statements may be materially misstated as a result of fraud and have determined such risk to be low.

We have no knowledge of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control, or others, where the fraud could have a non-trivial effect on the consolidated financial statements. We have no knowledge of any allegations of fraud or suspected fraud affecting the Company's consolidated financial statements received in communications from employees, former employees, analysts, regulators, or others. In addition, all "whistle-blower" allegations coming to our attention have been disclosed to you. No irregularities or shortages have occurred and nothing has come to light which might reflect upon the honesty or integrity of any employee, agent or officer of the Company.

3. We believe that the effects of those unrecorded financial statement misstatements aggregated by you during your audit, as summarized in the accompanying schedule, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

Compliance with laws and regulations

1. We have disclosed to you all known actual or suspected non-compliance with laws and regulations whose effects should be considered when preparing the consolidated financial statements.

Independence

1. Based on inquiries we have made of our officers, directors, and substantial shareholders, except as described below, we are not aware of any business relationship between any such officer, director, or substantial stockholder (or any entity for or of which such an officer or director acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"), other than one pursuant to which an EY Firm performs professional services. For this purpose, a "substantial shareholder" is a person or entity (excluding mutual funds) that owns five percent or more in the Company.
2. We are not aware of any reason that Ernst & Young LLP would not be considered to be independent for purposes of the Company's audit.

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Sino-Forest Corporation

Conflicts of interest

1. There are no instances where any officer or employee of the Company has an interest in a company with which the Company does business that would be considered a "conflict of interest." Such an interest would be contrary to Company policy.

Completeness of information

1. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements such as records, documentation and other matters
 - (b) Additional information that you have requested from us for the purpose of the audit
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence
2. We have made available to you all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on February 28, 2011.
3. We also have made available to you all significant contracts, including amendments, and agreements and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
4. There are no transactions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the consolidated financial statements.
5. We have disclosed to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been properly measured and disclosed in the consolidated financial statements.
6. As it relates to share-based payments, we have made available to your representatives all plan documents and data related to granting, vesting, exercising, cancelling, and forfeiting share-based payments, including modifications to existing plans or previously granted awards.

May 15 2011

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Sino-Forest Corporation

Recognition, measurement and disclosure

1. We believe that the significant assumptions underlying accounting estimates, including those measured at fair value, disclosures used in the preparation of the consolidated financial statements are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.

Risks and measurement uncertainties

1. The nature of all material measurement uncertainties has been appropriately disclosed in the consolidated financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the consolidated financial statements.
2. The Company believes that the judgements and estimates used in calculating the income tax provision represent the appropriate likelihood of various outcomes occurring.

Ownership of assets

1. The Company has satisfactory title to all assets appearing in the consolidated balance sheet, and there are no liens or encumbrances on the Company's assets, nor has any asset been pledged except as disclosed in the consolidated financial statements. All assets to which the Company has satisfactory title appear in the consolidated balance sheet.
2. The Company has proper titles and rights on all timber holdings as recorded on the consolidated balance sheet as of December 31, 2010. There were no natural disasters with respect to any of the Company's plantations during the year ended December 31, 2010. All timber holdings are fully covered by insurance policies. The Company does not have significant asset retirement obligation on its plantations in the People's Republic of China (the "PRC"), Republic of Suriname and New Zealand.

Related party transactions

1. Transactions with related parties, as defined in CICA Handbook Section 3840, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been properly recorded and/or disclosed in the consolidated financial statements.
2. Moreover, no related parties have been involved in the settlement process between authorized intermediaries and any subsidiaries of the Company on the balances of accounts receivable and accounts payable. We confirm that these fund redirection transactions were genuine and complete.

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Sino-Forest Corporation

Receivables and revenues

1. Receivables represent valid claims against the debtors indicated and do not include amounts for goods shipped or services provided subsequent to the balance sheet date(s), goods shipped on consignment, or other types of arrangements not constituting sales. All revenue recognized as of the balance sheet dates has been realized (or is realizable) and earned. Revenue has not been recognized before (1) persuasive evidence of an arrangement exists, (2) goods have been delivered or services rendered, (3) consideration to be received is fixed or determinable, and (4) collectibility is reasonably assured.
2. Adequate provision has been made for losses, costs, and expenses that may be incurred subsequent to the balance sheet date(s) in respect of sales and services rendered prior to that those dates and for uncollectible accounts, discounts, returns, and allowances, etc., that may be incurred in the collection of receivables at that those dates.
3. We have disclosed to you all sales terms (both expressed and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.
4. We have adequately disclosed a description of our major revenue generating products and services, the types of arrangements (including multiple-element arrangements) used to deliver these products or services, and a description of the revenue recognition policies applicable to these products or services.
5. We have entered into an agreement with Erlanhot Quande Resources Co., Ltd. ("EQRC") to assume the repayment obligation of the US\$10 million deposit previously made to Inner Mongolian Forest and Timber Resources Company Limited ("IMFT"). We expect that EQRC will begin to make payments in May 2011 as stipulated in the new agreement with an effective date on May 25, 2010, and that these deposits will be fully recoverable by future timber purchases and/or cash refund.
6. During the year, settlements of trade receivables by customers totalling US\$1,179 million were made by way of making direct payments on behalf of the Suri-Wood Inc. ("SWI"), Sino-Forest Resources Inc. ("SFR"), Sino-Panel (Yunnan) Limited ("SPYN"), Sino-Wood Trading Limited ("SWT") to the plantation owners in relation to the purchases of tree plantations by other subsidiaries of the Company. We confirm that these fund redirection transactions were genuine and complete. We confirm that we have the ability and rights to request direct cash payment from our customers to the bank accounts operated by the Company.
7. During the year, trade receivables of US\$236 million were settled through cash deposits credited directly to bank accounts of SFR by remitting agents of the customers, which are not related parties to the Company or to the management or officers of the Company as listed below:

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Sino-Forest Corporation

Name of Remitting Agents		USD '000
Sino Richly International Ltd.	\$	43,347
Lifan Trading Ltd.	\$	49,522
Recent Fortune Group Ltd.	\$	42,627
Winner Max International Ltd.	\$	49,510
Mighty Eagle Holding Group Ltd.	\$	40,830
Trade Allied International-Ltd.	\$	3,153
Others	\$	7,122
	\$	<u>236,111</u>

8. During the year, prepayment contracts were entered by Sino-Panel (Hunan) Forest Management Co, Ltd. with certain local vendors with respect to plantation land lease and plantation purchases. As at December 31, 2010, approximately US\$40 million has been recorded as a prepayment and a corresponding payable as this amount is due for payment according to the contracts. We confirm that such contracts are irrevocable and we are liable to pay this US\$40 million as at December 31, 2010 according to the terms and conditions stipulated in the contracts.

Inventories

1. Inventories were priced at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- Raw materials and expense materials – at the lower of cost and replacement cost.
 - Work-in-progress and finished goods – at the lower of cost (including material and labour costs and overhead costs based on actual rates) and net realizable value.

Included in the balance of wood logs, there is approximately \$11.8 million (9.5 tons) worth of Hainan Yellow Rose wood logs, which has little movement in the past 3 years. We confirm that Hainan Yellow Rose is a precious specie and there is no valuation concern. We represent the fair value of this 9.5 tons of Hainan Yellow Rose wood logs exceeds its carrying value as at December 31, 2010.

In arriving at such values, full allowance was made for defective, slow-moving, excess, unusable or obsolete stock. Adequate provision has been made for firm sales contracts in excess of inventory held and for firm purchase contracts. There have been no reductions of the selling prices of finished goods subsequent to the year end and none are contemplated.

2. Physical counts and measurement of inventories were made by competent employees under the supervision of the management as at the year end, and the quantities were determined by actual count, weight or measurement.

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Sino-Forest Corporation

3. Inventory does not include items not paid for and for which no liability has been recorded in the accounts at the year end; goods on consignment from others; or goods invoiced to customers.

Financial instruments

1. The Company has properly classified financial assets with readily determinable fair values as either held for trading, held-to-maturity, loans and receivables or available-for-sale. The Company has the positive intent and ability to hold to maturity all financial assets that are classified as held-to-maturity.
2. The Company has properly classified financial liabilities with readily determinable fair values as either held for trading or other financial liabilities.
3. Our valuation methodologies have been consistently applied from period to period and we believe that the methods and significant assumptions used are reasonable, reflect those we believe would be used by market participants, and result in a measure of fair value that is appropriate for financial statement measurement and disclosure purposes. In addition, our disclosures related to fair value measurement are complete and adequate.

Arrangements with financial institutions

1. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the consolidated financial statements.

Investments in subsidiaries and affiliates

1. We have appropriately consolidated all entities for which we directly or indirectly have a controlling financial interest.
2. We have appropriately accounted for all freestanding (or embedded) rights and/or obligations to repurchase the shares of a subsidiary that are held by outsiders as a financial liability in accordance with CICA Handbook Section 3863.

Deferred Charges

We believe that all material expenditures that have been deferred to future periods are recoverable.

Property, plant and equipment and assets under capital leases

1. All charges to fixed asset accounts and additions under capital leases during the year represent actual additions and no expenditures of a capital nature have been charged to expense during the year.

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Sino-Forest Corporation

2. All property, plant and equipment sold or dismantled and all capital lease terminations during the year have been properly accounted for in the accounts.
3. Appropriate rates have been used to depreciate and amortize these assets over our estimation of their useful lives.

Long-lived assets to be held and used, including amortizable intangible assets

1. Long-lived assets to be held and used, including intangible assets that are subject to amortization, have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. Our estimates of future cash flows used to assess recoverability of such assets are based on reasonable and supportable assumptions regarding the cash flows expected to result from the use of the assets and their eventual disposition. Where appropriate under CICA Handbook Section 3063, such assets have been written down to fair value.
2. We do not believe there is any indicator of impairment on the land and building of the flooring facility in Suzhou and manufacturing facility in Beihai, the PRC.

Events of default under debt agreements

1. No events of default have occurred with respect to any of the Company's debt agreements.

Liabilities and contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no internal investigations or communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance.
4. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.
5. We have assessed the compliance on debt covenants related to the Company's long-term debts and have determined that it has complied with all debt covenants and there is no default on any of the long-term debts.

3815-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
 90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
 Tel: (905) 281 8889 Fax: (905) 281 3533
 E-mail: info@sinoforest.com

MAR 15 2011

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Sino-Forest Corporation

Homix Acquisition

1. In connection with the acquisition of Homix Limited, we have identified all the assets and liabilities acquired (including intangible assets).
2. We determined that there are no unidentifiable intangible assets such as trademarks, customer list, and supplier list or unfavourable contracts in connection with this acquisition.
3. We determined that the fair values of the assets and liabilities acquired are an accurate and appropriate reflection of the values at the acquisition date.
4. We determined the goodwill on the acquisition of Homix is negligible.

Mandra Acquisition

1. The amount of contingent consideration for the acquisition of Mandra Forestry Holdings Limited ("Mandra") is US\$5 million as we are unable to determine the final amount of contingent consideration without reasonable doubt. No portion of the deferred financing costs relating to the issue of the US\$187,187,000 10.25% senior notes due 2014 contemplates as the transaction cost for the acquisition of Mandra.
2. Pursuant to the sale and purchase agreement with the vendor of Mandra, the Company is not liable and does not have to pay for the capital gain tax which the PRC tax bureau will levy on the vendor. The MC Loan of US\$1 million as stipulated in the MC Loan agreement dated February 5, 2010 and US\$2.75 million of the amount of US\$3.25 million stated in the Fee Arrangement Agreement dated February 5, 2010 represented costs incurred by Mandra before the acquisition on February 5, 2010 and had not been recorded in the books and records of Mandra prior to the acquisition.
3. The fair value of the timber holding of Mandra as of February 5, 2010 is based on a preliminary valuation report conducted by Poyry (Shanghai) Consulting Company Limited ("Poyry"). The fair value of Mandra's timber holding, according to Poyry's report, is RMB 2,108 million, which has been reflected in the preliminary purchase price allocation. We are in the process of obtaining an updated valuation report which we will use in the final purchase price allocation.
4. We believe that Poyry's report did not account for the cash payment on certain areas of the plantations covered by the Poyry report. We estimate that such cash payment is approximately US\$25 million.
5. We determined that there are no unidentifiable intangible assets such as trademarks, customer list, and supplier list or unfavourable contracts in connection with this acquisition.
6. We determined that the fair values of the assets acquired and liabilities assumed are an accurate and appropriate reflection of the fair values at the acquisition date.

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 Mandra



Sino-Forest Corporation

7. We determined there is no goodwill from the acquisition of Mandra.

Greenheart Acquisition

1. The fair value of the timber concession rights of Greenheart Group Limited ("Greenheart") (formerly Omnicorp Limited) as of August 3, 2010 is based on the final valuation report conducted by Poyry. The fair value of Greenheart's timber concession rights, according to Poyry's report, is US\$143 million which has been reflected in the final purchase price allocation.
2. We determined that 10% income tax rate is the applicable tax rate for income generated from forestry business activities conducted in the Republic of Suriname;
3. We determined that there are no unidentifiable intangible assets such as trademarks, customer list, and supplier list or unfavourable contracts in connection with Greenheart acquisition.
4. We determined that the fair values of the assets acquired and liabilities assumed are an accurate and appropriate reflection of the fair values at the acquisition date.
5. We determined there is no goodwill from the acquisition of Greenheart.

Oral or written guarantees

1. There are no oral or written guarantees including guarantees of the debt of others.

Share capital

1. Share capital repurchase options or agreements, or share capital reserved for options, warrants, conversion, or other requirements have been properly recorded or disclosed in the consolidated financial statements.

Purchase commitments

1. At the year end, the Company had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the company (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).
2. The master purchase timber contracts signed were all for prices that approximated market value at the outset of the contract. The Company has neither the ability nor intention to settle any of these contracts on a net basis.

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Mandra



Sino-Forest Corporation

3. The decision on entering into the imported wood log transactions and the signing of sales and purchase of wood log contracts for SFR and SWT are all in Hong Kong.
4. The Company is in the process of revising the contract terms with Trevista International Limited for the 10 year master contract with respect to the supply of Russian logs.

Employee future benefits

1. The Company does not have employee future benefits as defined in CICA Handbook Section 3461.

Consolidated accounts

1. All significant intercompany transactions have been disclosed to you and properly eliminated in the consolidated financial statements (intercompany profits in inventories and property, plant and equipment, intercompany balances, etc.).
2. The cost of acquisition of investments has been assigned in the financial statements to the purchased assets (including goodwill, after adjustment for minority interest) and liabilities in accordance with their values as at the dates of acquisition.

Segment information

1. The information about operating segments included in the notes to the consolidated financial statements has been prepared and presented in conformity with CICA Handbook Section 1701. We have appropriately identified our operating segments based on the information used by our chief operating decision maker to evaluate operating performance of and make resource allocation decisions among business units. For reportable operating segments that are the result of the aggregation of multiple operating segments, (1) the aggregation is consistent with the objective of CICA Handbook Section 1701, (2) the aggregated operating segments have similar economic characteristics, and (3) the aggregated operating segments are similar in each of the following areas:
 - (a) The nature of the products and services
 - (b) The nature of the production processes
 - (c) The type or class of customer for their products and services
 - (d) The methods used to distribute their products or provide their services
 - (e) If applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities.

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Sino-Forest Corporation

Differences between the measurements used in reporting operating segment information and those used in the consolidated financial statements are adequately disclosed in the notes to the financial statements.

Discontinued operations

1. We note no significant events have occurred or circumstances have arisen that would require the reassessment of the classification of the discontinued of wood chips business and particleboard line operation as discontinued operations.

Share-based payments

1. All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plan from which they were granted. Delegation of the authority to grant share-based payments is within the Board's legal rights, and in accordance with the terms of the applicable share-based payment plan.
2. The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA Handbook Section 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.
3. We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA Handbook Section 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA Handbook Section 3870. The assumptions used in fair value measurements made in accordance with CICA Handbook Section 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Use of the work of a specialist

1. We agree with the findings of specialists in evaluating the valuation of plantation and timber concession and cutting rights, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Transaction gains and losses attributable to intercompany transactions

1. Transaction gains and losses attributable to intercompany foreign currency transactions that are of a long-term investment nature (that is, settlement is not planned or anticipated in the foreseeable future) have been reported in other comprehensive income. Transaction gains and

3815-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
 90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
 www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
 Tel: (905) 281 8889 Fax: (905) 281 3338
 E-mail: info@sinoforest.com

March 2011
[Signature]



Sino-Forest Corporation

losses attributable to other intercompany foreign currency transactions have been included in net income for the period in which the exchange rates change.

2. All subsidiaries are treated as self-sustaining operations since (1) the cash flows, (2) selling prices and markets of the subsidiaries' products, (3) labour, materials and other costs, and (4) the financing of the day-to-day operations of each entity are insulated from the Company. As well, the subsidiaries operate independently in the PRC and the Republic of Suriname, and do not have other significant inter-company transactions with the Company.
3. Inter-company balance mainly included three categories, which are current account, inter-company interest, and inter-company loan. There are no unusual inter-company transactions and all inter-company loans have been properly elimination. All inter-company loan and inter-company interest are considered net investments in the subsidiaries.

Undistributed earnings of a foreign subsidiary

1. We have the ability and intend to indefinitely reinvest the undistributed earnings of SWI, SFR and SPYN and have appropriately documented such plan of reinvestment. In addition, there are no needs for such earnings that would contradict our plan to indefinitely reinvest.

Income Tax Matters

1. We have disclosed to you all significant tax planning strategies and transactions that were put in place during the current year or prior years that could materially affect the current year provision for income taxes, or the recorded amount of tax assets or liabilities.
2. We recognize that we are responsible for the Company's compliance with jurisdictional tax laws and regulations that are applicable to it. We have identified and disclosed to your representatives all significant methods of accounting used under the applicable jurisdictional tax laws and regulations that materially affect the determination of financial statement amounts.
3. We have provided you all opinions or memoranda of law (tax or other) that serve as support for our assessment of material tax positions (including tax uncertainties and determinations of the application of interest and penalties) as well as any opinions or memoranda of law (tax or other) that contradicted, or provided lower levels of assurance than, the opinions or memoranda of law ultimately used by the company to support its tax positions.
4. All plantation purchase and sales negotiations and execution of related contracts (including approvals associated with purchase orders) by Allen Chan, CEO, or other members of management for SWI, SPYN, and other subsidiaries incorporated in the British Virgin Islands (the "BVI Subsidiaries") are at all times carried out in the PRC and not in Hong Kong. All pricing of timber, quantity approvals, orders or requests associated with approving sale of the PRC plantation were carried out outside of Hong Kong.

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R. Monks



Sino-Forest Corporation

5. The decision on all imported wood log sales transactions conducted by SFR, SWT and Sino-Panel (Russia) Limited and the signing of all imported wood log sales and purchases have been done by Allen Chan, CEO, in Hong Kong. The instruction with respect to the range of profit margin on the imported wood log sales is given by Allen Chan to Alfred Hung verbally in Hong Kong.
6. Management of cash and amounts receivable from authorized intermediaries or other related parties by SWI and SFR is carried on outside Hong Kong.
7. All interest bearing loans made by Hong Kong resident companies are to subsidiaries that do not have bank accounts in Hong Kong.
8. There are no future tax liabilities (other than those reported in the consolidated financial statements) and no debts of PRC entities that are unregistered debts for PRC purposes (other than those identified which aggregate to approximately RMB174.6 million). The future tax rates, amount of tax losses carried forward by each of the subsidiaries of Mandra, and the timeline of selling Mandra's timber, represent our best estimate and assumptions used in the calculations of the future tax liability on the difference between the accounting base and tax base of Mandra's timber holding.

There have been no settlements of loans/advances between Sino-Forest Corporation and its subsidiaries during the fiscal year 2010 that would trigger the change in unrealized foreign exchange gain/loss since December 31, 2009.

9. The Company does not intend to repatriate to Canada or PRC any of the earnings of its BVI Subsidiaries generated from transactions with authorized intermediaries and that exist at December 31, 2010 in the foreseeable future.
10. We have not identified any PRC tax decisions, cases, disclosures, memorandums, circulars, administrative materials and interpretations of PRC laws or regulations in Chinese or English that would materially impact the PRC permanent establishment income tax exposure calculations of the Company for BVI Subsidiaries.
11. We have provided to you all information, agreements and communications related to the tax reporting and remittance obligations on the transactions between the authorized intermediaries and the BVI Subsidiaries.
12. We have disclosed to you all tax positions and tax uncertainties that could potentially impact the current year tax provision for income taxes, or the recorded amount of tax assets and liabilities.
13. We have filed all applicable income tax and informational returns required by relevant tax authorities for all material operating subsidiaries in Canada, Hong-Kong and the PRC.

3315-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
 80 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0062
 Tel: (905) 281 8889 Fax: (905) 281 3338
 E-mail: info@sinoforest.com

14
 MAR 15 2011

Handwritten signature and date:
 MAR 15 / 11

EY-HC-2010-000241/15



Sino-Forest Corporation

Value added tax

1. As at December 31, 2010, we have approximately US\$38 million balance of value-added tax recoverable relating to the purchase of plantations in the PRC. Out of the total balance, certain plantations with an aggregate of US\$6.5 million value-added tax recoverable had been sold during December 31, 2010. We confirm that we will receive valid value-added tax invoices, including the invoices relating to plantations that have been disposed of in 2010, from the vendors in 2011.
2. We also confirm that for the sale of plantations by SWI and SPYN, the authorized intermediaries are fully responsible for the value-added tax on all sale transactions. The Company does not have any financial liability with respect to the value-added tax under the sale of plantation transactions, tax regulations or the contractual relationship between SWI and SPYN and the authorized intermediaries that may need to be accrued as at December 31, 2010. The authorized intermediaries do not have recourse to the Company for any claim/penalty charged by the PRC tax authority on any value-added tax underpaid by the authorized intermediaries.

Subsequent events

1. Other than those disclosed in the consolidated financial statements, subsequent to December 31, 2010, no events or transactions have occurred or are pending that would have a material effect on the consolidated financial statements at that date or for the period then ended, or that are of such significance in relation to the Company's affairs to require mention in a note to the consolidated financial statements in order to make them not misleading regarding the consolidated financial position, results of operations, or cash flows of the Company.

Comparative figures

1. In connection with your audit of the comparative consolidated financial statements for the year ended December 31, 2009, we represent, to the best of our knowledge and belief, the following:

There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the financial statements for the year ended December 31, 2009 which are shown as comparative amounts in the financial statements for the year ended December 31, 2010. Any differences in the comparative amounts from the amounts in the financial statements for the year ended December 31, 2009 are solely the result of reclassifications for comparative purposes.

MAR 15 2011



Sino-Forest Corporation

[Handwritten signature of Allen T.Y. Chan]

Allen T.Y. Chan
Chief Executive Officer

14 March 2011

Date

[Handwritten signature of David J. Horsley]

David J. Horsley
Senior Vice President and Chief Financial Officer

14 March 2011

Date

[Handwritten signature of Thomas Maradin]

Thomas Maradin
Vice President, Finance

14 March 2011

Date

MAR 15 2011

[Handwritten signature]

BY-HC-2010-000241/17



Sino-Forest Corporation

Summary of Audit Differences

Client: Sino-Forest Corporation

Audit date: 31-Dec-2010

Currency: USD

No. ref.	Account description of the entry	Analysis of misstatements				Income Effect of Correcting the Balance Sheet as of the End of the:			Other - Specify
		Assets Current	Assets Non-current	Liabilities Current	Liabilities Non-current	Current period	Prior period	Taxable	
1	HO-GI Discount on non-current deposit		(2,458,231)			2,458,231	X		
	Other assets (EORC deposit)								
	To record the difference between the fair value and book value of EORC deposit pursuant to IAS39.								
Financial statement amounts		0	41,268	(10,443,882)	0				
Effect of uncorrected misstatements on FIS amounts		2,078,284,000	3,649,738,000	755,784,000	1,223,588,000				
Income effect of uncorrected misstatements (before tax)		0.00%	0.00%	-1.38%	0.00%				
Memor Non-taxable items (marked 'X' above)									
Lease Tax effect at current year marginal rate									
Cumulative effect of uncorrected misstatements before turnaround effect						10,401,589		2,000,000	
Turnaround effect of prior period uncorrected misstatements (after tax)									
Cumulative effect of uncorrected misstatements, after turnaround effect						10,401,589		2,000,000	
Current year net income						295,428,000			

3815-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
 90 Burnthamtoppe Road West, Suite 1208 Mississauga, Ontario, L4B 3C3, Canada
 Tel: (852) 2877 0078 Fax: (852) 2877 0062
 Tel: (905) 281 8889 Fax: (905) 281 3338
 E-mail: info@sinoforest.com

MAR 5 2011

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MAY - 9 2011



Sino-Forest Corporation

May 9, 2011

Ernst & Young LLP
Chartered Accountants

In connection with the Sino-Forest Corporation's (the "Company") consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of income and retained earnings, comprehensive income and cash flows for the years then ended included in the Company's annual report for the year ended December 31, 2010 to be filed with the Canadian securities regulatory authorities on May 9, 2011, and in connection with your consent to the use of your audit report on the abovementioned consolidated financial statements in the annual report, the representations made to you in our letter of March 15, 2011 remain current.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

In addition to the foregoing, we also confirm, to the best of our knowledge and belief, the following representations made to you in connection with the procedures performed by you to enable you to provide a written consent.

General

We have responded fully to all inquiries made to us by you during the completion of your procedures.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

Unaudited Financial Information

No consolidated financial statements are available for any period subsequent to December 31, 2010.

Annual Report

We also recognize that, as members of management of the Company, we are responsible for the preparation and fair presentation of the annual report for the year ended December 31, 2010. Such document is prepared in accordance with relevant Canadian securities legislation.

3815-29, 32/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
80 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0092
Tel: (905) 281 8889 Fax: (905) 281 9338
E-mail: info@sinoforest.com

MAY - 9 2011

MAY - 9 2011



Sino Forest Corporation

Minutes

The dates of meetings of shareholders, directors, committees of directors and important management committees from February 23, 2011 to the date of this letter are as follows:

Audit Committee

March 14, 2011 (approved but unsigned)

March 28, 2011 (draft only)

April 10, 2011 (draft only)

Board of Directors

March 14, 2011 (draft only)

March 28, 2011 (draft only)

April 10, 2011 (draft only)

April 25, 2011 (minutes not yet prepared)

We have made available to you the minutes of these meetings and such minutes are complete and authentic records of such meetings. For the meeting which minutes were not yet prepared, our corporate secretary has discussed with you the purpose of such meeting.

Contracts

We have made available to you all significant contracts, including amendments and agreements. We have complied with all aspects of the contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Share-based Payments

All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plans from which they were granted. Delegation of the authority to grant share-based payments is within the Board's legal rights, and in accordance with the terms of the applicable share-based payment plan(s).

The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.

2.

36th-25th Street, King Kall Centre, 30 Harbour Road, Wanchai, Hong Kong.
90 Burnhamthorpe Road West, Suite 1203, Mississauga, Ontario, L5B 3C3, Canada.
www.sinoforest.com

Tel: (852) 2877 0078 Fax: (852) 2877 0082
Tel: (905) 203 8899 Fax: (905) 203 3338
E-mail: info@sinoforest.com

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Sino-Forest Corporation

We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA 3870. The assumptions used in fair value measurements made in accordance with CICA 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Subsequent Events

No events, transactions or changes in accounting policies and presentation have occurred since the date of our previous letter or are pending that would have a material effect on the audited financial statements included in the Company's annual report or that are of such significance in relation to the Company's affairs to require mention in a note to the audited financial statements, in each case in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company and in accordance with generally accepted accounting principles as of the date of this letter. We have performed procedures to identify subsequent events up to and including May 9, 2011.

Approval of Document

The Annual Report has been approved for release by the board of directors of the Company.

Allen T. Y. Chan
Date : May 9, 2011
Chairman and Chief Executive Officer

David J. Horsley
Date : May 9, 2011
Senior Vice President and Chief Financial Officer

Thomas Maradin
Date : May 9, 2011
Vice President, Finance

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MAY - 9 2011

MAY - 9 2011



Sino-Forest Corporation

We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA 3870. The assumptions used in fair value measurements made in accordance with CICA 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Subsequent Events

No events, transactions or changes in accounting policies and presentation have occurred since the date of our previous letter or are pending that would have a material effect on the audited financial statements included in the Company's annual report or that are of such significance in relation to the Company's affairs to require mention in a note to the audited financial statements, in each case in order to make them not misleading regarding the financial position, results of operations, or cash flows of the Company and in accordance with generally accepted accounting principles as of the date of this letter. We have performed procedures to identify subsequent events up to and including May 9, 2011.

Approval of Document

The Annual Report has been approved for release by the board of directors of the Company.

Allen T. Y. Chan
Date : May 9, 2011
Chairman and Chief Executive Officer

David J. Horsley
Date : May 9, 2011
Senior Vice President and Chief Financial Officer

Thomas Maradin
Date : May 9, 2011
Vice President, Finance

3315-29, 38/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong
90 Burnhamthorpe Road West, Suite 1208 Mississauga, Ontario, L5B 3C3, Canada
www.sinoforest.com

Tel: (852) 2677 8078 Fax: (852) 2677 0082
Tel: (905) 281 8889 Fax: (905) 281 3338
E-mail: info@sinoforest.com

MAY - 9 2011

**December 10, 2009 – Management Representation Letter
(Offering Memorandum)**



Sino-Forest Corporation

December 10, 2009

Ernst & Young LLP
Chartered Accountants

In connection with the Preliminary Offering Memorandum dated December 1, 2009, as supplemented by a pricing term sheet dated December 10, 2009 (together with the Preliminary Offering Memorandum, the "Disclosure Package") and the Final Offering Memorandum dated December 10, 2009 relating to the offering of \$400,000,000 4.25% convertible senior notes due 2016 (collectively referred herein as the "Offering Memoranda") by Sino-Forest Corporation (the "Company"), and your letter delivered to Credit Suisse Securities (USA) LLC, TD Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on December 10, 2009, pursuant to the Purchase Agreement between Sino-Forest Corporation and the Credit Suisse Securities (USA) LLC dated December 10, 2009, and in connection with your report dated March 13, 2009 with respect to the consolidated financial statements of Sino-Forest Corporation as at December 31, 2008 and 2007 and for the years then ended, and your report to the directors dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 with respect to the consolidated financial statements of Sino-Forest Corporation as at December 31, 2007 and for the year then ended that are incorporated by reference in the Offering Memoranda, the representations made to you in our letter of March 16, 2009 and July 17, 2008, respectively, remain current.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

DEC 10 2009

DEC 10 2009



Sino-Forest Corporation

In addition to the foregoing, we also confirm, to the best of our knowledge and belief, the following representations made to you in connection with your post-report review procedures.

Management's responsibilities

We have responded fully to all inquiries made to us by you during the completion of your procedures.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

Unaudited financial information

We recognize that, as members of management of the Company, we are responsible for the preparation and fair presentation of its unaudited consolidated financial statements for the three and nine-month periods ended September 30, 2009 made available to you incorporated by reference in the Offering Memoranda. Such financial statements were prepared from the books and records of Sino-Forest Corporation in accordance with Canadian generally accepted accounting principles applied on the same basis as that used for the audited consolidated financial statements of Sino-Forest Corporation as at and for the year ended December 31, 2008 and 2007, and reflect all adjustments necessary for a fair presentation of the consolidated financial statements. All material transactions have been properly recorded in the accounting records underlying these financial statements. No material adjustment of such financial statements is required, and no adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein. No consolidated financial statements are available for any period subsequent to September 30, 2009.



Sino-Forest Corporation

Minutes and contracts

We have made available to you all financial records and related data and all minutes of the meetings of shareholders, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on December 8, 2009, except for meetings on November 11, 2009 and November 23, 2009 for which minutes have not been approved.

We have made available to you all significant contracts (including amendments) and agreements, and have communicated to you all significant oral agreements. We have complied with all aspects of the contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Financial statement representations

There have been no significant changes in the capital accounts and long-term debt (including debt covenants and compliance with them, and other than scheduled maturities and repayments) from the audited balance sheet date to the date of this letter. To the best of our knowledge, there was no change in share capital as at December 8, 2009 as compared to the corresponding amount as at September 30, 2009 and there was an increase in long-term debt of US\$3 million as at December 8, 2009 as compared to the corresponding amount as at September 30, 2009, representing the accretion of convertible senior notes and amortization of deferred financing costs on the long-term debt, and (ii) from October 1, 2009 to October 31, 2009, there is an approximate US\$54 million decrease in aggregate sales of standing timber and imported logs of Sino Forest Resources Inc. and Suri-Wood Inc. (collectively referred to as the "Principal Subsidiaries") and an approximate US\$20 million decrease in aggregate cost of sales of standing timber and imported logs of the Principal Subsidiaries as compared to the corresponding period of 2008.

Share-based payments

1. All grants of share-based payments have been properly approved by the Board of Directors or its delegated representatives on or prior to the grant date, and are in compliance with the terms of the plan from which they were granted.

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Sino-Forest Corporation

2. The Company has properly determined the appropriate grant dates or measurement dates for all share-based payments in accordance with CICA Handbook Section 3870. We have recognized compensation cost, as well as liabilities for income taxes, payroll taxes, minimum tax withholding obligations, penalties and interest, as appropriate, under the applicable accounting standards.
3. We are responsible for the estimation methods and assumptions used in accounting for the Company's share-based payments in accordance with CICA Handbook Section 3870. Fair value and intrinsic value measurements are based on the grant date or measurement date share price as specified in CICA Handbook Section 3870. The assumptions used in fair value measurements made in accordance with CICA Handbook Section 3870, represent our best estimates as of the measurement date of expectations of future conditions.

Subsequent Events

No events, transactions or changes in accounting policies and presentation have occurred since the dates of our previous letters or are pending that would have a material effect on the audited financial statements and the unaudited interim financial information incorporated by reference in the Offering Memoranda, or that are of such significance in relation to the Company's affairs to require mention in a note to the audited financial statements or the unaudited interim financial information, in each case in order to make them not misleading and in accordance with generally accepted accounting principles as of the date of this letter. We have performed procedures to identify subsequent events up to and including December 8, 2009.

Approval of document

The Offering Memoranda have been approved by the board of directors of the Company.



Sino-Forest Corporation

Very truly yours,

Allen Chan
Chief Executive Officer

Date

David Horsley
Chief Financial Officer

Date

Tom Maradin
Vice President, Risk Management

Date

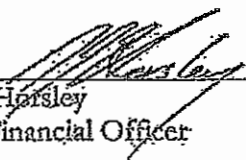


Sino-Forest Corporation

Very truly yours,

Allen Chan
Chief Executive Officer

Date



David Horsley
Chief Financial Officer

Date

Tom Maradin
Vice President, Risk Management

Date

**December 17, 2009 – Management Representation Letter
(Preliminary Offering Memorandum)**



December 17, 2009

Ernst & Young LLP
Chartered Accountants
Pacific Centre
P.O. Box 10101
700 West Georgia Street
Vancouver, Canada V7Y 1C7

In connection with the Preliminary Offering Memorandum dated December 1, 2009, as supplemented by a pricing term sheet dated December 10, 2009 (together with the Preliminary Offering Memorandum, the "Disclosure Package") and the Final Offering Memorandum dated December 10, 2009 relating to the offering of \$400,000,000 4.25% convertible senior notes due 2016 and an additional US\$60,000,000 principal amount of such notes to cover over-allotments (collectively referred herein as the "Offering Memoranda") by Sino-Forest Corporation (the "Company"), we certify to the best of our knowledge and belief that during the period from January 1, 2009 to date, no events have occurred which have a material effect on the consolidated financial statements as of and for the years ended December 31, 2008 and 2007, which should be disclosed in order to keep those statements from being misleading.

With respect to the unaudited consolidated financial statements as at September 30, 2009, we certify to the best of our knowledge and belief that:

- (a) Such unaudited consolidated financial statements were prepared in accordance with accounting principles and practices consistent in all material respects with those followed in the preparation of the audited financial statements for the years ended December 31, 2006, 2007 and 2008 incorporated by reference in the Disclosure Package and the Offering Memoranda;
- (b) Such unaudited consolidated financial statements present fairly the information purported to be shown thereby; and

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- (c) No material adjustment of such unaudited consolidated financial statements is required, and no adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein.

Also, to the best of our knowledge and belief, except in all instances for changes that the Disclosure Package and the Offering Memoranda disclose have occurred or may occur:

- (d) At December 15, 2009, there was no change in share capital as at December 15, 2009 as compared to the corresponding amount as at September 30, 2009 and there was an increase in long-term debt of US\$3.6 million as at December 15, 2009 as compared to the corresponding amount as at September 30, 2009, representing the accretion of convertible senior notes and amortization of deferred financing costs on the long-term debt, and (ii) from October 1, 2009 to October 31, 2009, there is an approximate US\$54 million decrease in aggregate sales of standing timber and imported logs of Sino Forest Resources Inc. and Suri-Wood Inc. (collectively referred to as the "Principal Subsidiaries") and an approximate US\$20 million decrease in aggregate cost of sales of standing timber and imported logs of the Principal Subsidiaries as compared to the corresponding period of 2008.

Further, we confirm that:

- (e) No consolidated financial statements of the Company are available as at any date or for any period subsequent to September 30, 2009; and
- (f) The minutes of all meetings of the Shareholders, the Board of Directors, and the Audit Committee are ended up to December 15, 2009 in the minute books, no such meetings have been held since that date. The minutes for the Board of Directors' and the Audit Committee's meetings on November 11, 2009, the Audit Committee's meeting on November 23, 2009 and the Board of Directors' meeting on December 9, 2009 have not yet been approved.



Sino-Forest Corporation

Very truly yours,

Allen T.Y. Chan, Chief Executive Officer

David Horsley, Chief Financial Officer

Thomas Maradin, Vice President Risk Management

**December 17, 2009 – Management Representation Letter
(Preliminary Short Form Prospectus)**



December 17, 2009

Ernst & Young LLP
Chartered Accountants
Pacific Centre
P.O. Box 10101
700 West Georgia Street
Vancouver, Canada V7Y 1C7

In connection with the preliminary short form prospectus dated December 1, 2009 and final short form prospectus dated December 10, 2009 (collectively the "Prospectuses"), and preliminary offering memorandum dated December 1, 2009 and final offering memorandum dated December 10, 2009 (collectively the "Offering Memoranda") issued by Sino-Forest Corporation (the "Company") relating to the offer of 21,850,000 common shares including 2,850,000 common shares to be offered pursuant to the over-allotment option provided by the Underwriting Agreement, we certify to the best of our knowledge and belief that during the period from January 1, 2009 to date, no events have occurred which have a material effect on the consolidated financial statements as of and for the years ended December 31, 2008 and 2007, which should be disclosed in order to keep those statements from being misleading.

With respect to the unaudited consolidated financial statements as at September 30, 2009, we certify to the best of our knowledge and belief that:

- (a) Such unaudited consolidated financial statements were prepared in accordance with accounting principles and practices consistent in all material respects with those followed in the preparation of the audited financial statements for the years ended December 31, 2006, 2007 and 2008 incorporated by reference in the Prospectuses and the Offering Memoranda;
- (b) Such unaudited consolidated financial statements present fairly the information purported to be shown thereby; and



- (c) No material adjustment of such unaudited consolidated financial statements is required, and no adjustments other than those necessary for fair presentation of the results for those periods have been reflected therein.

Also, to the best of our knowledge and belief, except in all instances for changes that the Prospectuses and the Offering Memoranda disclose have occurred or may occur:

- (d) December 15, 2009, there was no change in share capital as at December 15, 2009 as compared to the corresponding amount as at September 30, 2009 and there was an increase in long-term debt of US\$3.6 million as at December 15, 2009 as compared to the corresponding amount as at September 30, 2009, representing the accretion of convertible senior notes and amortization of deferred financing costs on the long-term debt, and (ii) from October 1, 2009 to October 31, 2009, there is an approximate US\$54 million decrease in aggregate sales of standing timber and imported logs of Sino Forest Resources Inc. and Suri-Wood Inc. (collectively referred to as the "Principal Subsidiaries") and an approximate US\$20 million decrease in aggregate cost of sales of standing timber and imported logs of the Principal Subsidiaries as compared to the corresponding period of 2008.

Further, we confirm that:

- (e) No consolidated financial statements of the Company are available as at any date or for any period subsequent to September 30, 2009; and
- (f) The minutes of all meetings of the Shareholders, the Board of Directors, and the Audit Committee are ended up to December 15, 2009 in the minute books, no such meetings have been held since that date. The minutes for the Board of Directors' and the Audit Committee's meetings on November 11, 2009, the Audit Committee's meeting on November 23, 2009 and the Board of Directors' meeting on December 9, 2009 have not yet been approved.



Sino-Forest Corporation

Very truly yours,

Allen T.Y. Chan, Chief Executive Officer

David Horsley, Chief Financial Officer

Thomas Maradin, Vice President Risk Management

D&O Questionnaires

**Sino-Forest Related Party and Independence Procedures
Summary of Questions for Non-Management Directors**

1. Do you or any members of your immediate family have any relationship with EY?
 YES NO

If yes, please describe
 Former EY Partner.

2. Do you own more than 5% of a company that has a direct or material indirect business relationship (ie provides services to) with EY?
 YES NO

If yes, please describe

3. Do you serve as a Director of a company that has a direct or material indirect business relationship (ie provides services to) with EY?
 YES NO

If yes, please describe

4. Do you own more than 5% of a company that has transacted with Sino-Forest Corporation or any of its subsidiaries during the current year?
 YES NO

If yes, please describe

5. Do you serve as a Director of a company that has transacted with Sino-Forest Corporation or any of its subsidiaries during the current year?
 YES NO

If yes, please describe

JAMES HIDE  Feb 8/11
 Name Signature Date

3.

Sino-Forest Related Party and Independence Procedures Summary of Questions

1. Have there been any recent changes in the entities of which Ernst & Young (EY) is auditing? [Recent changes may include acquisitions, dispositions, newly registered investment companies, newly controlled entities, registered investment advisors of an investment company complex, newly controlled investees (generally greater than 50 percent ownership) or material-significant influence investees (generally 20 percent to 50 percent ownership) of a private equity complex, or now lending relationships].

YES

NO

If yes, please describe

Please see Exhibit D 2010 Organizational Changes

2. Have there been any changes to the individuals in the financial oversight roles within the Company since January 1, 2010?

YES

NO

If yes, please describe

Tom Maradin - VP, Finance (Corporate)

3. Have there been any changes in the list of officers, directors and substantial shareholders (10% or more equity owners) since January 1, 2010?

YES

NO

If yes, please describe

No significant changes in shareholders.

4. Have there been any changes in the list of foreign locations in which the Company operates since January 1, 2010? (Active and non-active)

YES

NO

If yes, please describe

With controlling interest in Greendale Group, the company operates in Auckland + New Zealand.

5. Are there any EY Alumni working in accounting or financial reporting oversight roles at the Company? If so, please confirm the year the individual ceased working for EY.

YES

NO

If yes, please describe:

Tom Maradin - left in 2000

Eric Chan - left in 2003

Jenny Chow - left in 2002

Gary Chan - left in 2000

6. Are there any outstanding employment offers to members of the EY engagement team or to their immediate family members (spouses, dependents)?

YES

 NO

If yes, please describe

7. Are you aware of any immediate or close family members of the EY engagement team currently employed at the Company?

YES

 NO

If yes, please describe

8. Is there anyone on the EY engagement team that was previously employed at the Company?

YES

 NO

If yes, please describe

9. Are you aware of any business relationships between EY and the Company (or its officers, directors and substantial shareholders)? Business relationship is defined as to any arrangements with the Company for services or products provided to EY such as a vendor, consultant, facilitator, sub-contractor, independent contractor, licensor, licensee, reseller, or distributor. They include arrangements involving alliances, joint ventures, joint marketing, co-ventures, sponsorships, co-marketing, cooperative arrangements, investing, lending, or borrowing monies or acting as a lessor or lessee.

YES

 NO

If yes, please describe

10. Are you aware of any arrangements involving any EY Entity and the Company or the audit client's officers, directors, or substantial stockholders, involving alliances, joint ventures, joint marketing, co-ventures, sponsorships, co-marketing, cooperative arrangements, licensing, special discount programs, investing, lending or borrowing monies, or acting as a lessor or lessee?

YES

 NO

If yes, please describe

11. Are you aware of whether EY, or any EY affiliates, have provided services to the Company (including foreign locations)?

 YES

NO

If yes, please describe

EY Hong Kong - Tax and Audit Services

EY Guangzhou - Tax Services

EY New Zealand - Audit services

12. Are you aware of the existence or expressed threat of litigation between EY and the Company?

YES NO

If yes, please describe

13. Do you own more than 5% of a company that has a direct or material indirect business relationship (ie provides services to) with EY?

YES NO

If yes, please describe

14. Do you serve as a Director of a company that has a direct or material indirect business relationship (ie provides services to) with EY?

YES NO

If yes, please describe

15. Do you own more than 5% of a company that has transacted with Sino-Forest Corporation or any of it's subsidiaries during the current year?

YES NO

If yes, please describe

Win Fair Holdings Group Ltd.

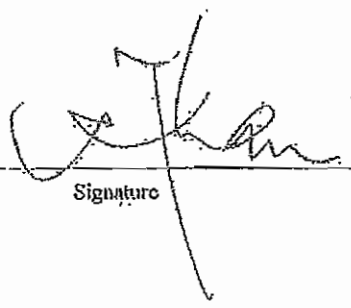
16. Do you serve as a Director of a company that has transacted with Sino-Forest Corporation or any of it's subsidiaries during the current year?

YES NO

If yes, please describe

Win Fair Holdings Group Ltd.

Allen Chan



16 FEB 2011

Name

Signature

Date

Sino-Forest Related Party and Independence Procedures Summary of Questions

1. Have there been any recent changes in the entities of which Ernst & Young (EY) is auditing? [Recent changes may include acquisitions, dispositions, newly registered investment companies, newly controlled entities, registered investment advisors of an investment company complex, newly controlled investees (generally greater than 50 percent ownership) or material-significant influence investees (generally 20 percent to 50 percent ownership) of a private equity complex, or new lending relationships].

YES

NO

If yes, please describe

Please see attached 2010 Organizational Changes

2. Have there been any changes to the individuals in the financial oversight roles within the Company since January 1, 2010?

YES

NO

If yes, please describe

Tom Maradin - VP, Finance (Corporate)

3. Have there been any changes in the list of officers, directors and substantial shareholders (10% or more equity owners) since January 1, 2010?

YES

NO

If yes, please describe

No Significant changes in shareholders.

4. Have there been any changes in the list of foreign locations in which the Company operates since January 1, 2010? (Active and non-active)

YES

NO

If yes, please describe

With controlling interest in Greenheart Group, the company operates in Suriname + New Zealand.

5. Are there any EY Alumni working in accounting or financial reporting oversight roles at the Company? If so, pls confirm the year the individual ceased working for EY.

YES

NO

If yes, please describe:

Tom Maradin - left in 2009

Eric Chan - left in 2003

Jenny Chow - left in 2002

Gary Chan - left in 2000

6. Are there any outstanding employment offers to members of the EY engagement team or to their immediate family members (spouses, dependents)?

YES NO

If yes, please describe

7. Are you aware of any immediate or close family members of the EY engagement team currently employed at the Company?

YES NO

If yes, please describe

8. Is there anyone on the EY engagement team that was previously employed at the Company?

YES NO

If yes, please describe

9. Are you aware of any business relationships between EY and the Company (or its officers, directors and substantial shareholders)? Business relationship is defined as to any arrangements with the Company for services or products provided to EY such as a vendor, consultant, facilitator, sub-contractor, independent contractor, licensor, licensee, reseller, or distributor. They include arrangements involving alliances, joint ventures, joint marketing, co-ventures, sponsorships, co-marketing, cooperative arrangements, investing, lending, or borrowing monies or acting as a lessor or lessee.

YES NO

If yes, please describe

10. Are you aware of any arrangements involving any EY Entity and the Company or the audit client's officers, directors, or substantial stockholders, involving alliances, joint ventures, joint marketing, co-ventures, sponsorships, co-marketing, cooperative arrangements, licensing, special discount programs, investing, lending or borrowing monies, or acting as a lessor or lessee?

YES NO

If yes, please describe

11. Are you aware of whether EY, or any EY affiliates, have provided services to the Company (including foreign locations)?

YES NO

If yes, please describe

- EY Hong Kong - Tax and Audit Services
- EY Guangzhou - Tax Services
- EY New Zealand - Audit services

12. Are you aware of the existence or expressed threat of litigation between EY and the Company?

YES

NO

If yes, please describe

13. Do you own more than 5% of a company that has a direct or material indirect business relationship (ie provides services to) with EY?

YES

NO

If yes, please describe

14. Do you serve as a Director of a company that has a direct or material indirect business relationship (ie provides services to) with EY?

YES

NO

If yes, please describe

15. Do you own more than 5% of a company that has transacted with Sino-Forest Corporation or any of its subsidiaries during the current year?

YES

NO

If yes, please describe

Please refer to Allen Chan and KK Poon's responses for this question.

16. Do you serve as a Director of a company that has transacted with Sino-Forest Corporation or any of its subsidiaries during the current year?

YES

NO

If yes, please describe

Please refer to Allen Chan and KK Poon's responses for this question.

Thomas Maradun

Signature

Date

Feb 8, 2011

Code of Business Conduct



Sino-Forest Corporation

CODE OF BUSINESS CONDUCT

August 3, 2005 (last updated April 12, 2009)

SINO-FOREST CORPORATION
(the "Corporation")

CODE OF BUSINESS CONDUCT

The Code of Business Conduct (the "Code") of the Corporation is a guide that highlights key issues and identifies policies and resources to help employees, officers and directors of the Corporation ("Representatives") reach appropriate decisions. The Code is neither a contract nor a comprehensive manual that covers every situation that might be encountered.

Responsibility and Accountability

All Representatives have the personal responsibility to make sure that their actions conform to the Code and the laws that apply to their work. Any questions or concerns about illegal or unethical acts should be discussed with management (which for the purposes of this Code shall include, but not be limited to, any senior officer of the Corporation or the immediate supervisor of an employee). Failure to abide by the Code or the law may lead to appropriate disciplinary measures, up to and including dismissal.

All Representatives are expected to read the entire Code.

Only the Corporate Governance Committee of the Corporation may, in its sole discretion, grant waivers from the provisions of this Code for the benefit of the directors or executive officers of the Corporation. Employees seeking a waiver from a provision of the Code must request such waiver from an executive officer or member of the Board of Directors.

Additional Responsibilities of Employees in Positions of Senior Management

Employees in positions of senior management are expected to lead according to high standards of ethical conduct, in both words and actions. Managers are responsible for promoting open and honest two-way communications with Representatives. Managers must be role models who show respect and consideration for everyone involved with the Corporation. Managers must be diligent in looking for indications that unethical or illegal conduct has occurred. Anyone having a concern about unethical or illegal activities is expected to inform their manager and take appropriate and consistent action.

Responsibility to Employees

All employees, officers and directors of the Corporation will treat each other with respect and fairness at all times, valuing the difference of diverse individuals with various backgrounds. Employment decisions will be based on business reasons, such as qualifications, talents and achievements, and will comply with all applicable employment laws.

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Harassment

Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples of unacceptable conduct include, but are not limited to, derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Representatives are encouraged to speak out when a coworker's conduct makes them uncomfortable and to report harassment when it occurs.

Threats or acts of violence or physical intimidation are prohibited.

Safety and Health

All Representatives are responsible for maintaining a safe workplace by following safety and health rules and practices and are further responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to a supervisor or other designated person. The Corporation strives to keep its workplaces free from hazards.

In order to protect the safety of all employees, all Representatives must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

Responsibility to Business Partners

Neither the Corporation nor the Representatives will do business with others who are likely to harm the Corporation's reputation, including, for example, those who intentionally and continually violate laws including, but not limited to, environmental, employment, safety and anti-corruption statutes. All arrangements with third parties must comply with the policies of the Corporation as outlined in the Code and applicable laws. Neither the Corporation nor the Representatives will use a third party to perform any act prohibited by law or by this Code.

Agents and Consultants

Commission rates or fees paid to agents, consultants or other similar parties must be reasonable in relation to the value of the product or work that is actually being done.

Consultants/Subcontractors

Consultants and subcontractors play a vital role in the fulfillment of many of the Corporation's activities. In some cases subcontractors are highly visible to customers. It is therefore very important to ensure that consultants and subcontractors of the Corporation preserve and strengthen the Corporation's reputation by acting consistently with the Code.

Joint Ventures and Alliances

All Representatives will strive to ally with businesses that share the commitment of Representatives to ethics and also work to make the standards of any joint ventures compatible with those of the Corporation.

Responsibility to Shareholders

All Representatives must be committed to managing business operations of the Corporation in the best interests of all shareholders and to act in what they perceive to be the best interests of shareholders.

Corporate opportunities should not be used by a Representative for personal gain and should only be considered with a view to the best interests of the Corporation and its shareholders.

All Representatives have a responsibility to protect the assets of the Corporation from loss, damage, misuse or theft. Assets of the Corporation may only be used for business purposes and other purposes approved by management and in any case may never be used for illegal purposes.

Proprietary Information

All Representatives will safeguard all proprietary information. Proprietary information includes any information that is not generally known to the public and is of value to the Corporation, or would be of value to competitors of the Corporation. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve proprietary information continues even after employment ends.

Inside Information and Securities Trading

No one is permitted to trade in securities of the Corporation or any other kind of property based on knowledge stemming from their position or employment with the Corporation where that information hasn't been reported publicly. Trading or "tipping" others who might make an investment decision based on inside job information violates several laws including provincial securities legislation. For example, using non-public information to buy or sell shares, other securities of the Corporation or the stock of a supplier or customer of the Corporation is prohibited both by law and this Code. Reference should be made to the Corporation's Insider Trading Policy for complete details regarding trading in the Corporation's securities.

Accuracy of Records of the Corporation

Honest and accurate recording and reporting of information is essential in order to make responsible business decisions. All financial books, records and accounts of the Corporation must accurately reflect transactions and events, and conform both to the applicable accounting principles as well as to the internal controls of the Corporation.

Business Communications

All business records and communications should be clear, truthful and accurate. Business records and communications may become public through litigation, government investigations or the media. Representatives should avoid exaggeration, colorful language, guesswork, legal conclusions, and derogatory remarks or characterizations of people and businesses. This applies to communications of all kinds, including e-mail and "informal" notes or memos. Records should always be retained and destroyed according to record retention policies of the Corporation.

Responsibility to Competitors

Representatives must never use any illegal or unethical methods to gather competitive information. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures from past or present employees of other businesses, is prohibited.

If information is obtained by mistake that may constitute a trade secret or confidential information of another business, or if there are questions about the legality of information gathering, either management or, where appropriate, the Corporation's legal counsel should be consulted immediately.

Personal Community Activities

Representatives are free to support community, charity and political organizations and causes of their choice, as long as it is made clear that their views and actions are not those of the Corporation. Outside activities must not interfere with job performance.

No Representative may pressure another employee to express a view that is contrary to a personal belief, or to contribute to or support political, religious or charitable causes.

Environment

All Representatives will respect the environment by complying with all applicable environmental laws. The Corporation is committed to the protection of the environment by minimizing the environmental impact of the Corporation's operations and operating its business in ways that will foster a sustainable use of the world's natural resources. Representatives must notify management if hazardous materials come into contact with the environment or are improperly handled or discarded.

Responsibility to Governments*Compliance With the Law*

All Representatives are required to comply with all applicable laws and regulations where and when doing business on behalf of the Corporation. Representatives are also responsible for checking with management or, where appropriate, the Corporation's legal

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counsel, if there are any questions or concerns about the legality of an action. Representatives shall comply with all applicable antitrust and competition laws.

Political Activities

No one may, except with approval from management, make any political contribution on behalf of the Corporation or use the Corporation's name, funds, property, equipment or services for the support of political parties, initiatives, committees or candidates. This includes any contribution of value. Additionally, engaging in lobbying activities or pursuing government contacts on behalf of the Corporation, should be approved and coordinated with management.

Conflicts of Interest

General Guidance

Business decisions and actions must be based on the best interests of the Corporation, and must not be motivated by personal considerations or relationships. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment made on behalf of the Corporation. General guidelines to assist in understanding several of the most common examples of situations that may cause a conflict of interest are listed below. However, employees are required to disclose to management any situation that may be, or appear to be, a conflict of interest. When in doubt, it is best to disclose.

Outside Employment

Representatives may not work for or receive payments for services from any competitor, customer, distributor, consultant, subcontractor or supplier of the Corporation without approval of management. The skills acquired by Representatives and used for the benefit of the Corporation must not be used in such a way that could hurt the business of the Corporation.

Board Memberships

Employees of the Corporation serving on boards of directors or similar bodies for an outside company or government agency require the approval of management. Such approval must be obtained in advance.

Family Members and Close Personal Relationships

No Representative may use his or her personal influence to persuade the Corporation to do business with a company in which their family members or friends have an interest.

Investments

No Representative may allow his or her investments to influence, or appear to influence, their independent judgment on behalf of the Corporation. This could happen in many

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ways, but it is most likely to create the appearance of a conflict of interest if a Representative has an investment in a competitor, supplier, customer, or distributor and the decisions of the Representative may have a business impact on this outside party. If there is any doubt about how an investment might be perceived, it should be disclosed to management.

No Representative is permitted to buy, directly or indirectly, or otherwise acquire rights to any property or materials while possessing knowledge that the Corporation may be interested in pursuing such an opportunity and the information possessed by the Representative is not yet public.

Receiving Gifts

Representatives are prohibited from accepting kickbacks, lavish gifts or gratuities. Representatives may accept items of nominal value, but may not accept anything that might make it appear that their judgment regarding the Corporation would be compromised.

In certain rare situations, where it would be impractical or harmful to refuse or return a gift, the situation is to be discussed with management.

Giving Gifts

Where a situation calls for giving a gift or gifts, the Corporation's gifts must be legal, reasonable, and approved by management. No Representative may ever pay bribes.

No Representative will provide any gift if applicable law or the policy of the recipient's organization prohibits it. For example, the employees of many government entities around the world are prohibited from accepting gifts. If in doubt, check with management first.

Gifts are not always physical objects but may include services, favors or any other item of value.

Entertainment

Receiving Entertainment

Representatives may accept entertainment that is reasonable in the context of the business and that advances the Corporation's interests. For example, accompanying a business associate to a local cultural or sporting event, or to a business meal, would in most cases be acceptable.

Entertainment that is lavish or frequent may appear to influence one's independent judgment on behalf of the Corporation. Where an invitation appears inappropriate, the offer must be turned down or the true value of the entertainment paid. Accepting entertainment that may appear inappropriate should be discussed with management in advance if possible.

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Providing Entertainment

Representatives may provide entertainment that is reasonable in the context of the business. Any concern regarding the appropriateness of providing entertainment should be discussed with management in advance.

Applicable law may prohibit entertainment of government officials. Obtain approval from management in each instance.

Travel

Acceptance of Travel Expenses

Employees may accept transportation and lodging provided by a supplier or other third party, if the trip is for business and is approved in advance by management. All travel accepted must be accurately recorded in travel expense records.

Providing Travel

Unless prohibited by applicable law or the policy of the recipient's organization, the Corporation may pay the transportation and lodging expenses incurred by customers, agents or suppliers in connection with the business of the Corporation. The visit must be for a business purpose, for example, on-site examination of equipment, contract negotiations or training.

Management must approve all travel by government officials that is sponsored or paid for by the Corporation in advance.

How to Get Help

All questions about the Code should, in the first place, be directed to a supervisor or manager. Should it be inappropriate in the circumstances to discuss the issue with a supervisor, an alternate member of management or, where appropriate, the Corporation's legal counsel should be consulted.

Reporting Violations

Reporting Responsibility

It is the responsibility of all employees, officers and directors of the Corporation to report any violations or suspected violations of the Code and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters (a "Complaint") in accordance with the provisions set out herein.

The Corporation has an open door policy and encourages employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an

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area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable approaching.

For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Corporation's open door policy, individuals should contact the Corporation's Compliance Officer directly.

Supervisors and managers are required to report all Complaints to the Corporation's Compliance Officer who has specific and exclusive responsibility to investigate all Complaints. A sample Complaint Form is attached hereto as Exhibit A, which is recommended for use by the person receiving the Complaint.

No Retaliation

No employee, officer or director of the Corporation who in good faith makes a Complaint shall suffer harassment, retaliation or adverse employment consequences. An employee that retaliates against someone who has made a Complaint in good faith is subject to discipline up to and including termination of employment.

Compliance Officer

The Corporation's Compliance Officer is responsible for investigating all reported Complaints. The Compliance Officer is Xu Ni, Vice President, Legal Affairs. The direct telephone line for the Compliance Officer is [REDACTED] and her email is ni-xu@sinoforest.com. If you are not comfortable speaking with the Compliance Officer or the Compliance Officer is unavailable and the matter is urgent, you may contact Jamie Hyde, Chairman of the Audit Committee at (905) 829-1197 x227 or by email at james.hyde@rogers.com.

Accounting and Auditing Matters

The Compliance Officer has direct access to the Audit Committee at any time and is required to report to the Audit Committee at least annually on his or her compliance activity.

The Audit Committee shall address all reported Complaints. The Compliance Officer shall immediately notify the Audit Committee of any Complaint and work with the Audit Committee until the matter is resolved.

Acting in Good Faith

Anyone filing a Complaint must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code or constitutes a questionable accounting or auditing matter. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offence.

Confidentiality

The Corporation will treat all Complaints as confidential and privileged to the fullest extent permitted by law. The Corporation will exercise particular care to keep confidential the identity of any person making a Complaint under this procedure until a formal investigation is launched. Thereafter, the identity of the person making the Complaint may be kept confidential, if requested, unless such confidentiality is incompatible with a fair investigation, unless there is an overriding reason for identifying or otherwise disclosing the identity of the person or unless such disclosure is required by law. In this instance, the person making the Complaint will be so informed in advance of his or her being identified with the Complaint. Where disciplinary proceedings are invoked against any individual following a Complaint, the Corporation will normally require the name of the person making the Complaint to be disclosed to the person subject to such proceedings.

The Corporation encourages individuals to put their name to any Complaint they make, but any person may also make anonymous Complaints. In responding to an anonymous Complaint, the Corporation will pay due regard to fairness to any individual named in the Complaint, the seriousness of the issue raised, the credibility of the information or allegations in the Complaint, the likelihood of confirming the allegation from a reliable source and the prospects of an effective investigation and discovery of evidence.

Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the Complaint and the issues raised therein.

Handling of Complaints

The Compliance Officer will notify the sender and acknowledge receipt of a Complaint, if it has not been filed anonymously, as soon as reasonably practicable. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Effective Date

This Policy is in effect as of August 3, 2005.

The Corporation reserves the right to modify or amend this Code at any time as it may deem necessary.

EXHIBIT A
COMPLAINT FORM

Case Number: _____ Name: _____
Tel: _____ E-mail: _____
Department: _____ Supervisor: _____

Type of Violation: Legal Accounting/Auditing Breach of Code Retaliation

Date Caller became aware of potential violation: _____

Violation is: Ongoing Completed Unclear whether ongoing or completed

Department suspected of violation: _____

Individual(s) suspected of violation: _____

Describe all of the relevant facts of the violation:

How did Caller become aware of the violation:

Steps taken by Caller prior to contact:

Who, if anyone, may be harmed or affected by the violation?

If violation is legal, estimate amount of loss to the Corporation as a result of violation:

Actual: _____ Potential: _____

If the violation relates to accounting/auditing matter, estimate the amount of the misreporting and indicate the affected category (or categories) of misreporting:

Amount _____
Category: Assets Liabilities Expenses
 Revenues Valuation Equity

Provide any suggestions for remedying the violation:

Do you wish to be contacted by the investigation officers regarding the status of the investigation?

Yes No

1817534.6

Whistleblower Policy



Sino-Forest Corporation

WHISTLEBLOWER POLICY

August 3, 2005 (last updated April 12, 2009)

SINO-FOREST CORPORATION**WHISTLEBLOWER POLICY****General**

The Code of Business Conduct ("Code") of Sino-Forest Corporation (the "Corporation") requires employees, officers and directors of the Corporation to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. In addition, the Corporation strives to maintain financial records and prepare financial statements and reports which comply with all applicable accounting principles and laws. As employees and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. Unlawful activity of any kind is prohibited.

Purpose

The goal of this Whistleblower Policy (the "Policy") is to discourage illegal activity and business conduct that damages the Corporation's good name, business interests, and its relationship with shareholders and the community at large. This Policy provides an avenue for employees to raise concerns regarding breaches of the Code and questionable accounting or auditing matters and provides reassurance that they will be protected from reprisals or victimization for whistleblowing in good faith.

Reporting Responsibility

It is the responsibility of all employees, officers and directors of the Corporation to report any violations or suspected violations of the Code and any concerns regarding accounting, financial statement disclosure, internal accounting or disclosure controls or auditing matters (a "Complaint") in accordance with this Policy.

No Retaliation

No employee, officer or director of the Corporation who in good faith makes a Complaint shall suffer harassment, retaliation or adverse employment consequences. An employee that retaliates against someone who has made a Complaint in good faith is subject to discipline up to and including termination of employment.

Reporting Violations

This Policy is intended to encourage and enable employees and others to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation. The Corporation has an open door policy and encourages employees to share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or

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you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable approaching.

For suspected fraud or securities law violations, or when you are not satisfied or uncomfortable with following the Corporation's open door policy, individuals should contact the Corporation's Compliance Officer directly.

Supervisors and managers are required to report all Complaints to the Corporation's Compliance Officer who has specific and exclusive responsibility to investigate all Complaints. A sample Complaint Form is attached hereto as Exhibit A, which is recommended for use by the person receiving the Complaint.

Compliance Officer

The Corporation's Compliance Officer is responsible for investigating all reported Complaints. The Compliance Officer is Xu Ni, Vice President, Legal Affairs, who may be contacted by telephone at [REDACTED] or by email at ni-xu@sinoforest.com. If you are not comfortable speaking with the Compliance Officer or the Compliance Officer is unavailable and the matter is urgent, you may contact Jamie Hyde, Chairman of the Audit Committee of the Corporation at (905) 829-1197 x227 or by email at james.hyde@rogers.com.

Accounting and Auditing Matters

The Compliance Officer has direct access to the Audit Committee at any time and is required to report to the Audit Committee at least annually on compliance activity.

The Audit Committee shall address all reported Complaints. The Compliance Officer shall immediately notify the Audit Committee of any Complaint and work with the Audit Committee until the matter is resolved.

Acting in Good Faith

Anyone filing a Complaint must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code or constitutes a questionable accounting or auditing matter. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offence.

Confidentiality

The Corporation will treat all Complaints as confidential and privileged to the fullest extent permitted by law. The Corporation will exercise particular care to keep confidential the identity of any person making a Complaint under this procedure until a formal investigation is launched. Thereafter, the identity of the person making the Complaint may be kept confidential, if requested, unless such confidentiality is incompatible with a fair investigation, unless there is an overriding reason for identifying or otherwise disclosing the identity of the person or unless such disclosure is required by

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law. In this instance, the person making the Complaint will be so informed in advance of his or her being identified with the Complaint. Where disciplinary proceedings are invoked against any individual following a Complaint, the Corporation will normally require the name of the person making the Complaint to be disclosed to the person subject to such proceedings.

The Corporation encourages individuals to put their name to any Complaint they make, but any person may also make anonymous Complaints. In responding to an anonymous Complaint, the Corporation will pay due regard to fairness to any individual named in the Complaint, the seriousness of the issue raised, the credibility of the information or allegations in the Complaint and the prospects of an effective investigation and discovery of evidence.

Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the Complaint and the issues raised therein.

Complaints may be submitted on a confidential basis by the complainant or may be submitted anonymously. Complaints will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

This Policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Reported violations or suspected violations expressed anonymously will be investigated, but consideration will be given to the following factors: 1) the seriousness of the issue; 2) the creditability of the concern; and 3) the likelihood of confirming the allegation from a reliable source.

Handling of Complaints

The Compliance Officer will notify the sender and acknowledge receipt of a Complaint, if it has not been filed anonymously, as soon as reasonably practicable. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Effective Date

This Policy is in effect as of August 3, 2005.

The Corporation reserves the right to modify or amend this Policy at any time as it may deem necessary.

EXHIBIT A
COMPLAINT FORM

Case Number: _____ Name: _____
Tel: _____ E-mail: _____
Department: _____ Supervisor: _____

Type of Violation: Legal Accounting/Auditing Breach of Code Retaliation

Date Caller became aware of potential violation: _____

Violation is: Ongoing Completed Unclear whether ongoing or completed

Department suspected of violation: _____

Individual(s) suspected of violation: _____

Describe all of the relevant facts of the violation:

How did Caller become aware of the violation:

Steps taken by Caller prior to contact:

Who, if anyone, may be harmed or affected by the violation?

If violation is legal, estimate amount of loss to the Corporation as a result of violation:

Actual: _____ Potential: _____

If the violation relates to accounting/auditing matter, estimate the amount of the misreporting and indicate the affected category (or categories) of misreporting:

Amount _____
Category: Assets Liabilities Expenses
 Revenues Valuation Equity

Provide any suggestions for remedying the violation:

Do you wish to be contacted by the investigation officers regarding the status of the investigation? Yes No

1889755.6

Legal Opinion

競天公誠律師事務所
JINGTIAN & GONGCHENG
ATTORNEYS AT LAW

北京市朝阳区朝阳门外大街20号 联合大厦15层 邮政编码: 100020
电话: (86-10) 6588-2200 传真: (86-10) 6588-2211

致: Sino-Forest Corporation

北京市竞天公诚律师事务所

关于Sino-Forest Corporation于中国境内林权资产和业务的
中国法律意见书

北京市竞天公诚律师事务所(“本所”)为在中华人民共和国(“中国”)注册并经中国司法部批准从事法律业务的律师事务所。本所受Sino-Forest Corporation(“嘉汉林业”或“贵公司”)委托,就贵公司于中国境内通过附属企业间接拥有的林权资产和若干业务合同出具本法律意见书。

为出具本法律意见书,本所审查了载于本法律意见书的附件文件并向贵公司作了必要的查询,同时向中国政府有关部门作出了所需的查问和咨询。贵公司已保证,其提供的文件是完整和真实的,所提供文件中的所有印章是真实的,文件的复印件与原件相符,并且一切足以影响本法律意见书的事实和文件均已向本所披露,而无任何隐瞒、疏漏或偏差之处。

在本法律意见书中,本所仅根据贵公司确认的有关事实及本所对该等事实的了解及有关法律、法规的理解发表法律意见。在本法律意见书中,本所仅就嘉汉林业于中国境内通过附属企业间接拥有的林权资产和若干业务合同的合法性发表意见,而未对该等附属企业的设立、存续及有关会计、审计和资产评估等事项发表意见。

基于上述,本所按照中国律师行业公认的业务标准、道德规范和勤勉尽责精神,对贵公司提供的文件和有关事实进行了核查和验证。根据现行有效的有关中国法律、法规,本所现出具法律意见如下:

一、 中国法律、法规就林权的相关规定

根据现行有效的《中华人民共和国森林法》(“《森林法》”)及其实施条例的规定,“用材林、经济林、薪炭林的林地使用权可以依法转让,也可以依法作价入股或者作为合资、合作造林、经营林木的出资、合作条件”;“国家依法保护森林、林木和林地经营者的合法权益。任何单位和个人不得侵占经营者依法所有的林木和使用的林地。用材林、经济林和薪炭林的经营者,依法享有经营权、收益权和其他合法权益”。

《森林法》及其实施条例规定,我国施行对林地和林木的所有权或使用权人颁发林权证的制度,县级以上地方人民政府林业主管部门主管本地区的林业工作,经该林业主管部门审核,由县级以上地方人民政府发放证书,确认所有权或者使用权。国家林业局于2000年4月18日发布了《关于实行全国统一林权证式样的通知》(“《通知》”),决定“自该通知下发之日起正式启用新式样的《中华人民共和国林权证》,各地原印制的空白林权证(自留山证、山林权证)等一律停止使用。今后,各地凡是进行林权初始登记和林权变更登记,都要使用全国统一式样的林权证。原来已颁发的林权证仍然有效,合法权益受法律保护”。据国家林业局网站2002年7月16日对全国森林资源和林政管理工作会议的报道,该次会议确定今后的重点工作之一即“全面加快林权登记发证的速度,力争用1年到2年时间完成尚未进行登记发证和发证后需要变更登记部分的发证工作,对退耕还林登记发证必须做到还林一块、验收一块、发证一块,力争用3年到5年时间完成换发全国统一式样林权证工作”;单位或个人可以依法取得用材林、经济林、薪炭林(可统称为“商品林”)的林地使用权开展持续性林木经营业务,依法造林、营林的单位和个人则可依法取得林木的所有权及/或使用权。

根据《森林法》及其实施条例对有关林权证发放权属、程序的原则性规定,国家林业局于2000年12月31日颁布实施了《林木和林地权属登记管理办法》(“《管理办法》”),以部门规章的形式就有关林权登记、发证程序和要求进一步予以明确。根据上述《管理办法》,“县级以上林业主管部门依法履行林权登记职责。林权权利人(即森林、林木和林地所有权或者使用权的拥有者)应当根据《森林法》及其实施条例的规定向县级以上林业主管部门提出登记申请,对于经过登记机关审查准予登记的申请,应当及时核发林权证”。

二、 贵公司境内附属企业在中国境内的业务及其拥有的林权

贵司于中国境内设立的附属企业包括若干外商独资企业(“WFOE”),该等WFOE在履行法定程序依法成立后,即有权在其被核准的经营范围内,以经其审批机关批准的方式,依法开展有关造林、营林业务。据贵司确认,其中部分WFOE为生产性企业,直接从事造林、营林业务。

如前文所述,WFOE依法取得的《中华人民共和国林权证》即可作为其拥有的林权的合法凭证。但是,由于作为新版林权证书的《中华人民共和国林权证》

的统一换发需要各地政府部门逐步落实，WFOE 可能不能及时办理和取得新版林权证。根据《通知》的精神，在未能办理《中华人民共和国林权证》的情况下，各地政府部门在各自行政区域内颁发的旧版林权证仍可视为证明林权的有效凭证。

三、贵公司境外附属企业在中国境内的业务及其拥有的林权

据贵司确认，除通过有关境内附属企业直接开展造林、营林业务而拥有的包括林地使用权在内的林权外，贵司还通过其境外附属企业——汉业资源有限公司和嘉汉林业资源有限公司（“境外附属企业”）以在中国境内收购中幼林的方式取得该等中幼林的所有权。其中，境外附属企业与原林权人的委托代理人——在中国境内注册并依法从事林木经营的企业依法签订中幼林收购合同并办理必要的审批手续，且取得林木所在地县级以上人民政府颁发的《中华人民共和国林权证》后，即可证实其对有关收购的中幼林的合法权利。就境外附属企业合法拥有的该等中幼林，其可依法通过有合法林木经营权的第三方委托销售。

如前文所述，由于作为新版林权证书的《中华人民共和国林权证》的统一换发需要各地政府部门逐步落实，根据《通知》的精神，在未能办理《中华人民共和国林权证》的情况下，各地政府部门在各自行政区域内颁发的旧版林权证仍可视为证明林权的有效凭证。如由于当地林权登记工作滞后和换发新版林权证的原因，在旧版林权证也未能办理的情况下，为向第三方证实其所拥有的林权的合法性，境外附属企业可以向中幼林所在地的县级以上林业行政主管部门申请出具证明函或确认函以证实其对收购中幼林的合法权属，在上述情况下，该证明函或确认函可视为境外附属企业有权拥有其收购中幼林的林木所有权的有效证明文件。

经审阅贵司提供的一份由汉业资源有限公司与洪江市林丰营林有限公司于2007年12月12日签署的《杉树收购合同》（不含合同附件1、3、4）（见本法律意见书附件一）和与该合同相对应的由洞口县林业局于同日出具的《关于同意集体林木所有权人向汉业资源有限公司转让杉树的批复》（见本法律意见书附件二），根据林业部和国家国有资产管理局分别于1995年11月10日和1997年2月3日颁布实施的《关于森林资源资产产权变动有关问题的规范意见（试行）》和《关于加强森林资源资产评估管理工作若干问题的通知》，“集体组织的森林资源资产转让由县级以上林业行政主管部门审批”，“非国有森林资源资产的项目管理工作由县及县以上林业行政主管部门负责”。根据洞口县林业局作出的上述批复，该收购合同项下杉林不属于国有森林资源，据此，本所认为，就该收购合同项下集体所有林木资产的转让，在经洞口县林业局批准的情况下，该收购合同即为合法、有效，并对合同双方构成有约束力的条款，根据洞口县林业局的批准，汉业资源有限公司已获准收购该收购合同项下杉林，并可以依法对所收购的林木进行采伐、运输和销售。

经审阅贵司提供的一份由汉业资源有限公司与孝义市嘉华杰木业贸易有限公司于 2007 年 12 月 20 日签署的《委托销售协议》(见本法律意见书附件三), 本所认为, 其内容不违背中国法律、法规, 汉业资源有限公司可以依法委托有合法林木经营权的第三方——孝义市嘉华杰木业贸易有限公司代为销售林木, 并且根据合同中双方的约定, 该第三方应当负责为汉业资源有限公司代扣代缴国家规定的所有相关税项; 此外, 双方还约定, 自协议生效之日起, 林木相关的所有风险由该第三方负责。

本法律意见书仅为贵司聘请的安永会计师事务所出具其审计报告作为参考之目的使用。除上述目的外, 未经本所书面同意, 本法律意见书不得被任何人为任何其它目的而使用。

竞天公诚律师事务所

2008 年 3 月 10 日

附件一

杉树收购合同

甲方：汉业资源有限公司(Suri-Wood Inc.)，系于英属维尔京群岛设立的有限公司，为香港嘉汉木业集团全资附属公司。

乙方：洪江市林丰营林有限公司，系于湖南省洪江市依法设立的经营林木及木材买卖的企业。

鉴于：

- 1、甲方是国际知名营林企业——香港嘉汉木业集团（“嘉汉集团”）的全资附属子公司，嘉汉集团已于中国境内投资设立多家造林、营林企业，积累了丰富的商品林经营经验；
- 2、乙方已接受原林木所有权人暨林地使用权人（“原林权人”）的全权委托签署本合同，向甲方转让原林权人于1988年间在湖南洞口县出资营造的99,650.00亩（6,643.33公顷）杉林。

为实现嘉汉集团在中国境内以可持续营林模式进行营林，并为农村集体组织和农民尽早实现经济效益，现乙方同意向甲方出售原林权人营造的杉林，甲方同意自乙方收购该等杉林。在平等、自愿、合作、互利的原则下，经甲乙双方充分协商，就有关杉林收购事宜达成如下协议条款：

第一条 收购标的

根据甲乙双方专家小组以及有关林业勘查设计院出具的《杉林蓄积量调查报告》和《杉林质量检查报告》（详见本合同附件）核实，甲乙双方确认本合同项下杉林（“该等林木”）的基本情况如下：

树种 : 杉树
地点 : 洞口县
面积 : 99,650.00 亩（6,643.33 公顷）
蓄积量 : 1,090,885.30 立方米

第二条 收购价格及支付方式

1、收购价格

甲乙双方同意就该等林木作价人民币¥2,846.26元/亩，合计¥283,630,178.00元人民币。

2、支付方式

甲乙双方同意自本合同签署之日起一个月內由甲方向乙方分期支付全部购林款。

第三条 林木所有权的转移

甲乙双方同意，本合同生效之后，依法向有关林业主管部门申请办理该等林木的林木所有权变更登记手续，乙方应当协助甲方办理上述产权变更手续，直至甲方依法取得《中华人民共和国林权证》或其它有效的权属证明文件。

第四条 本合同项下权利和义务的转让

甲乙双方同意，甲方有权将本合同项下的权利、义务转让给嘉汉集团其它下属子公司执行，而无需另行取得乙方或该等林木原林权人的同意。

第五条 杉林的管护、采伐和运输

甲乙双方同意，自本合同生效之日起，甲方（或甲方聘请的营林服务单位或个人）有权进入该等林木所处林区查看、管护林木并依法采伐、运输林木，乙方或该等林木原林权人不得无理阻挠，并应当给予必要的协助。乙方需协助甲方向有关林业主管部门申请有关林木采伐、运输、植物检疫等方面的许可证照，并协助甲方取得该等林木所在地相关林业局有关确保将上述成材林木列入当年采伐限额，保证甲方于采伐当年取得采伐指标的批复。

第六条 杉林所处林地的林地使用权

甲乙双方同意，乙方于本合同项下向甲方转让的该等林木仅限于林木所有权，并不包括该等林木所处林地的使用权，待林木成材采伐后，该片林地应无偿归还乙方。同时，乙方同意根据市场信息和行业惯例，在同等条件下，授予甲方对采伐后林地使用权的优先受让权，如果甲方放弃前述林地使用权的优先受让权，甲方有权要求乙方提供令其满意的相等于前述林地使用权面积的其他林地使用权。有关上述林地使用权的使用期限可长至 50 年。届时甲乙双方将另行签署林地使用权转让合同或者林地租赁合同并办理相关的登记、备案手续。

第七条 双方的承诺与保证

1、甲方的承诺与保证

- (1) 甲方系依法设立的境外公司，其有权签署和履行本合同；
- (2) 甲方保证按照本合同约定的金额和支付方式向乙方支付全部购林款。

2、乙方的承诺与保证

- (1) 乙方系依法设立的从事林木买卖及造林、营林服务的企业，其就签署和履行本合同已取得所需的一切批准、许可或同意，包括但不限于取得该等林木原林权人就签署本合同以及厘定本合同项

- 下该等林木的地点、面积、蓄积量、转让价格以及有关林地使用权处置等全部条款（详见本合同附件）；
- (2) 乙方保证，其向甲方转让的该等林木均已取得《中华人民共和国林权证》或其它能够证实其合法权属的证明文件（详见本合同附件），并保证会同该等林木原林权人协助甲方办理该等林木的所有权及/或林地使用权变更登记手续，并负责协调解决甲方与该等林木原林权人之间的任何纠纷。

第八条 违约责任

甲乙双方互相向对方保证，其于本合同中确认的各项事实以及作出的承诺和保证均为真实有效，并承诺其将严格履行或承担其于本合同中承担的义务和责任。否则，违约方应当向守约方依法承担违约赔偿责任。

第九条 本合同如有任何未尽事宜，由甲乙双方另行协商并以书面补充协议形式确定。

第十条 本合同受中华人民共和国法律约束，在本合同执行中如发生争议，由双方协商解决，如协商不成，任何一方均有权向人民法院起诉。

第十一条 本合同自取得本合同项下杉林所在地县级以上林业局批准之日起生效。

第十二条 本合同一式四份，甲乙双方各执一份，其余用于报送有关政府部门办理林木所有权变更登记手续。

本合同由甲乙双方于 2007 年 12 月 12 日签署，以昭信守。

(签字页)



甲方：汉业资源有限公司(Suri-Wood Inc.):(盖章)

法定代表或授权代表： KK [Signature]



乙方：洪江市林丰营林有限公司(盖章)

法定代表或授权代表： [Signature]

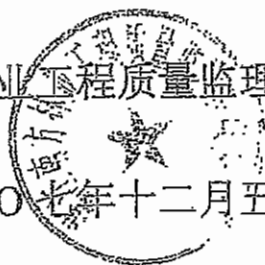
附件：

- 1· 杉林蓄积量调查报告；
- 2· 杉林资源调查质量检查报告；
- 3· 村民授权委托书及决议书；
- 4· 证实该等林木权属的《林权证》或其它权属证明文件。

湖南洞口县
1988年度杉树
森林资源核查报告

湛江南方林业工程质量监理有限公司

二〇〇七年十二月五日



湖南 洞口县 1988 年度 杉树森林资源核查报告

受汉业资源有限公司的委托, 湛江南方林业工程质量监理有限公司组织专家、工程技术人员, 在洞口县林业局和相关乡(镇)林业站的配合下, 对洞口县渣坪乡、月溪乡、江口镇、桥头林场 1988 年种植的杉树森林资源进行核查。核查小组于 2007 年 11 月 26 日至 2007 年 12 月 4 日根据县林业局提供的杉树森林资源清单, 按照 1996 年 7 月原国家林业部颁发的《森林资源规划调查主要技术规定》的 A 级标准、湖南省《森林资源规划设计调查技术方法》, 以小班为抽样单位进行核查, 现将核查结果报告以下:

一、林区基本情况

1、地理位置:

洞口县地处东经 $110^{\circ} 8' \sim 111^{\circ} 57'$, 北纬 $26^{\circ} 51' \sim 27^{\circ} 22'$ 。位于湖南省西南部, 雪峰山东麓, 资江上游。东接隆回县, 南接武冈市, 北临淑浦县, 西南邻绥宁县, 西北界黔阳县。南北长 56.3 公里, 东西宽 80.25 公里, 总面积 219640.6 公顷。东经邵阳至长沙市 328 公里。洞口县原系武冈县的一部分。1952 年经政务院批准从武冈划出北部地区设立洞口县, 属邵阳专署管辖。1986 年隶属邵阳市。

2、自然条件:

洞口县境内西北山多岭峻, 中部地势低平, 东南丘冈棋布。属亚热带季风性湿润气候, 年均气温 16.6°C , 降水量 1491 毫米, 无霜期 290 天左右, 日照 1569 小时。洞口县的地形大体可分 3 部: 西北山区, 地处雪峰山脉中段的东南部, 占全县总面积的 50.1%; 中部溪谷平原区, 面积 875.4 平方公里; 东南丘岗区, 面积 222.63 平方公里。全县最高点普子脑海拔 1821 米, 最低点马家园海拔 260 米。森林土壤主要为红壤、山地黄壤、山地黄棕壤等。全县有木本植物 105 种, 草本植物 102 种、野禽有猫头鹰、相思鸟、虎头鹇、锦鸡等 50 多种。蛇类有五步蛇、金杯蛇、眼镜蛇等 20 多种。

3、社会经济情况:

洞口县全县总人口 76.4017 万人, 其中非农业人口 7.6982 万人, 占总人口 10.1

%。男性占总人口 52%。女性占总人口 48%。有瑶、回、苗、侗、满、土家、高山、傣、水、哈萨克、朝鲜、白、东乡、仡佬族等 15 个少数民族，共 1 万余人，其中瑶族 8800 余人。洞口县农业生产历来比较发达。粮食、茶叶、柑桔、生猪、木材久负盛名。建国以来，粮食产量大幅度增长，总产由 1949 年的 7.22 万吨增加到 1990 年的 31.03 万吨。1989 年、1990 年夏粮、夏油生产两次受到国务院的嘉奖。畜牧以养猪为主，瘦肉率高而居邵阳市第一位。全县已建成湖南省商品粮、雪峰蜜柑、良种茶叶、速生杉木林、瘦肉型出口猪、农村能源开发等农业生产基地。近年来，全县人民在县委、县政府的正确领导下，坚持“民营为主、工业强县”的发展战略，加大企业改制、招商引资力度，加快发展民营经济，国民经济持续快速稳定增长。经济效益和质量不断提高，各项事业全面进步，人民生活进一步改善。

4、交通通讯情况：

洞口县地处交通要道，交通运输便利，上瑞高速公路及国道 320 线贯穿东西，竹城高等级公路和省道 1805、1821 线穿境而过，县乡公路 43 条，共 585.48 公里，机耕道和林道 500 余公里，村通公路率达 100%。县内能流送木材的溪流有 20 多条 655 公里，其中资水干流境内长 14.3 公里，资水一级支流平溪河境内长 70.4 公里，蓼水河境内长 37 公里，资水二级支流黄泥江境内长 48.8 公里，沅水一级支流公溪河境内长 18.5 公里。

5、森林资源情况：

全县土地总面积 219640.6 公顷 (3294609 亩)，其中：林地 126717.3 公顷 (1900759.5 亩)，占总面积的 57.69%；林地面积中：按森林类别分：商品林 72586.7 公顷 (1088800.5 亩)，占林地面积的 57.28%；公益林 54045.4 公顷 (810681 亩)，占林地面积的 42.65%；按地类分：有林地 111510.6 公顷 (1672659 亩)，占林地面积的 88%。有林地面积中：乔木纯林地 92029.4 公顷 (1380441 亩)，混交林地 3272.8 公顷 (49092 亩)，竹林 16208.4 公顷 (243126 亩)。活立木总蓄积 7064025 立方米，其中：乔木林 6690415 立方米，占总蓄积的 94.71%；乔木林中：商品林 4295828 立方米，占乔木蓄积量的 64.21%；生态公益林 2394587 立方米，占乔木蓄积量的 35.79%。幼龄林 80780 立方米，占 1.21%；中龄林 1227624 立方米，占 18.35%；近、成、过熟林 5382011 立方米，占 80.44%。

二、 核查方法

本次核查,面积采用卫星定位技术测量,林木蓄积量按小班抽样调查方法,具体操作方法如下:

1、 林地面积核查

以原区划的 1:10000 小班地形图为基础,对抽取的每个小班用 GPS 卫星定位仪进行测量,观测原来区划的小班是否准确。

2、 林木蓄积量核查

(1) 对抽取的每个小班,根据随机性和典型性相结合的原则布设小样园的方法进行调查。小样园的数量按调查方法的规定设置,依小班面积的大小进行确定。样园间距不小于 30 米,按既定的线路布设,并观察记载小班调查因子(如树种、地类、造林年度、海拔高、地位级、坡度、土层厚、表土层厚、主要植被种类、土地类型、造林密度等因子),由于人为活动或自然灾害,如火烧、冻害、改种其它树种、盗伐、台风吹倒、病虫害等原因,使林木遭受毁坏,调查时必须将这些因素以及林分变化程度如实记录,以便另行统计。如小班由多块不相邻的地块组成,样园布设按面积分配。样园面积为 0.04 公顷。

(2) 样园内每木检尺,林木起测径阶为 4.0 厘米,记录到小数后一位,样园内胸径小于 3.0 厘米的活立木清点株数。每个样园选取 3-5 株胸径接近平均胸径、生长正常的林木测量树高。样园平均胸径根据检尺木胸径,采用加权平均方法计算。样园平均树高采用算术平均法计算。

(3) 蓄积量计算:首先据各样园的平均胸径、树高和每公顷株数,采用杉木的二元材积公式计算各样园的每公顷蓄积量,然后采用算术平均法计算小班平均每公顷蓄积量,并由小班平均每公顷蓄积量和小班面积计算小班总蓄积量。

三、 森林资源核查结果

本次森林资源核查的杉树有林面积为 99650.00 亩,410 个小班,蓄积量 1090885.30 立方米,单位蓄积量 10.95 立方米/亩。分布在洞口县的渣坪乡、月溪乡、江口镇、桥头林场等 4 个乡镇、林场,其中渣坪乡 29688.00 亩,月溪乡 3987.00 亩,江口镇 5989.00 亩,桥头林场 59986.00 亩,全部属 1988 年度造林的商品用材林。抽查小班 13 个,占总小班数的 3.17%,超过《技术规程》抽查 3%的约 0.06 倍;抽查小班面积 3664.50 亩,占有林地总面积 3.7%;设置样地 82 个。抽查小班的质

量按《森林资源规划设计调查技术规定》的 A 级标准评定, 小班合格率为 100%, 主要调查因子为立地类型、树高、胸径、面积、蓄积。抽查评定结果, 立地类型全部合格, 小班面积精度 99.7%, 平均树高测定精度 96.2%, 平均胸径测定精度 96.5%, 蓄积量测定精度 99.1%。经核查评估的杉树森林资源清单均符合森林资源调查误差 ±5% 的精度要求。

经核查, 确认洞口县渣坪乡、月溪乡、江口镇、桥头林场 1988 年度杉树资源面积为 99650.00 亩, 蓄积量为 1090885.30 立方米。

- 附表:
- 1、湖南洞口县 1988 年度杉树林地面积、林木蓄积汇总表
 - 2、湖南洞口县 1988 年度杉树林地类型统计表
 - 3、湖南洞口县 1988 年度杉树资源清单
 - 4、小班调查质量抽查表
 - 5、林木资源抽查结果表





湖南洞口县1988年度杉树林地面积、林木蓄积汇总表

表: 1
总1页第1页

造林地点	小班数	林地面积 (亩)	林木蓄积 (m ³)
合 计	410	99650.00	1090885.30
1988年度	410	99650.00	1090885.30
渣坪乡	141	29688.00	314692.80
月溪乡	23	3987.00	41464.80
江口镇	38	5989.00	62884.50
桥头林场	208	59986.00	671843.20

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湖南 洞口县1988年度杉树林地类型统计表

表: 2
总1页第1页

造林地点	合计		地类 I		地类 II		地类 III		备注
	小班数	面积 (亩)	小班数	面积 (亩)	小班数	面积 (亩)	小班数	面积 (亩)	
合 计	410	99650.00	63	14941.62	144	35655.10	203	49053.28	
1988年度	410	99650.00	63	14941.62	144	35655.10	203	49053.28	
濂坪乡	141	29688.00	39	8861.62	44	8694.97	58	12131.21	
月溪乡	23	3987.00	8	1367.53	7	1167.01	8	1452.46	
江口镇	38	5989.00	0	0.00	14	2029.91	24	3959.09	
桥头林场	208	59986.00	16	4712.27	79	23763.21	113	31510.52	

湖南 洞口县1988年度杉树资源清单

表
总13页第1页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
总计	410	99650.00							1090885.30	
渣坪乡合计	141	29688.00							314692.80	
月溪乡合计	23	3987.00							41464.80	
江口镇合计	38	5989.00							62884.50	
桥头林场合计	208	59986.00							671843.20	
渣坪乡	1	212.41	杉	88	III	15.8	12.6	1091	1586.27	
渣坪乡	2	239.13	杉	88	III	17.1	13.5	1327	2671.12	
渣坪乡	3	313.68	杉	88	III	18.9	15.3	1172	4331.64	
渣坪乡	4	345.58	杉	88	III	15.8	15.0	1188	3961.97	
渣坪乡	5	346.98	杉	88	III	16.5	14.1	1332	4104.83	
渣坪乡	6	233.50	杉	88	III	17.3	14.1	1172	2535.91	
渣坪乡	7	338.54	杉	88	III	17.0	13.2	1327	3598.81	
渣坪乡	8	245.63	杉	88	III	15.1	12.7	1212	2306.49	
渣坪乡	9	140.83	杉	88	II	18.7	14.9	1411	2201.17	
渣坪乡	10	206.78	杉	88	II	17.1	15.0	1334	2857.55	
渣坪乡	11	124.33	杉	88	II	14.9	13.4	1251	1140.36	
渣坪乡	12	234.95	杉	88	II	14.9	13.1	1372	2260.31	
渣坪乡	13	237.02	杉	88	I	16.1	14.1	1283	2642.06	
渣坪乡	14	169.34	杉	88	I	16.0	13.7	1091	1508.23	
渣坪乡	15	361.51	杉	88	I	17.4	14.1	1188	4000.37	
渣坪乡	16	241.61	杉	88	I	14.7	13.9	1096	2061.66	
渣坪乡	17	355.05	杉	88	I	16.8	13.5	1212	3565.25	
渣坪乡	18	272.90	杉	88	I	19.4	15.9	1117	3966.16	
渣坪乡	19	838.38	杉	88	I	15.2	14.3	1212	8620.45	
渣坪乡	20	226.47	杉	88	I	17.0	13.9	1255	2520.81	
渣坪乡	21	237.73	杉	88	I	15.8	13.7	1491	2861.20	
渣坪乡	22	129.41	杉	88	III	15.6	13.7	1212	1251.69	
渣坪乡	23	247.58	杉	88	III	14.2	13.8	1332	2453.92	
渣坪乡	24	336.19	杉	88	III	14.0	12.3	1270	2894.50	
渣坪乡	25	229.75	杉	88	III	13.1	14.1	1327	2247.04	

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湖南 洞口县1988年度杉树资源清单

受托方 南方林业监理公司

总13页第2

造林地小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
渣坪乡 26	153.86	杉	88	III	15.4	13.8	1386	1706.53	
渣坪乡 27	429.03	杉	88	III	15.4	12.9	1231	3700.60	
渣坪乡 28	242.54	杉	88	III	15.4	15.0	1052	2406.37	
渣坪乡 29	139.80	杉	88	III	15.1	13.7	1491	1615.58	
渣坪乡 30	243.65	杉	88	III	14.7	13.3	1444	2562.69	
渣坪乡 31	437.48	杉	88	I	16.1	13.3	1332	4512.54	
渣坪乡 32	145.42	杉	88	I	12.9	11.6	1212	854.69	
渣坪乡 33	231.33	杉	88	I	15.4	15.0	1091	2894.70	
渣坪乡 34	556.97	杉	88	I	15.8	14.1	1283	6104.74	
渣坪乡 35	135.67	杉	88	I	14.1	12.6	1212	1015.61	
渣坪乡 36	124.33	杉	88	I	14.7	13.1	1444	1243.71	
渣坪乡 37	666.19	杉	88	II	11.2	13.7	1050	4147.70	
渣坪乡 38	236.36	杉	88	II	13.7	12.0	1251	1617.87	
渣坪乡 39	266.87	杉	88	III	15.2	14.5	1212	2820.15	
渣坪乡 40	119.57	杉	88	III	14.7	12.6	1251	959.76	
渣坪乡 41	296.81	杉	88	III	15.8	14.0	1372	3430.46	
渣坪乡 42	250.05	杉	88	III	13.9	11.1	1327	1577.44	
渣坪乡 43	125.80	杉	88	III	13.9	12.3	1270	929.75	
渣坪乡 44	345.68	杉	88	III	15.1	13.5	1291	3557.97	
渣坪乡 45	128.54	杉	88	I	14.9	12.2	1251	980.03	
渣坪乡 46	204.51	杉	88	I	15.1	13.3	1052	1572.98	
渣坪乡 47	226.47	杉	88	I	15.2	14.9	1386	2887.52	
渣坪乡 48	120.10	杉	88	I	14.4	11.6	1096	704.47	
渣坪乡 49	170.74	杉	88	I	16.1	14.6	1251	1987.64	
渣坪乡 50	275.37	杉	88	I	13.1	11.7	1212	1668.92	
渣坪乡 51	149.87	杉	88	I	14.7	11.3	1444	1051.69	
渣坪乡 52	53.46	杉	88	III	14.2	11.5	1410	391.65	
渣坪乡 53	46.42	杉	88	III	14.2	11.5	1297	312.82	
渣坪乡 54	29.54	杉	88	III	13.9	11.1	1327	186.35	
渣坪乡 55	126.77	杉	88	III	14.7	11.7	1332	936.27	
渣坪乡 56	145.23	杉	88	III	15.1	15.2	1052	1570.92	
渣坪乡 57	161.77	杉	88	III	16.0	14.9	1372	2137.83	
渣坪乡 58	125.51	杉	88	III	15.4	15.8	1492	2359.27	
渣坪乡 59	232.31	杉	88	III	14.4	11.5	1312	1510.12	

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湖南洞口县1988年度杉树资源清单

受托方: 南方林业监理公司

表:
总13页第3页

造林地	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
渣坪乡	60	101.28	杉	88	III	14.9	13.1	1212	650.73	
渣坪乡	61	142.61	杉	88	III	14.9	13.7	1332	1454.61	
渣坪乡	62	63.30	杉	88	III	15.1	14.0	1332	682.00	
渣坪乡	63	235.62	杉	88	III	14.7	11.6	1337	1717.43	
渣坪乡	64	15.43	杉	88	III	14.4	13.8	1100	128.31	
渣坪乡	65	153.79	杉	88	II	16.7	13.2	1251	1516.61	
渣坪乡	66	127.14	杉	88	II	14.2	14.0	1307	1272.07	
渣坪乡	67	148.23	杉	88	II	14.7	13.3	1212	1282.27	
渣坪乡	68	129.94	杉	88	II	13.7	15.0	906	999.76	
渣坪乡	69	139.06	杉	88	II	15.0	13.3	977	987.42	
渣坪乡	70	160.90	杉	88	II	14.8	12.1	1291	1238.12	
渣坪乡	71	128.54	杉	88	II	15.1	13.4	1291	1231.31	
渣坪乡	72	431.85	杉	88	II	16.4	14.6	1091	4457.49	
渣坪乡	73	183.18	杉	88	II	15.2	15.1	1251	1927.89	
渣坪乡	74	90.03	杉	88	II	14.8	13.5	1011	673.11	
渣坪乡	75	148.23	杉	88	I	15.8	12.8	1172	1189.16	
渣坪乡	76	139.80	杉	88	III	15.6	14.3	1332	1617.00	
渣坪乡	77	808.84	杉	88	III	18.2	14.3	1044	8419.33	
渣坪乡	78	136.44	杉	88	III	15.8	14.1	1004	1170.26	
渣坪乡	79	130.82	杉	88	III	15.8	14.0	1291	1422.72	
渣坪乡	80	160.36	杉	88	III	17.3	15.2	1251	2155.47	
渣坪乡	81	85.81	杉	88	III	17.3	15.1	1052	957.40	
渣坪乡	82	233.79	杉	88	III	16.1	14.5	1182	2591.19	
渣坪乡	83	144.02	杉	88	III	13.7	13.7	1011	1034.28	
渣坪乡	84	148.19	杉	88	I	17.3	15.2	1291	2055.58	
渣坪乡	85	182.87	杉	88	I	14.7	12.8	1172	1418.49	
渣坪乡	86	158.95	杉	88	I	15.5	14.4	1250	1739.11	
渣坪乡	87	138.61	杉	88	I	14.7	12.8	1332	1221.96	
渣坪乡	88	140.67	杉	88	I	15.2	12.1	1291	1108.84	
渣坪乡	89	193.55	杉	88	I	17.4	13.7	1258	2142.97	
渣坪乡	90	266.35	杉	88	I	18.2	14.3	1249	3316.88	
渣坪乡	91	314.26	杉	88	I	15.1	14.0	1243	3159.64	
渣坪乡	92	180.80	杉	88	III	16.3	13.8	1163	1572.77	
渣坪乡	93	494.54	杉	88	III	18.0	13.1	1277	5912.73	

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湖南 洞口县1988年度杉树资源清单

表:
总13页第4页

造林地小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
渣坪乡 94	182.05	杉	88	III	15.1	14.0	1323	1948.17	
渣坪乡 95	180.12	杉	88	III	17.4	13.7	1099	1742.21	
渣坪乡 96	180.12	杉	88	III	15.8	13.3	1283	1759.64	
渣坪乡 97	145.63	杉	88	III	18.0	13.5	1435	1657.31	
渣坪乡 98	185.69	杉	88	III	17.7	13.7	1249	2074.88	
渣坪乡 99	128.47	杉	88	II	16.3	13.8	1403	1494.11	
渣坪乡 100	139.89	杉	88	II	17.4	13.7	1174	1445.43	
渣坪乡 101	241.44	杉	88	II	16.9	15.2	1174	2982.35	
渣坪乡 102	130.30	杉	88	II	16.0	14.6	1247	1503.69	
渣坪乡 103	239.53	杉	88	II	15.0	13.9	1203	2284.45	
渣坪乡 104	226.11	杉	88	II	19.0	15.0	1374	3537.17	
渣坪乡 105	197.38	杉	88	II	18.8	14.6	1249	2636.16	
渣坪乡 106	312.34	杉	88	II	17.0	14.4	1249	3709.46	
渣坪乡 107	216.53	杉	88	II	18.6	14.4	1258	2807.63	
渣坪乡 108	130.30	杉	88	II	18.2	14.3	1258	1634.33	
渣坪乡 109	157.12	杉	88	II	16.3	13.8	1495	1977.93	
渣坪乡 110	124.56	杉	88	II	16.3	15.0	1283	1586.92	
渣坪乡 111	124.56	杉	88	II	14.8	13.9	1247	1216.68	
渣坪乡 112	168.63	杉	88	II	17.4	13.7	1339	1987.27	
渣坪乡 113	130.30	杉	88	II	15.8	14.4	1243	1442.24	
渣坪乡 114	220.37	杉	88	II	18.8	14.6	1258	2964.41	
渣坪乡 115	254.07	杉	88	III	17.0	14.4	1303	3147.89	
渣坪乡 116	197.38	杉	88	III	16.1	15.0	1435	2779.87	
渣坪乡 117	170.92	杉	88	III	20.3	15.8	1347	3081.28	
渣坪乡 118	231.87	杉	88	III	15.2	14.3	1443	2838.55	
渣坪乡 119	197.38	杉	88	III	19.0	15.0	1325	2977.62	
渣坪乡 120	199.66	杉	88	II	18.6	14.4	1387	2854.36	
渣坪乡 121	262.52	杉	88	III	14.3	14.6	1377	2984.03	
渣坪乡 122	249.85	杉	88	II	15.8	14.4	1243	2755.49	
渣坪乡 123	197.00	杉	88	II	15.1	15.1	1323	2446.89	
渣坪乡 124	214.25	杉	88	II	15.2	13.9	1435	2466.53	
渣坪乡 125	201.21	杉	88	II	14.8	15.0	1435	2637.80	
渣坪乡 126	187.47	杉	88	II	20.3	15.8	1349	2799.43	
渣坪乡 127	197.38	杉	88	II	17.7	14.6	1243	3519.56	

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湖南洞口县1988年度杉树资源清单

受托方 湖南林业监理公司

表:
总13页第5页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
渣坪乡	128	271.95	杉	88	II	16.0	14.6	1319	3312.03	
渣坪乡	129	245.27	杉	88	II	17.7	13.9	1323	2984.01	
渣坪乡	130	149.09	杉	88	II	14.3	11.2	1233	912.40	
渣坪乡	131	120.73	杉	88	III	17.0	13.7	1221	1270.63	
渣坪乡	132	201.96	杉	88	I	15.0	13.9	1203	1936.14	
渣坪乡	133	79.32	杉	88	I	18.7	15.3	1202	1112.71	
渣坪乡	134	171.30	杉	88	I	17.4	13.9	1155	1791.76	
渣坪乡	135	245.27	杉	88	I	16.0	13.9	1160	2389.93	
渣坪乡	136	142.51	杉	88	I	15.8	14.4	1196	1517.74	
渣坪乡	137	109.23	杉	88	I	15.6	13.8	1271	1123.92	
渣坪乡	138	166.33	杉	88	I	16.8	15.0	1241	2104.86	
渣坪乡	139	165.71	杉	88	I	17.6	15.1	1237	2221.09	
渣坪乡	140	153.30	杉	88	II	17.6	14.0	1266	1800.94	
渣坪乡	141	281.21	杉	88	II	15.3	13.4	1240	2770.92	
小计	141	29688.00							314692.80	
月溪乡	1	112.24	杉	88	I	18.2	13.8	1535	1601.48	
月溪乡	2	172.32	杉	88	I	16.6	13.6	1555	2216.47	
月溪乡	3	135.23	杉	88	III	14.2	12.8	1552	1346.63	
月溪乡	4	282.64	杉	88	I	14.6	13.4	1310	2665.61	
月溪乡	6	154.61	杉	88	II	15.5	13.4	1565	1837.94	
月溪乡	6	106.36	杉	88	I	16.1	13.0	1317	1037.06	
月溪乡	7	167.71	杉	88	II	14.3	12.3	1452	1453.62	
月溪乡	8	113.21	杉	88	I	15.4	13.8	1575	1426.69	
月溪乡	9	137.54	杉	88	I	17.9	13.2	1516	1749.41	
月溪乡	10	122.50	杉	88	II	15.5	12.7	1315	1100.88	
月溪乡	11	154.67	杉	88	I	17.1	12.0	1436	1434.51	
月溪乡	12	288.55	杉	88	I	15.3	12.6	1513	2903.48	
月溪乡	13	147.54	杉	88	II	14.2	12.6	1414	1297.68	
月溪乡	14	153.50	杉	88	III	14.2	12.2	1454	1311.77	
月溪乡	15	165.03	杉	88	III	15.7	12.7	1687	1924.83	
月溪乡	16	290.63	杉	88	III	14.3	12.4	1417	2497.63	
月溪乡	17	210.70	杉	88	II	14.4	13.5	1697	2589.05	
月溪乡	18	231.33	杉	88	II	15.9	12.9	1475	2130.84	
月溪乡	19	132.57	杉	88	I	14.0	13.6	1517	1677.77	

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湖南 洞口县1988年度杉树资源清单

受托方 湖南林业监理公司

表
总13页第6页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
月溪乡	20	192.22	杉	88	III	15.5	12.5	1442	1835.95	
月溪乡	21	185.65	杉	88	III	15.3	13.4	1432	1996.01	
月溪乡	22	173.75	杉	88	III	15.0	13.0	1520	1835.08	
月溪乡	23	156.46	杉	88	III	14.7	12.7	1472	1500.81	
小计	23	3987.00							41464.80	
江口镇	1	252.75	杉	88	III	15.4	12.4	1418	2323.13	
江口镇	2	153.03	杉	88	III	16.2	13.1	1466	1695.67	
江口镇	3	260.86	杉	88	III	17.6	14.5	1339	3473.23	
江口镇	4	137.83	杉	88	III	16.7	13.7	1264	1477.90	
江口镇	5	101.46	杉	88	III	15.4	13.3	1352	1020.76	
江口镇	6	110.13	杉	88	III	16.0	13.7	1315	1182.27	
江口镇	7	183.92	杉	88	III	15.8	12.6	1323	1666.68	
江口镇	8	160.25	杉	88	III	15.9	13.6	1467	1881.06	
江口镇	9	155.20	杉	88	II	16.0	13.0	1467	1676.24	
江口镇	10	168.13	杉	88	II	17.4	14.4	1463	2398.17	
江口镇	11	181.69	杉	88	II	16.3	13.0	1478	2010.26	
江口镇	12	135.94	杉	88	II	17.2	14.2	1400	1779.03	
江口镇	13	114.23	杉	88	II	16.6	13.3	1383	1257.38	
江口镇	14	190.27	杉	88	II	16.6	13.4	1439	2211.59	
江口镇	15	132.09	杉	88	II	15.2	12.2	1504	1232.60	
江口镇	16	78.93	杉	88	II	15.8	12.5	1362	724.40	
江口镇	17	193.71	杉	88	II	15.4	12.5	1465	1868.82	
江口镇	18	107.06	杉	88	II	15.6	12.8	1502	1135.40	
江口镇	19	117.65	杉	88	II	16.6	13.5	1455	1403.10	
江口镇	20	125.35	杉	88	II	15.9	12.6	1322	1140.75	
江口镇	21	126.32	杉	88	II	15.5	12.2	1463	1166.89	
江口镇	22	203.34	杉	88	II	15.7	13.2	1464	2220.60	
江口镇	23	171.44	杉	88	III	14.1	12.4	1554	1595.63	
江口镇	24	187.81	杉	88	III	15.8	12.5	1455	1854.03	
江口镇	25	150.39	杉	88	III	16.3	13.8	1464	1853.95	
江口镇	26	232.93	杉	88	III	15.7	12.9	1446	2401.22	
江口镇	27	283.88	杉	88	III	16.5	13.7	1371	2813.14	
江口镇	28	125.15	杉	88	III	15.9	13.7	1431	1456.15	
江口镇	29	381.02	杉	88	III	13.7	12.4	1455	2439.64	

湖南 洞口县1988年度杉树资源清单

受托方: 湖南林业监理公司

表:
总13页第7页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
江口镇	30	121.50	杉	88	III	16.0	13.5	1423	1371.14	
江口镇	31	140.76	杉	88	III	15.3	12.6	1572	1471.60	
江口镇	32	89.73	杉	88	III	16.6	13.4	1484	1075.59	
江口镇	33	94.54	杉	88	III	15.0	12.6	1459	929.69	
江口镇	34	95.51	杉	88	III	15.3	12.5	1417	886.05	
江口镇	35	201.41	杉	88	III	16.0	12.8	1373	1974.70	
江口镇	36	148.46	杉	88	III	15.2	12.5	1524	1472.69	
江口镇	37	94.14	杉	88	III	13.0	12.2	1638	831.62	
江口镇	38	176.09	杉	88	III	16.4	12.1	1341	1543.14	
小计	38	5989.00						0	62384.50	
桥头林场	1	351.94	杉	88	III	15.7	13.5	1542	4231.42	
桥头林场	2	304.05	杉	88	III	16.2	12.6	1512	3218.17	
桥头林场	3	277.79	杉	88	III	15.9	14.6	1349	3448.31	
桥头林场	4	588.27	杉	88	III	15.7	14.1	1504	7515.56	
桥头林场	5	219.10	杉	88	III	15.3	14.1	1600	2909.72	
桥头林场	6	283.97	杉	88	III	14.9	13.3	1596	3274.21	
桥头林场	7	242.28	杉	88	III	14.7	11.6	1407	1858.28	
桥头林场	8	265.44	杉	88	III	16.4	14.7	1427	3632.14	
桥头林场	9	154.21	杉	88	III	15.2	11.6	1600	1886.09	
桥头林场	10	233.00	杉	88	III	15.1	12.1	1407	1989.60	
桥头林场	11	138.77	杉	88	III	16.4	13.0	1596	1667.08	
桥头林场	12	231.45	杉	88	III	17.3	15.4	1455	3712.73	
桥头林场	13	219.10	杉	88	III	14.5	12.4	1697	2283.41	
桥头林场	14	237.63	杉	88	III	15.7	12.0	1602	2353.57	
桥头林场	15	293.24	杉	88	III	16.8	14.0	1504	3925.39	
桥头林场	16	557.37	杉	88	III	15.6	12.5	1359	5046.20	
桥头林场	17	444.61	杉	88	III	15.5	11.1	1542	3593.65	
桥头林场	18	199.13	杉	88	III	17.4	11.4	1311	1599.72	
桥头林场	19	99.91	杉	88	III	13.4	11.8	1330	689.56	
桥头林场	20	213.72	杉	88	III	14.8	12.5	1315	1785.98	
桥头林场	21	781.33	杉	88	III	15.5	12.7	1455	7769.18	
桥头林场	22	206.42	杉	88	III	16.1	13.1	1542	2492.39	
桥头林场	23	226.86	杉	88	III	16.4	15.3	1452	3441.16	
桥头林场	24	270.63	杉	88	II	13.7	12.3	1608	2344.31	

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湖南 洞口县1988年度杉树资源清单

受托方 南方林业管理公司

表1
总13页第8页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
桥头林场	25	218.10	杉	88	II	15.3	12.7	1511	2226.08	
桥头林场	26	301.27	杉	88	II	14.1	12.7	1455	2751.95	
桥头林场	27	172.86	杉	88	II	14.5	10.2	1600	1156.05	
桥头林场	28	280.84	杉	88	II	15.2	11.5	1526	2366.81	
桥头林场	29	238.53	杉	88	II	13.0	11.1	1596	1704.39	
桥头林场	30	129.09	杉	88	II	18.3	13.7	1666	1785.19	
桥头林场	31	113.03	杉	88	II	16.8	13.1	1431	1262.98	
桥头林场	32	253.12	杉	88	II	14.5	11.9	1562	2239.01	
桥头林场	33	133.47	杉	88	II	17.0	13.9	1407	1665.58	
桥头林场	34	422.38	杉	88	II	13.1	11.1	1736	3305.44	
桥头林场	35	107.20	杉	88	II	14.8	13.0	1600	1177.54	
桥头林场	36	194.75	杉	88	II	17.5	14.1	1455	2652.99	
桥头林场	37	221.02	杉	88	II	12.9	11.1	1407	1382.85	
桥头林场	38	219.56	杉	88	II	17.3	14	1542	3093.63	
桥头林场	39	215.17	杉	88	II	17	13.9	1455	2776.71	
桥头林场	40	362.56	杉	88	II	13.3	11.5	1736	3083.85	
桥头林场	41	194.75	杉	88	II	14.4	12.2	1357	1562.11	
桥头林场	42	362.56	杉	88	II	13.3	11.9	1504	2857.28	
桥头林场	43	133.47	杉	88	II	17.3	11.5	1455	1204.43	
桥头林场	44	547.86	杉	88	II	17.3	11.5	1504	6110.36	
桥头林场	45	250.20	杉	88	III	15.7	12.2	1649	2635.20	
桥头林场	46	128.17	杉	88	III	13.3	11.5	1596	986.62	
桥头林场	47	235.61	杉	88	III	16.7	14.5	1526	3410.82	
桥头林场	48	237.06	杉	88	III	18.3	11.6	1552	2399.73	
桥头林场	49	104.28	杉	88	III	13.3	12.5	1504	905.63	
桥头林场	50	177.25	杉	88	III	15.9	13.3	1359	1844.53	
桥头林场	51	314.40	杉	88	III	17.3	13.1	1666	4198.95	
桥头林场	52	401.95	杉	88	III	20.5	16.4	1412	8246.73	
桥头林场	53	216.64	杉	88	III	14.5	12.5	1504	2032.91	
桥头林场	54	126.17	杉	88	III	13.3	12.5	1455	1060.03	
桥头林场	55	358.17	杉	88	III	13.9	12.3	1736	3618.42	
桥头林场	56	222.47	杉	88	III	16.1	12.4	1684	2542.12	
桥头林场	57	339.24	杉	88	III	12.5	11.5	1555	3449.25	
桥头林场	58	117.42	杉	88	III	12.6	11.8	1525	926.28	

湖南 洞口县1988年度杉树资源清单

表:
总13页第9页

造林地点	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
桥头林场	59	457.40	杉	88	II	14.5	12.2	1600	4352.76	
桥头林场	60	362.55	杉	88	II	12.4	11.5	1359	2257.17	
桥头林场	61	261.87	杉	88	II	14.4	13.3	1455	2669.69	
桥头林场	62	409.25	杉	88	II	16.2	13.9	1407	4891.06	
桥头林场	63	94.08	杉	88	II	14.7	12.6	1455	878.30	
桥头林场	64	89.27	杉	88	II	13.9	13.2	1453	673.14	
桥头林场	65	169.73	杉	88	III	15.6	12.7	1600	1866.64	
桥头林场	66	149.94	杉	88	III	16.7	13.9	1600	2094.07	
桥头林场	67	505.07	杉	88	III	15.6	13.1	1607	5896.25	
桥头林场	68	200.10	杉	88	III	15.4	12.4	1412	1831.42	
桥头林场	69	144.65	杉	88	II	14.8	11.4	1504	1153.17	
桥头林场	70	134.10	杉	88	II	19.7	12.1	1377	1422.29	
桥头林场	71	432.46	杉	88	II	17.5	14.1	1455	5891.20	
桥头林场	72	402.09	杉	88	II	13.9	11.8	1666	3592.30	
桥头林场	73	338.72	杉	88	II	13.9	11.6	1736	3153.30	
桥头林场	74	227.83	杉	88	II	12.7	11	1455	1427.69	
桥头林场	76	176.34	杉	88	II	12.8	11.2	1412	1118.98	
桥头林场	76	336.08	杉	88	III	12.7	11.7	1407	2299.74	
桥头林场	77	754.58	杉	88	III	12.6	11.8	1311	4857.96	
桥头林场	78	345.32	杉	88	III	13.7	12.8	1501	3220.55	
桥头林场	79	231.78	杉	88	III	18.5	15.4	1407	3818.15	
桥头林场	80	201.43	杉	88	III	17.6	15.7	1243	2911.84	
桥头林场	81	196.15	杉	88	III	16.7	15.2	1511	3085.31	
桥头林场	82	153.89	杉	88	III	15.7	15.1	1600	2530.05	
桥头林场	83	417.93	杉	88	III	17.5	14.1	1490	5830.21	
桥头林场	84	214.62	杉	88	III	18.4	16.1	1417	3867.62	
桥头林场	85	217.27	杉	88	II	17.3	14	1455	2888.64	
桥头林场	86	222.55	杉	88	II	18.4	15.1	1374	3427.33	
桥头林场	87	308.36	杉	88	II	13.3	12.5	1407	2505.26	
桥头林场	88	512.98	杉	88	II	16.8	15.1	1384	7334.33	
桥头林场	89	201.43	杉	88	II	17	14.6	1600	3148.95	
桥头林场	90	225.15	杉	88	II	17	13.9	1309	2514.42	
桥头林场	91	276.97	杉	88	II	17.4	13	1600	3513.60	
桥头林场	92	234.55	杉	88	II	18.4	15.7	1362	4437.17	

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湖南 洞口县1988年度杉树资源清单



表:
总13页第10页

小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
桥头林场 93	241.70	杉	88	II	21.2	12.6	1490	3208.48	
桥头林场 94	320.91	杉	88	II	17.8	14	1522	4578.47	
桥头林场 95	259.51	杉	88	II	14.8	12.6	1495	2504.48	
桥头林场 96	246.31	杉	88	II	15.7	14.4	1421	3099.03	
桥头林场 97	218.59	杉	88	III	19.2	15.8	1539	4283.02	
桥头林场 98	210.66	杉	88	III	15	13.6	1290	2063.77	
桥头林场 99	241.03	杉	88	III	16.2	14.3	1314	2844.85	
桥头林场 100	386.25	杉	88	III	17.5	15.6	1542	6805.19	
桥头林场 101	205.98	杉	88	I	15.2	12.4	1408	1852.68	
桥头林场 102	260.83	杉	88	I	16.7	14.1	1542	3810.93	
桥头林场 103	306.57	杉	88	I	15.5	10.9	1506	2334.91	
桥头林场 104	350.60	杉	88	I	14.5	13.2	1528	3721.22	
桥头林场 105	210.66	杉	88	I	13.4	12.3	1922	2280.09	
桥头林场 106	218.59	杉	88	I	16.6	14.8	1416	3040.79	
桥头林场 107	217.27	杉	88	I	12.6	10.5	1496	1268.27	
桥头林场 108	239.71	杉	88	I	14.9	12.5	1260	1931.01	
桥头林场 109	89.21	杉	88	I	15.2	12.8	1360	827.43	
桥头林场 110	160.50	杉	88	III	17.8	13.9	1477	2191.01	
桥头林场 111	291.20	杉	88	III	17.4	12.6	1461	3175.32	
桥头林场 112	90.53	杉	88	III	20.1	12.4	1474	1098.23	
桥头林场 113	201.43	杉	88	III	23.5	15.7	1522	4620.27	
桥头林场 114	272.71	杉	88	III	23	13.3	1408	4093.79	
桥头林场 115	545.99	杉	88	III	24.3	14.6	1505	11059.51	
桥头林场 116	289.22	杉	88	III	20.5	12.4	1699	4116.21	
桥头林场 117	378.32	杉	88	III	16.3	13.2	1455	4246.49	
桥头林场 118	183.22	杉	88	III	19.2	11.8	1474	1957.46	
桥头林场 119	190.87	杉	88	III	17.8	10.7	1510	1590.94	
桥头林场 120	231.78	杉	88	III	17.4	13.7	1474	3006.87	
桥头林场 121	201.43	杉	88	III	13.1	12.4	1500	1694.12	
桥头林场 122	271.39	杉	88	III	14.4	13.2	1371	2568.54	
桥头林场 123	321.56	杉	88	II	20.8	14.1	1424	5005.23	
桥头林场 124	271.39	杉	88	II	13.6	11.6	1359	1875.29	
桥头林场 125	217.27	杉	88	II	16.3	12.3	1377	2008.28	
桥头林场 126	28.85	杉	88	II	14.3	12.5	1375	937.14	

湖南 洞口县1988年度杉树资源清单



受托对南方林业监理公司

总13页第11页

小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
桥头林场 127	142.01	杉	88	II	18.3	11.5	1940	1796.94	
桥头林场 128	202.75	杉	88	II	16.2	10.8	1534	1606.99	
桥头林场 129	94.49	杉	88	II	13.4	12.2	1930	1010.59	
桥头林场 130	157.86	杉	88	II	18.2	10.0	1493	1351.70	
桥头林场 131	268.75	杉	88	II	21.4	10.5	1453	2449.75	
桥头林场 132	320.24	杉	88	II	16.2	13.2	1448	3557.69	
桥头林场 133	288.55	杉	88	II	19	13.2	1435	3564.84	
桥头林场 134	553.91	杉	88	II	17.3	16.8	1435	9217.27	
桥头林场 135	168.42	杉	88	II	18.9	12.7	1533	2114.66	
桥头林场 136	136.73	杉	88	II	14.8	12.6	1390	1226.88	
桥头林场 137	93.17	杉	88	III	15.5	11.9	1180	660.95	
桥头林场 138	234.43	杉	88	III	17.5	13.9	1798	3836.85	
桥头林场 139	280.64	杉	88	III	14.8	11.4	1456	2165.74	
桥头林场 140	101.09	杉	88	III	19.7	12.1	1420	1105.66	
桥头林场 141	105.05	杉	88	III	17.5	14.1	1386	1363.18	
桥头林场 142	193.50	杉	88	III	18.5	11.3	1442	1775.33	
桥头林场 143	169.73	杉	88	III	14.8	11.4	1309	1177.59	
桥头林场 144	368.73	杉	88	III	20.9	14.7	1162	5106.07	
桥头林场 145	173.08	杉	88	III	14.9	13.7	1295	1716.60	
桥头林场 146	386.99	杉	88	II	14.8	13.3	1330	3695.99	
桥头林场 147	384.22	杉	88	II	14.2	12.6	1472	3518.02	
桥头林场 148	284.35	杉	88	II	14.2	13.1	1454	2776.65	
桥头林场 149	298.21	杉	88	II	14.7	12.7	1241	2411.79	
桥头林场 150	456.34	杉	88	II	15.7	13.7	1297	4750.54	
桥头林场 151	434.15	杉	88	III	15.7	13.7	1524	5310.55	
桥头林场 152	489.63	杉	88	III	14.8	13.1	1328	4531.93	
桥头林场 153	434.15	杉	88	III	14.8	12.7	1516	4315.44	
桥头林场 154	215.00	杉	88	III	15.0	12.6	1537	2159.04	
桥头林场 155	392.53	杉	88	III	14.7	13.5	1318	3802.75	
桥头林场 156	92.93	杉	88	III	15.9	12.7	1532	995.43	
桥头林场 157	231.25	杉	88	III	14.4	12.6	1484	2161.58	
桥头林场 158	165.05	杉	88	III	14.8	12.1	1528	1503.30	
桥头林场 159	450.79	杉	88	III	15.0	13.7	1486	5151.20	
桥头林场 160	267.70	杉	88	III	13.9	12.5	1334	2145.23	

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湖南 洞口县1988年度杉树资源清单

表
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造林地名称	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/hm ²)	蓄积量(m ³)	备注
桥头林场	161	142.87	杉	88	III	12.6	11.1	1472	915.53	
桥头林场	162	123.99	杉	88	III	13.7	13.5	1502	1336.93	
桥头林场	163	84.61	杉	88	III	14.4	14.7	1490	1075.84	
桥头林场	164	112.35	杉	88	III	13.6	13.2	1268	934.32	
桥头林场	165	120.68	杉	88	III	11.2	13.5	1727	1200.51	
桥头林场	166	287.12	杉	88	III	12.3	13.8	1677	3150.02	
桥头林场	167	495.18	杉	88	III	15.4	13.7	1525	5957.12	
桥头林场	168	120.68	杉	88	III	13.9	14.3	1409	1331.45	
桥头林场	169	215.00	杉	88	III	13.7	12.5	1653	2107.41	
桥头林场	170	181.71	杉	88	III	13.9	13.6	1577	2032.58	
桥头林场	171	534.02	杉	88	III	15.3	13.5	1855	7547.21	
桥头林场	172	162.29	杉	88	III	15.5	13.7	1806	2325.69	
桥头林场	173	583.95	杉	88	III	15.3	12.1	1491	5346.49	
桥头林场	174	600.39	杉	88	I	14.1	12.3	1796	6256.65	
桥头林场	175	178.93	杉	88	I	16.6	14.6	1877	3212.18	
桥头林场	176	162.29	杉	88	I	17.3	14.7	1463	2388.41	
桥头林场	177	215.00	杉	88	I	16.9	14.8	1610	3455.65	
桥头林场	178	598.60	杉	88	II	14.9	13.2	1381	5884.03	
桥头林场	179	506.00	杉	88	II	14.2	13.4	1531	5440.04	
桥头林场	180	636.92	杉	88	II	13.6	12.7	1363	5276.50	
桥头林场	181	608.18	杉	88	II	15.5	13.6	1464	6963.52	
桥头林场	182	761.45	杉	88	II	14.9	13.1	1441	7693.85	
桥头林场	183	416.60	杉	88	II	13.4	13.9	1815	5417.99	
桥头林场	184	620.96	杉	88	II	15.9	13.3	1367	6500.15	
桥头林场	185	375.09	杉	88	II	14.5	12.7	1533	3701.61	
桥头林场	186	506.00	杉	88	II	14.5	12.6	1702	5650.75	
桥头林场	187	435.76	杉	88	III	15.7	14.0	1747	6376.58	
桥头林场	188	200.48	杉	88	III	18.7	16.6	1318	3621.20	
桥头林场	189	416.60	杉	88	III	15.4	13.3	1511	4684.20	
桥头林场	190	260.13	杉	88	III	15.8	14.6	1686	4194.69	
桥头林场	191	355.93	杉	88	III	13.9	13.2	1536	3656.39	
桥头林场	192	339.96	杉	88	III	15.0	13.2	1338	3257.11	
桥头林场	193	512.39	杉	88	III	14.5	14.5	1515	6492.52	
桥头林场	194	381.47	杉	88	II	14.9	12.7	1512	3874.60	

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湖南 洞口县1988年度杉树资源清单

表:
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受托方: 南方林业监理公司

造林地	小班号	面积(亩)	树种	造林年度	立地类型	平均树高(m)	平均胸径(cm)	公顷株数(株/ha ²)	蓄积量(m ³)	备注
桥头林场	195	365.51	杉	88	II	14.1	13.6	1488	3907.53	
桥头林场	196	378.28	杉	88	II	14.9	12.7	1467	3660.59	
桥头林场	197	231.39	杉	88	II	16.1	14.3	1435	2966.05	
桥头林场	198	419.79	杉	88	II	14.8	13.8	1458	4726.54	
桥头林场	199	442.15	杉	88	III	15.7	13.6	1572	5498.82	
桥头林场	200	490.03	杉	88	III	14.7	13.7	1496	5545.85	
桥头林场	201	429.36	杉	88	III	14.5	13.5	1460	4551.46	
桥头林场	202	416.60	杉	88	III	14.9	14.1	1373	4636.23	
桥头林场	203	502.81	杉	88	III	14.5	14.3	1512	6182.82	
桥头林场	204	517.71	杉	88	I	15.7	14.3	1372	7401.60	
桥头林场	205	493.67	杉	88	I	14.5	13.7	1502	5541.98	
桥头林场	206	345.26	杉	88	I	16.4	14.7	1501	4969.35	
桥头林场	207	199.41	杉	88	III	18.0	16.6	1365	3189.59	
桥头林场	208	203.55	杉	88	III	15.4	13.3	1370	2075.11	
小计	208	59986.00							571843.20	



小班调查质量抽查表

表: 4
总1页第1页

调查地点 (乡/镇)	小班号 (小班个数)	面积(亩)				平均胸径(cm)				平均树高(m)				蓄积量(m ³)				总 评定
		调查	抽查	误差率 (%)	评定	调查	抽查	误差率 (%)	评定	调查	抽查	误差率 (%)	评定	调查	抽查	误差率 (%)	评定	
合计	13	3664.50	3653.50											32534.56	32828.47			
1986年度 查评乡	13	3664.50	3653.50											32534.56	32828.47			
	4	1002.43	998.00											6470.04	6421.44			
	37	666.19	665.00	0.2	合格	13.7	13.2	3.6	合格	11.2	11.7	4.6	合格	4147.70	4001.54	3.6	合格 合格	
	38	236.36	235.00	0.6	合格	12.0	12.5	4.2	合格	13.7	13.2	3.6	合格	1617.87	1686.12	4.2	合格 合格	
	52	63.45	63.00	0.9	合格	11.5	12.0	4.3	合格	14.2	13.6	4.2	合格	391.65	409.74	4.6	合格 合格	
	53	46.42	45.00	3.1	合格	11.5	11.9	3.5	合格	14.2	13.7	3.5	合格	312.82	324.04	3.6	合格 合格	
月溪乡	2	228.86	229.00											2137.94	2234.97			
	10	122.50	122.00	0.4	合格	12.7	13.2	3.9	合格	15.5	15.0	3.2	合格	1100.88	1148.77	4.4	合格 合格	
	6	106.36	107.00	0.6	合格	13.0	13.5	3.8	合格	16.1	15.5	3.7	合格	1037.06	1086.20	4.7	合格 合格	
江口镇	3	357.39	354.00											3319.57	3423.15			
	7	183.92	183.00	0.5	合格	12.6	13.0	3.2	合格	15.8	15.1	4.4	合格	1665.58	1692.33	1.6	合格 合格	
	16	78.93	77.00	2.4	合格	12.5	13.0	4.0	合格	15.8	15.3	3.2	合格	724.40	758.35	4.7	合格 合格	
	33	94.54	94.00	0.6	合格	12.80	13.30	3.9	合格	15.00	14.50	3.3	合格	929.59	972.47	4.6	合格 合格	
桥头林场	4	2075.82	2072.50											20607.01	20748.91			
	64	69.27	70.00	1.1	合格	13.2	13.3	0.8	合格	13.9	13.4	3.6	合格	673.14	661.15	1.8	合格 合格	
	160	636.92	635.50	0.2	合格	12.7	12.2	3.9	合格	13.6	14.1	3.7	合格	5276.50	5024.23	4.8	合格 合格	
	181	608.18	607.00	0.2	合格	13.6	14.0	2.9	合格	15.5	15.0	3.2	合格	6963.52	7145.29	2.6	合格 合格	
	182	761.45	760.00	0.2	合格	13.1	13.6	3.8	合格	14.9	14.2	4.7	合格	7693.85	7918.24	2.9	合格 合格	

林木资源抽查结果表

受托方: 南京林业工程职业学院

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总1页第1页

造林地点 (乡/镇)	小班号 (小班个数)	自查结果				抽查结果				精度(%)			
		面积(亩)	平均 胸径 (cm)	平均 树高 (cm)	蓄积量(m ³)	面积(亩)	平均 胸径 (cm)	平均 树高 (cm)	蓄积量(m ³)	面积 (亩)	平均 胸径 (cm)	平均 树高 (cm)	蓄积量(m ³)
合计	13	3664.50			32534.66	3653.50			32828.47	99.7	96.5	96.2	99.1
1983年度	13	3664.50			32534.66	3653.50			32828.47	99.7			99.1
董坪乡	4	1002.43			6470.04	998.00			6421.44	99.6			99.2
	37	666.19	13.7	11.2	4147.70	665.00	13.2	11.7	4001.54	99.8	96.4	95.5	96.5
	38	236.36	12.0	13.7	1617.87	235.00	12.5	13.2	1686.12	99.4	95.8	96.4	96.8
	52	63.46	11.5	14.2	391.65	53.00	12.0	13.6	409.74	99.1	95.7	95.8	96.4
	53	46.42	11.5	14.2	312.82	45.00	11.9	13.7	324.04	96.9	96.6	96.5	96.4
月溪乡	2	228.86			2137.94	229.00			2234.97	99.9			95.5
	10	122.50	12.70	15.60	1100.88	122.00	13.20	15.00	1148.77	99.59	95.1	96.8	95.6
	6	106.36	13.00	16.10	1037.06	107.00	13.50	16.50	1086.80	99.40	96.2	96.3	95.3
江口镇	3	357.39			3319.57	354.00			3423.15	99.05			96.9
	7	183.92	12.60	15.80	1665.58	183.00	13.00	15.10	1692.33	99.60	96.8	95.6	98.4
	16	78.93	12.50	15.80	724.40	77.00	13.00	15.30	758.35	97.55	96.0	96.8	95.3
	33	94.54	12.80	15.00	929.59	94.00	13.30	14.50	972.47	99.43	96.1	96.7	95.4
折头林场	4	2075.82			20607.01	2072.50			20748.91	99.8			99.3
	64	69.27	13.20	13.90	673.14	70.00	13.3	13.4	661.15	98.9	99.2	96.4	98.2
	180	636.92	12.70	13.60	5276.50	635.50	12.2	14.1	5024.23	99.8	96.1	96.3	95.2
	181	608.18	13.6	15.5	6963.52	607.00	14.0	15.0	7145.29	99.8	97.1	96.8	97.4
	182	761.45	13.1	14.9	7693.85	760.00	13.6	14.2	7919.24	99.8	96.2	95.3	97.1

洞口县林业局

关于同意集体林木所有权人向汉业资源有限公司 (Suri-Wood Inc.)转让杉树的批复

致：洪江市林丰营林有限公司

收悉你公司向本局提交的《杉树收购合同》（“《收购合同》”）（详见所附合同清单），经本局审查，同意你公司按照《收购合同》约定的条款向汉业资源有限公司(Suri-Wood Inc.)转让有关杉林。

就你公司提出的办理林木所有权变更登记事宜，鉴于本县正在开展有关林权证换发新证工作，暂不能为受让方，即汉业资源有限公司(Suri-Wood Inc.)或其指定的嘉汉集团其它下属公司办理有关变更登记手续，本局同意将会同县政府根据统一的时间安排为汉业资源有限公司(Suri-Wood Inc.)或其指定的嘉汉集团其它下属公司办理上述手续并颁发《中华人民共和国林权证》。

同时，本局确认，当《收购合同》项下的杉树成材后，汉业资源有限公司(Suri-Wood Inc.)或其指定的嘉汉集团其它下属公司有权依法采伐、运输和销售上述成材林木，并同意将上述成材林木列入当年的采伐限额，汉业资源有限公司(Suri-Wood Inc.)或其指定的嘉汉集团其它下属公司的采伐指标，惟需在采伐、运输前依法向本局申请相应的采伐、运输许可证等。

特此证明。

洞口县林业局

2007年12月12日



洞口县林业局



附表：杉树收购合同

收购合同					
序号	卖方	买方	面积 (公顷)	蓄积量 (立方米)	签订日期
1.	洪江市林丰营林有限公司	汉业资源有限公司	6,643.33	1,090,885.30	2007/12/12

EY-GMX-2007-004647

委托销售协议

甲方：汉业资源有限公司

乙方：孝义市嘉华杰木业贸易有限公司

甲方于 2005 年收购的位于中国江西省的松树中幼林现已成材，经甲乙双方协商一致，现就甲方委托乙方代为销售上述林木事宜达成如下协议条款：

- 一、 甲方现拥有分布于江西省面积为 31,581.16 亩的松树林木，该林木于 1995 至 1996 年种植，每亩平均立木蓄积量为 3.68 立方米。
- 二、 甲方同意全权委托乙方按照下列条件代为销售本协议第一条项下全部林木：
 - 1、 销售地区：中国境内；
 - 2、 销售价格：每亩平均人民币 ¥1,490.67 元，合计总销售额为人民币 ¥47,077,087.78 元，上述价格不包括采伐、运输、税费及其它相关费用，该等费用由乙方负责，所有相关税费由乙方依法代扣代缴；
 - 3、 销售时间：自本协议生效之日起；
 - 4、 付款期限：
 - (a) 自本协议生效之日起 60 天内，乙方应向甲方支付人民币 ¥9,415,417.56 元；
 - (b) 自本协议生效之日起 150 天内，乙方应向甲方支付人民币 ¥18,830,835.11 元；
 - (c) 自本协议生效之日起 270 天内，乙方应向甲方支付人民币 ¥18,830,835.11 元。
- 三、 甲乙双方同意，自本协议生效之日起，乙方可全权处理上述林木，同时与上述林木相关的所有风险由乙方负责。
- 四、 是次林木的委托销售并不包括林地使用权。十八个月后乙方依法就上述林木进行采伐后，该片林地应无偿归还。
- 五、 双方的承诺与保证
 - 1、 甲方的承诺与保证
 - (1) 甲方保证其委托乙方销售的本协议第一条项下林木系其依法拥有合法产权的林木，为取得该林木所有权其已履行必要的政府部门审批手续；
 - (2) 甲方同意向乙方提供有关本协议项下林木的相关文件副本，作为委托销售的参考资料；

(3) 甲方承诺为乙方在林木销售过程中申请办理林木采伐证、运输证等许可证照及提供其它必要的协助。

2、乙方的承诺与保证

- (1) 乙方保证其系依法设立的林木经营企业，有权依法从事林木贸易业务；
- (2) 乙方保证其将根据本协议有关规定履行其应承担的相关销售义务。

六、甲乙双方互相向对方承诺，其于本协议中作出的承诺和保证均为真实有效，因任何一方违反其作出的承诺或保证，违约方应当向守约方依法承担损害赔偿赔偿责任。

七、本协议未尽事宜，由甲乙双方另行协商并以补充协议形式确定。

八、本协议受中华人民共和国法律约束，如有任何争议，任何一方均有权向人民法院起诉。

本协议由甲乙双方于 2007 年 12 月 20 日签署，以昭信守。

甲方： 汉业资源有限公司



法定代表或授权代表： _____

[Handwritten signature]

乙方： 孝义市嘉华杰木业贸易有限公司



法定代表或授权代表： _____

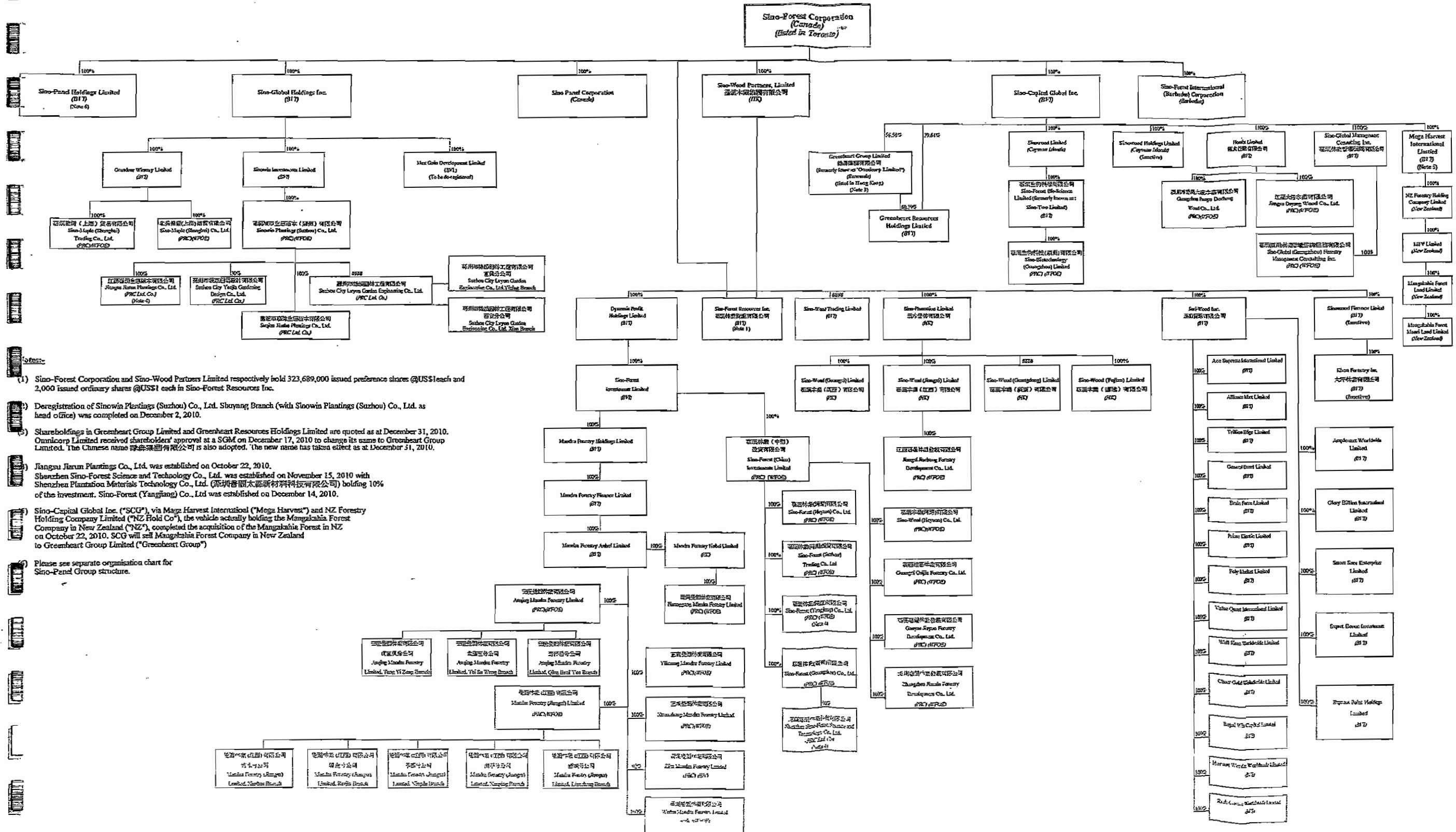
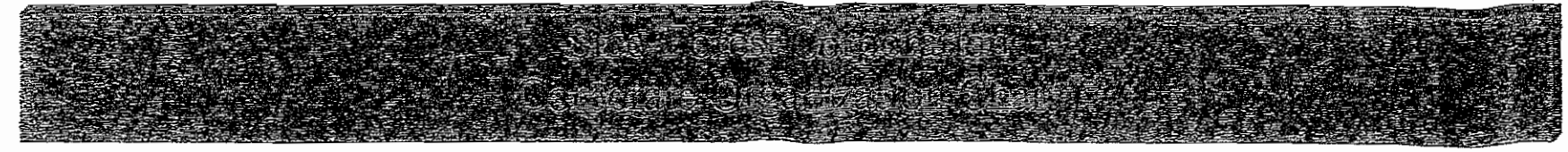
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Corporate Organizational Chart

Confidential - For internal reference only

FFA/FC Op Class: 11 31/2010

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- (1) Sino-Forest Corporation and Sino-Wood Partners Limited respectively hold 323,689,000 issued preference shares @US\$1 each and 2,000 issued ordinary shares @US\$1 each in Sino-Forest Resources Inc.
- (2) Deregistration of Sinowin Plantings (Suzhou) Co., Ltd. Shuyang Branch (with Sinowin Plantings (Suzhou) Co., Ltd. as head office) was completed on December 2, 2010.
- (3) Shareholdings in Greenheart Group Limited and Greenheart Resources Holdings Limited are quoted as at December 31, 2010. Omnicoorp Limited received shareholders' approval at a SGM on December 17, 2010 to change its name to Greenheart Group Limited. The Chinese name 绿森资源有限公司 is also adopted. The new name has taken effect as at December 31, 2010.
- (4) Jiangsu Jiannu Plantings Co., Ltd. was established on October 22, 2010. Shenzhen Sino-Forest Science and Technology Co., Ltd. was established on November 15, 2010 with Shenzhen Plantation Materials Technology Co., Ltd. (深圳普图木基新材料科技有限公司) holding 10% of the investment. Sino-Forest (Yangjiang) Co., Ltd. was established on December 14, 2010.
- (5) Sino-Capital Global Inc. ("SCG"), via Mega Harvest International ("Mega Harvest") and NZ Forestry Holding Company Limited ("NZ Hold Co"), the vehicle actually holding the Mangakahia Forest Company in New Zealand ("NZ"), completed the acquisition of the Mangakahia Forest in NZ on October 22, 2010. SCG will sell Mangakahia Forest Company in New Zealand to Greenheart Group Limited ("Greenheart Group")

Please see separate organisation chart for Sino-Panel Group structure.

Chart of BVI Search Results

Name/Share	Date of Incorporation	Date of Company Search	Date of Incorporation	Registered Documents Received	Company Directors	Authorized Capital and Shares Held
Supreme International ted <i>Company No. 1515547</i> <i>Registered Office</i> C Chambers, Wickhams 1, Road Town, Tortola, ish Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Memorandum and Articles of Association – January 2, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger - Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
ance Max Limited <i>Company No. 1561587</i> <i>Registered Office</i> C Chambers, Wickhams 1, Road Town, Tortola, ish Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
plemax Worldwide oited <i>Company No. 1515389</i> <i>Registered Office</i> C Chambers, Wickhams y 1, Road Town, Tortola, ish Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Memorandum and Articles of Association – January 2, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
ain Force Limited <i>Company No. 1561597</i> <i>Registered Office</i> C Chambers, Wickhams y 1, Road Town, Tortola, ish Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
eer Gold Worldwide mited <i>Company No. 1599753</i> <i>Registered Office</i> C Chambers, Wickhams y 1, Road Town, Tortola, ish Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association – August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Last Annual General Meeting	Date of Last Annual General Meeting (Updated)	Charter Documents Received	Current Directors	Authorized Capital and Shareholders
Dynamic Profit Holdings Limited Company No. 551237 Registered Office P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11 updated 7-Jul-11	5-Jul-11 replaced 20-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV effective September 27, 2010 • Certificate of Incorporation – July 4, 2003 • Notice of Change in Number of Shares/Authorized Capital Filed October 4, 2010 • Amended Memorandum and Articles of Association – October 4, 2010 • Register of Members and Share Ledger – Filed June 23, 2011 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed October 7, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed September 18, 2009 • Register of Members and Share Ledger – Filed June 2, 2009 	<ul style="list-style-type: none"> • Chan, -Tak Yuen 	<ul style="list-style-type: none"> • 50,000,000 no par value shares • Sino-Wood Partners, Limited – 1,007 shares charged in favour of Law Debeanture Trust Company of New York
				<ul style="list-style-type: none"> • Register of Members and Share Ledger – Filed March 14, 2006 • Amendment to Register of Charge in relation to Pledge Agreement dated November 4, 2010 Filed November 5, 2010 • Amendment of Registered Charge Filed under the IBC Act Filed September 7, 2010 • Certificate of Variation of Charge Dated September 2, 2009 • Application to Register Variation in terms of Registered Charge referencing the Pledge Agreement Filed September 2, 2009 • Amended Copies of Register of Mortgages, Charges or Other Encumbrances Filed November 5, 2010, September 7, 2010 and April 6, 2006 • Amended Copies of Register of Mortgages, Charges or Other Encumbrances Filed March 14, 2006 		
				<ul style="list-style-type: none"> • Amended Copies of Register of Mortgages, Charges or Other Encumbrances Filed October 20, 2004 • Previous Amendments/Memorandum and Articles of Association including Notice of Election to Disapply Part IV Filed September 27, 2010 including Declaration that there are no bearer shares in issue Dated September 27, 2010 and Directors' Resolution extract authorizing adoption of new Memorandum and Articles of Association Dated September 27, 2010 • Amended Memorandum and Articles of Association - September 27, 2010 • Certificate of Compliance Dated July 4, 2003 • Memorandum and Articles of Association - July 4, 2003 		

Company Name	Date of Incorporation (or date of registration)	Date of Incorporation (or date of registration)	Date of Incorporation (or date of registration)	Charter Documents / Resolutions	Directors	Authorized Capital and Shareholders
Expert Bonus Investment Limited <i>VI Company No. 1515393</i> Registered Office MC Chambers, Wickhams Bay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Memorandum and Articles of Association – January 2, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Express Point Holdings Limited <i>VI Company No. 1515395</i> Registered Office MC Chambers, Wickhams Bay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Memorandum and Articles of Association – January 2, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
General Excel Limited <i>VI Company No. 1561583</i> Registered Office MC Chambers, Wickhams Bay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 amended November 16, 2010 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Details of Amendment – Filed November 16, 2010 including certified Directors' Resolution approving amendment to Memorandum of Association • Memorandum and Articles of Association – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Glority Billion International Limited <i>VI Company No. 1515518</i> Registered Office MC Chambers, Wickhams Bay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Memorandum and Articles of Association – January 2, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Birth	Date of Birth Updated	Date of Present Certificate	Charters/Documents Required	Director	Authorized Capital and Shareholder
<p>randeur Wiuway Limited VI Company No. 1067104</p> <p>Registered Office O. Box 3321, Drake hambers, Road Town, ortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11 updated 7-Jul-11	30-Jun-11 replaced by 14-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Re-Registration -- November 24, 2006 • Certificate of Incorporation -- June 10, 2002 • Amended Re-Registered Memorandum and Articles of Association -- re-registered November 24, 2006 amended March 10, 2011 • Register of Members and Share Ledger -- Filed June 23, 2011 • Register of Members and Share Ledger -- Filed November 16, 2010 • Register of Members and Share Ledger -- Filed May 7, 2010 • Register of Members and Share Ledger -- Filed August 27, 2009 • Register of Members and Share Ledger -- Filed June 2, 2009 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Chen, Hua • Zhao, Wei Mao 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Global Holdings Inc. -- 1,001 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Register of Members and Share Ledger -- Filed March 14, 2006 • Application for Re-Registration as a BVI Business Company Filed November 24, 2006 • Notice of Amendment of Memorandum of Association Dated November 24, 2006 including Certified Directors' Resolution Dated November 24, 2006 • Declaration that there are no bearer shares in issue Dated September 27, 2010 and Filed November 24, 2006 • Re-Registered Memorandum and Articles of Association -- November 24, 2006 • Certificate of Compliance -- June 10, 2002 • Memorandum and Articles of Association -- June 10, 2002 		
<p>Greenheart Resources Holdings Limited VI Company No. 618383</p> <p>Registered Office O. Box 3321, Drake hambers, Road Town, ortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	Not to be obtained at the present time	<ul style="list-style-type: none"> • Certificate of Change of Name - March 4, 2008 adding the Chinese name • Certificate of Incorporation referring to the former name as Magic Mail International Limited having changed on July 25, 2005 to Greenheart Resources Holdings Limited • Certificate of Incorporation -- October 8, 2004 • Change of Company Name or Add/Change of Foreign Character Name to add the Chinese name Filed March 4, 2008 including Translator's Certificate Dated February 29, 2008 • Amendment to Memorandum and/or Articles of Association including certified Directors Resolution amending Memorandum of Association Filed June 14, 2007 • Notice of Amendment of Memorandum of Association including Notice of Change in Share Capital and certified Directors Resolution authorizing amendment to authorized capital Filed March 9, 2006 • Amended Memorandum and Articles of Association - March 9, 2006 • Notice of Amendment to Memorandum of Association including certified Directors Resolution amending corporation name and authorized capital and Notice of Increase in the Authorized Capital Filed July 25, 2005 • Certificate of Compliance Dated October 8, 2004 • Memorandum and Articles of Association - October 8, 2004 	Shown in Certificate of Incumbency not to be obtained at the present time	<ul style="list-style-type: none"> • 10,000,000,000 ordinary shares of no par value and 20,000,000,000 Class B shares of no par value • No register of members contained in corporate search to confirm shareholders or existence of a charge

Company Name	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Charter Documents Received	Company Directors	Authorized Capital and Shareholders
Harvest Wonder Worldwide Limited VI Company No. 1599752 Registered Office MC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association - August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Homix Limited VI Company No. 1445474 Registered Office P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11 updated 7-Jul-11	30-Jun-11 replaced by 14-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Change of Name to Homix Limited – July 10, 2008 • Certificate of Incorporation – November 21, 2007 • Amended Memorandum and Articles of Association – July 10, 2008 including Translator's Certificate of corporation name • Register of Members and Share Ledger – Filed June 23, 2011 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Memorandum and Articles of Association – November 21, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Chen, Hua • Zhao, Wei Mao 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Capital Global Inc. – 10,001 shares charged in favour of Law Debenture Trust Company of New York
Khan Forestry Inc. VI Company No. 675579 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – September 8, 2005 • Letter confirming authorized capital Filed September 8, 2005 • Certificate of Compliance with Requirements on Application for Registration – September 8, 2005 • Verification of Translation – September 8, 2005 • Memorandum and Articles of Association – September 8, 2005 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • USD50,000 dividend into 50,000 shares of USD1.00 each • Sinowood Finance Limited – 1 share • Share register was not contained in corporate search in order to ascertain the existence of a charge
Mandra Forestry Anhui Limited VI Company No. 633461 Registered Office Offices of Portcullis TrustNet (BVI) Limited, Portcullis TrustNet Chambers, P.O. Box 444, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	7-Jul-11 * containing registers of mortgages and charges	<ul style="list-style-type: none"> • Certificate of Change of Name Dated January 28, 2011 • Certificate of Incorporation – December 31, 2004 • Certification of Chinese name referencing attached Memorandum and Articles of Association and Chinese Memorandum and Articles of Association Filed January 28, 2011 • Certificate of Compliance with Requirements on Application for Registration Dated December 31, 2004 • Memorandum and Articles of Association incorporated December 31, 2004 including Certificate of Translation Dated June 8, 2004 and Chinese Memorandum and Articles of Association • Discharge of Registered Charge filed under IBC Act Filed September 7, 2010 including Register of Mortgages and Charges Created May 11, 2005 and discharged June 30, 2010 • Register of Mortgages and Charges Filed - June 16, 2005 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Chen, Hua • Ip, Ho Cheung • Zhao, Wei Mao 	<ul style="list-style-type: none"> • USD50,000 dividend into 500,000 Ordinary shares of USD0.10 par value each • Mandra Forestry Finance Limited - 1 share

Company Name	Date of Incorporation	Date of Incorporation	Date of Incorporation	Charter Documents Received	Current	Authorized Capital and Shareholders
Mandra Forestry Finance Limited BVI Company No. 633460 Registered Office Offices of Portcullis TrustNet BVI Limited, Portcullis TrustNet Chambers, P.O. Box 1444, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	6-Jul-11 * containing registers of mortgages and charges	<ul style="list-style-type: none"> • Certificate of Incorporation – December 31, 2004 • Notice of Election to Disapply Part IV Filed September 27, 2010 • Amended Memorandum and Articles of Association Adopted September 27, 2010 • Declaration Regarding Bearer Shares Dated September 27, 2010 • Discharge of Registered Charge filed under IBC Act Filed September 13, 2010 referring to Register of Mortgages and Charges Created May 11, 2005 and Discharge Dated June 30, 2010 • Discharge of Registered Charge filed under IBC Act Filed September 7, 2010 referring to Register of Mortgages and Charges Created May 11, 2005 and Discharge Dated June 30, 2010 	<ul style="list-style-type: none"> • Albert, Zhao • Chan, Tak Yuen • Chen, Hua • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000,000 Ordinary shares with no par value • Mandra Forestry Holdings Limited - 2,001 shares
				<ul style="list-style-type: none"> • Discharge of Registered Charge filed under IBC Act Filed February 1, 2010 • Register of Mortgages, Charges and other Encumbrances Filed March 8, 2006 • Two Registers of Mortgages, Charges and other Encumbrances Filed June 16, 2005 created May 11, 2005 • Amendments of Memorandum and/or Articles of Association Filed February 20, 2010 and September 2, 2005 • Amended and Restated Memorandum and Articles of Association amended February 19, 2010 • Notice of Amendment of the Articles of Association Filed September 2, 2005 including certified Directors' Resolution approving amended Memorandum and Articles of Association 		
				<ul style="list-style-type: none"> • Amended and Restated Memorandum and Articles of Association amendment registered September 2, 2005 • Certificates of Compliance with Requirements on Application for Registration Dated December 31, 2004 • Memorandum and Articles of Association – December 31, 2004 		

Company Name	Date of Incorporation	Date of Company Search	Date of Issuance of Certificate of Incorporation	Documents	Current Directors	Authorized Capital/Share Capital
<p>Andra Forestry Holdings Limited VI Company No. 633459</p> <p>Registered Office Offices of Portcullis TrustNet (VI) Limited, Portcullis TrustNet Chambers, P.O. Box 144, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	7-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 31, 2004 • Notice of Election to Disapply Part IV Filed September 27, 2010 • Registered Agent's Declaration Regarding Bearer Shares confirming no bearer shares Dated September 27, 2010 • Directors Resolution extract disapplying the grandfathered provisions Submitted September 27, 2010 • Memorandum and Articles of Association - Adopted September 27, 2010. • Discharge of Registered Charge filed under IBC Act Filed September 7, 2010 including Register of mortgages and charges referencing discharge dated June 30, 2010 • Register of Mortgages and Charges Filed June 16, 2005 • Amended and Restated Memorandum and Articles of Association Filed February 20, 2010 • Notice of Amendment of the Articles of Association including certified Directors Resolution approving Amended Memorandum and Articles of Association Filed September 2, 2005 • Amended and Restated Memorandum and Articles of Association Registered September 2, 2005 	<ul style="list-style-type: none"> • Albert, Zhao • Chan, Tak Yuen • Chen, Hua • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000,000 Ordinary shares with no par value • Sino-Forest Investments Limited - 125,001 shares
				<ul style="list-style-type: none"> • Certificate of Compliance with Requirements on Application for Registration Dated December 31, 2004 • Memorandum and Articles of Association - December 31, 2004 		
<p>Max Gain Development Limited VI Company No. 1066687</p> <p>Registered Office P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	30-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Re-Registration (Schedule 2) Dated November 24, 2006 • Certificate of Incorporation – February 4, 2002 • Application for Re-Registration as a BVI Business Company Dated November 24, 2006 • Notice of Amendment of Memorandum of Association including certified Directors Resolution authorizing re-registration and Declaration Filed November 24, 2006 • Re-Registered Memorandum and Articles of Association – November 24, 2006 • Certificate of Compliance Dated February 4, 2002 • Memorandum and Articles of Association - February 4, 2002 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value USD1.00 each • Sino-Global Holdings Inc. - 1 share • Share register was not contained in corporate search in order to ascertain the existence of a charge
<p>Polky Market Limited VI Company No. 1561584</p> <p>Registered Office WMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation (Incorporation Number)	Date of Company Change	Date of Shareholder Registration (Incorporation Number)	Share Documents Received	Current Status	Authorized Capital and Shareholders
Prime Kinetic Limited VI Company No. 1561603 Registered Office MCM Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with a par value USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Legal Win Capital Limited VI Company No. 1599759 Registered Office MCM Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association – August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Rich Choice Worldwide Limited VI Company No. 1599766 Registered Office MCM Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association – August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Original Name	Date of Incorporation in the Jurisdiction	Date of Incorporation in the State	Date of Termination of Incorporation in the State	List of Documents Received	Company Director	Authorized Capital and Shares
FR (China) Inc. VI Company No. 255656 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	23-Jun-11 * containing numerous registers of mortgages, charges and other encumbrances	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV Effective January 20, 2011 • Certificate of Incorporation - November 5, 1997 • Re-registered Memorandum and Articles of Association Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors Resolution approving amendment of Memorandum of Association Dated January 21, 2011 • Register of Members and Share Ledger - Filed May 30, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 12, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed May 24, 2006 • Register of Mortgages, Charges and Other Encumbrances - Filed March 23, 2005 • Register of Mortgages, Charges and Other Encumbrances - Filed January 13, 2004 • Register of Mortgages, Charges and Other Encumbrances - Filed June 3, 2003 • Notice of Election to Disapply Part IV Filed January 20, 2011 including Declaration and certified Directors Resolution adopting Restated Memorandum and Articles of Association Filed January 20, 2011 • Re-registered Memorandum and Articles of Association - January 1, 2007 Filed January 20, 2011 • Notice of Amendment to Memorandum and Articles of Association Filed December 21, 2006 including certified Directors Resolution approving new Memorandum and Articles of Association and Declaration confirming no bearer shares in issue 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Poon, Kai Kit 	<ul style="list-style-type: none"> • 50,000 no par value shares • Sino-Panel (Asia) Inc. - 1,001 shares charged in favour of Law Debeature Trust Company of New York
				<ul style="list-style-type: none"> • Memorandum and Articles of Association adopted by Directors Resolution Dated November 23, 2006 and Filed December 21, 2006 • Notice of Amendment to Memorandum and Articles of Association Filed December 31, 2004 including certified Directors Resolution approving change in registered office and registered agent • Notice of Amendment to Memorandum and Articles of Association Filed January 13, 1999 including certified Directors and Shareholders Resolutions approving Chinese name • Notice of Amendment to Memorandum and Articles of Association Filed August 28, 1998 including certified Directors Resolution approving amendment to Memorandum of Association • Memorandum and Articles of Association - November 5, 1997 		

Company Name	Date of Incorporation	Date of Registration	Date of Amendment	Charter Documents Received	Current	Authorized Capital and Shareholders
Ino-Capital Global Inc. VI Company No. 218658 Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	23-Jun-11 * containing numerous registers of mortgages, charges and other encumbrances	<ul style="list-style-type: none"> • Certificate of Incorporation - February 14, 1997 • Re-Registered Memorandum and Articles of Association adopted by Directors' Resolution Dated September 24, 2010 and Filed September 27, 2010 • Declaration confirming no bearer shares including certified Directors' Resolution adopting Re-stated Memorandum and Articles of Association Dated September 27, 2010 • Register of Members and Share Ledger - Filed June 2, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed October 11, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 12, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed March 24, 2006 • Amendment of Charge filed under IBC Act including Amended Register of Mortgages, Charges or Other Encumbrances Filed December 3, 2010 • Certificate of Registration of Charge for Chargee: Law Debenture Trust Company of New York Dated November 9, 2010 • Amended and Restated Pledge Agreement Dated October 8, 2010 including Register of Charges 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Chen, Hua • Zhao, Wei Mao 	<ul style="list-style-type: none"> • 50,000,000 no par value shares • Sino-Forest Corporation - 26,563 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Certificate of Registration of Charge for Chargee: Law Debenture Trust Company of New York Dated November 9, 2010 • Amended and Restated Pledge Agreement Dated October 8, 2010 including Application for Registration of Charge Filed November 9, 2010 • Amendment of Share Charge Dated November 22, 2006 Filed November 9, 2010 including Amended Register of Mortgages, Charges or Other Encumbrances • Amendment of Share Charge Filed April 19, 2010 including Amended Register of Mortgages, Charges or Other Encumbrances • Amendment of Share Charge Dated November 22, 2006 Filed October 15, 2009 including Amended Register of Mortgages, Charges or Other Encumbrances • Discharge of Charge Dated November 16, 2004 Filed November 17, 2008 including Register of Mortgages, Charges or Other Encumbrances • Register of Mortgages, Charges or Other Encumbrances Filed December 8, 2006 • Register of Mortgages, Charges or Other Encumbrances Filed January 7, 2005 • Amendment to Memorandum and Articles of Association Filed December 31, 2006 • Declaration confirming no bearer shares in issue including Notice of Amendment of Memorandum and Articles of Association and certified Directors' Resolution approving new Memorandum and Articles of Association Filed December 21, 2006 • Memorandum and Articles of Association adopted by Directors' Resolution Dated November 23, 2006 and Filed December 21, 2006 		

Company Name	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Shareholders/Shareholders	Shareholders/Shareholders	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Notice of Amendment to Memorandum and Articles of Association Filed December 31, 2004 including certified Directors Resolution approving changes to Memorandum of Association regarding registered office and registered agent and Consent to change in registered office and registered agent Filed December 31, 2004. • Notice of Amendment to Memorandum and Articles of Association Filed April 16, 1997 including Notice of Increase in Authorized Capital and certified Shareholder's Resolution authorizing amendment to authorized capital Filed April 16, 1997 • Certificate of Compliance with Requirements on Application for Registration Dated February 14, 1997 • Memorandum and Articles of Association - February 14, 1997 		
<p>Sino-Forest Bio-Science Limited BVI Company No. 548488</p> <p>Registered Office Offices of Trident Trust Company (B.V.I.) Limited, Trident Chambers, P.O. Box 46, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	26-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Change of Name from Sino-Two Limited to Sino-Forest Bio-Science Limited and the Chinese version Dated August 22, 2007 • Certificate of Incorporation of Sino-Two Limited Dated June 18, 2003 • Application for Change of Company Name Effective August 22, 2007 • Certificate of Compliance with Requirements on Application for Registration Dated June 18, 2003 • Memorandum and Articles of Association - June 18, 2003 • Register of Members and Share Ledger - Filed November 8, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed October 27, 2009 • Register of Members and Share Ledger - Filed December 5, 2008 • Register of Members and Share Ledger - Filed March 14, 2007 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • HK\$1,000,000 divided into 1,000,000 shares of HK\$1.00 par value each • Sinowood Limited - 1 share charged in favour of Law Debeature Trust Company of New York
<p>Sino-Forest Investments Limited. BVI Company No. 558954</p> <p>Registered Office P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11 updated 7-Jul-11	30-Jun-11 replaced by 14-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation referring to former name being Action Top Investments Limited which changed on April 8, 2004 to Sino-Forest Investments Limited • Certificate of Incorporation - September 8, 2003 • Notice of Change in Number of Shares/Authorized Capital Filed October 4, 2010 • Amended Memorandum and Articles of Association - October 4, 2010 • Register of Members and Share Ledger - Filed June 23, 2011 • Register of Members and Share Ledger - Filed November 16, 2010 • Register of Members and Share Ledger - Filed October 7, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 27, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000,000 no par value shares • Dynamic Profit Holdings Limited - 1,006 shares charged in favour of Law Debeature Trust Company of New York
				<ul style="list-style-type: none"> • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed March 14, 2006 • Notice of Election to Disapply Part IV Filed September 27, 2010 • Declaration that there are no bearer shares in issue Dated September 27, 2010 including certified Director's Resolution to adopt a new Memorandum and Articles of Association and Disapply Part IV of Schedule 2 of the BVI Business Companies Dated September 27, 2010 • Amended Memorandum and Articles of Association - September 27, 2010 		

Company Name	Date of Incorporation	Date of Share Issuance	Date of Last Annual Meeting	Charter Documents Received	Current	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Notice of Amendment of Memorandum of Association Filed April 8, 2004 including certified Directors' Resolution approving name change from Action Top Investments Limited to Sino-Forest Investments Limited Dated April 8, 2004 • Certificate of Compliance Dated September 8, 2003 • Memorandum and Articles of Association - September 8, 2003 		
<p>Sino-Forest Resources Inc. BVI Company No. 121457</p> <p>Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands</p>	<p>16-Jun-11</p>	<p>16-Jun-11</p>	<p>23-Jun-11 * containing numerous registers of mortgages, charges or other encumbrances</p>	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV Dated December 24, 2008 • Certificate of Incorporation referring to Sino-Forest Resources Inc. having been incorporated under the name Land & Sky (BVI) Inc. which name changed to Sino-Forest Resources Inc. on February 6, 1995 • Notice of Election to Disapply Part IV Filed December 24, 2008 • Amended and Restated Memorandum and Articles of Association noting re-registration on January 1, 2007 and Amended and Restated December 24, 2008 • Declaration regarding no bearer shares in issue Dated December 24, 2008 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed October 14, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed February 10, 2009 • Register of Members and Share Ledger - Filed March 24, 2006 • Register of Mortgages, Charges and Other Encumbrances Filed March 23, 2005 • Register of Discharge of Mortgages, Charges and Other Encumbrances Filed July 10, 2003 • Register of Mortgages, Charges and Other Encumbrances Filed June 3, 2003 • Register of Mortgages, Charges and Other Encumbrances Filed October 23, 2001 • Notice of Amendment of Memorandum and Articles of Association including certified Directors' Resolution approving replacement Memorandum and Articles of Association and Declaration regarding no bearer shares in issue Filed December 21, 2006 • Memorandum and Articles of Association adopted by Directors' Resolution Dated November 23, 2006 and Filed December 21, 2006 	<ul style="list-style-type: none"> • Poon, Kai Kit • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 350,000,000 shares divided into two classes: a) 50,000 ordinary shares each with a par value of USD1.00 "Ordinary Shares" b) 349,950,000 redeemable retractable preference shares with a par value of USD1.00 "Preference Shares" • Sino-Wood Partners, Limited - 2,000 Ordinary Shares • Sino-Forest Corporation - 323,689,000 Preference Shares <p>with all issued shares charged in favour of Law Debenture Trust Company of New York</p>
				<ul style="list-style-type: none"> • Notice of Amendment of Memorandum of Association including Certified Shareholder's Resolution approving change to registered office and registered agent and Consent of changes to registered office and registered agent Filed December 31, 2004 • Notice of Amendment of Memorandum of Association including Certified Shareholder's Resolution approving change of name to Sino-Forest Resources Inc. to include the Chinese version and Certificate on Chinese Characters Filed September 13, 1999 • Notice of Amendment of Memorandum of Association including certified Shareholder's Resolution approving change of name from Land & Sky (BVI) Inc. to Sino Forest Resources Inc. Filed February 6, 1995 		

	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Date of Certificate of Incorporation	Description of Documents	Name of Directors	Amount of Capital Shares
Sino-Global Holdings Inc. T Company No. 259917 Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	23-Jun-11* containing numerous registers of mortgages, charges or other encumbrances	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV Dated January 4, 2011 • Certificate of Incorporation referring to Sino-Global Holdings Inc. and its former name Sino-Panel (Jia Hu) Ltd. which name has been changed on October 17, 2000 to Sino-Global Holdings Inc. • Certificate of Incorporation of Sino-Panel (Jia Hu) Ltd. - December 12, 1997 • Amendments of Memorandum and/or Articles of Association filed January 5, 2011 including certified Director's Resolution amending Memorandum of Association Dated December 22, 2010 and Filed January 5, 2011 • Notice of Election of Disapply Part IV Filed January 4, 2011 including Declaration regarding no bearer shares in issue and certified Director's Resolution approving restated Memorandum and Articles of Association Filed January 4, 2011 • Re-Registered Memorandum and Articles of Association adopted by Director's Resolution Dated December 22, 2010 and Filed January 4, 2011 • Register of Members and Share Ledger - Filed June 9, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 12, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed March 24, 2006 • Amendment of Pledge Agreement Dated September 28, 2004 including Amended Register of Mortgages, Charges or Other Encumbrances Filed November 9, 2010 • Amendment to Pledge Agreement Filed April 19, 2010 including Amended Register of Mortgages, Charges or Other Encumbrances 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Forest Corporation - 1,002 shares charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Commencement	Date of Registration	Charge Document/Relevant	Currency	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Amendment of Charge relating to Pledge Agreement dated September 28, 2004 including Amended Register of Mortgages, Charges or Other Encumbrances Filed October 15, 2009 • Register of Mortgages, Charges or Other Encumbrances Filed March 24, 2006 relating to Pledge Agreement Dated September 28, 2004 • Register of Mortgages, Charges or Other Encumbrances Filed October 28, 2004 relating to Pledge Agreement Dated September 28, 2004 • Declaration that there are no bearer shares in issue Dated December 21, 2006 including Notice of Amendment of Memorandum and Articles of Association and certified Directors' Resolution to adopt a new Memorandum and Articles of Association Filed December 21, 2006 • Memorandum and Articles of Association adopted by Directors' Resolution Dated November 23, 2006 and Filed December 21, 2006 • Notice of Amendment of Memorandum of Association including certified Shareholder's Resolution regarding change in registered office and registered agent and Consent to change in registered office and registered agent Filed December 24, 2004 • Notice of Amendment of Memorandum and Articles of Association including certified Shareholder's Resolution regarding name change from Sino-Panel (Jia Hu) Ltd. to Sino-Global Holdings Inc. Filed October 17, 2000 • Notices of Amendment of Memorandum and Articles of Association including certified Shareholder's Resolution approving name in Chinese Filed May 14, 1998 and Certification on Chinese Characters Dated April 29, 1998 • Memorandum and Articles of Association - December 12, 1997 		
<p>Sino-Global Management Consulting Inc. VI Company No. 1598148 Registered Office MC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – July 30, 2010 including Translation Certificate • Memorandum and Articles of Association – July 30, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Capital Global Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Issuance of Certificate	Date of Commencement	Date of Cancellation of Certificate	Description of Documents	Company Directors	Authorized Capital and Shareholders
Sino-Panel (Asia) Inc. VI Company No. 259918 Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	23-Jun-11 * containing numerous registers of mortgages, charges or other encumbrances	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV Dated January 20, 2011 • Certificate of Incorporation - December 12, 1997 • Notice of Filing of Restated Memorandum and Articles of Association Filed January 21, 2011 • Re-Registered Memorandum and Articles of Association adopted by Directors' Resolution January 20, 2011 and Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors' Resolution amending Memorandum of Association Dated January 20, 2011 and Filed January 21, 2011 • Register of Members and Share Ledger - Filed May 30, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 12, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed March 24, 2006 • Amendment of Pledge Agreement Dated September 28, 2004 Filed November 9, 2010 including Amended Register of Mortgages, Charges or Other Encumbrances • Amendment of Pledge Agreement Dated September 28, 2004 Filed April 19, 2010 including Amended Register of Mortgages, Charges or Other Encumbrances • Amendment of Pledge Agreement Dated September 28, 2004 Filed October 15, 2009 including Amended Register of Mortgages, Charges or Other Encumbrances • Discharge of Register Filed on November 9, 2006 regarding Charge Dated January 18, 2005 Filed March 4, 2008 including Register of Mortgages, Charges and Other Encumbrances • Register of Mortgages, Charges and other Encumbrances Filed November 9, 2006 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Poon, Kai Kit • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel Holdings Limited - 1,002 shares charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Incorporation	Date of Incorporation	Charter Documents Received	Agent	Amount of Capital and Shareholders
				<ul style="list-style-type: none"> • Amended Register of Mortgages, Charges and Other Encumbrances Filed April 6, 2006 • Register of Mortgages, Charges and Other Encumbrances Filed March 24, 2006 • Register of Mortgages, Charges and Other Encumbrances Filed October 28, 2004 • Notice of Election to Disapply Part IV Filed January 20, 2011 including Declaration regarding no bearer shares in issue and certified Directors' Resolution adopting Restated Memorandum and Articles of Association Dated January 20, 2011 and Filed January 20, 2011 • Re-Registered Memorandum and Articles of Association adopted by Directors' Resolution Dated January 20, 2011 and Filed January 20, 2011 • Declaration regarding no bearer shares in issue Filed December 21, 2006 • Notice of Amendment of Memorandum and Articles of Association including certified Directors' Resolution approving new Memorandum and Articles of Association Filed December 21, 2006 • Memorandum and Articles of Association adopted by Directors' Resolution Dated November 23, 2006 and Filed December 21, 2006 • Notice of Amendment of Memorandum of Association Filed December 31, 2004 including certified Shareholder's Resolution changing registered office and registered agent and Consent to change of registered office and registered agent Filed December 31, 2004 • Certificate of Compliance with Requirements on Application for Registration Dated December 12, 1997 • Memorandum and Articles of Association - December 12, 1997 		
Sino-Panel (China) Nursery Limited VI Company No. 1561607 Registered Office OMC Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Amended Memorandum and Articles of Association – October 28, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Amendments/Memorandum and Articles of Association Filed October 28, 2010 including Translation Certificate • Memorandum and Articles of Association - December 22, 2009 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 2 shares charged in favour of Law Debeanture Trust Company of New York
Sino-Panel (Fujian) Limited VI Company No. 1434765 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – October 2, 2007 • Memorandum and Articles of Association – October 2, 2007 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with a par value USD1.00 each • Sino-Panel (Asia) Inc. – 1 share charged in favour of Law Debeanture Trust Company of New York

Company Name	Date of Incorporation	Date of Incorporation	Date of Incorporation	Certificate Documents Received	Certificate Documents Received	Amount of Capital and Shares Issued
Sino-Panel (Cayao) Ltd. Sino-Panel Company No. 259915 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV Dated January 20, 2011 • Certificate of Incorporation - December 12, 1997 • Notice of Filing of Restated Memorandum and Articles of Association Filed January 21, 2011 • Re-Registered Memorandum and Articles of Association adopted by Directors' Resolution Dated January 20, 2011 and Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors' Resolution amending Memorandum of Association Dated January 20, 2011 and Filed January 21, 2011 • Register of Members and Share Ledger - Filed June 9, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed August 12, 2009 • Register of Members and Share Ledger - Filed June 2, 2009 • Register of Members and Share Ledger - Filed March 24, 2006 • Notice of Election to Disapply Part IV Filed January 20, 2011 including Declaration regarding no bearer shares in issue and certified Directors' Resolution adopting Restated Memorandum and Articles of Association Dated January 20, 2011 and Filed January 20, 2011 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. - 1,001 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Re-Registered Memorandum and Articles of Association on January 1, 2007 as adopted by Directors' Resolution Dated January 20, 2011 and Filed January 20, 2011 • Declaration regarding no bearer shares in issue Filed December 21, 2006 including Notice of Amendment of Memorandum and Articles of Association and certified copy of Directors' Resolution approving new Memorandum and Articles of Association Filed December 21, 2006 • Memorandum and Articles of Association adopted by Directors' Resolution Dated November 23, 2006 and Filed December 21, 2006 • Notice of Amendment of Memorandum of Association Filed December 31, 2004 including certified Shareholder's Resolution changing registered office and registered agent and Consent to change in registered office and registered agent Filed December 31, 2004 • Notice of Amendment of Memorandum of Association Filed May 14, 1998 including Certification on Chinese Characters and Shareholder's Resolution adopting Chinese name Filed May 14, 1998 		
				<ul style="list-style-type: none"> • Memorandum and Articles of Association - December 12, 1997 		

Company Name	Date of Incorporation	Date of Share Issuance	Date of Charter Documents Received	Charter Documents Received	Director	Authorized Capital and Shareholders
Sino-Panel (Guangxi) Limited VI Company No. 1381282 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 19, 2007 • Certified Directors Resolution authorizing amendment to Memorandum of Association Filed December 22, 2010 • Application for Incorporation - BVI Business Company Dated January 19, 2007 • Application to Change a Foreign Character Name including Verification of Translation Dated January 19, 2007 • Memorandum and Articles of Association - January 19, 2007 • Register of Members and Share Ledger - Filed June 9, 2011 • Register of Members and Share Ledger - Filed November 17, 2010 • Register of Members and Share Ledger - Filed May 7, 2010 • Register of Members and Share Ledger - Filed October 14, 2009 • Register of Members and Share Ledger - Filed December 19, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 1,002 shares charged in favour of Law Debenture Trust Company of New York
Sino-Panel (Guangzhou) Limited VI Company No. 1052050 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – September 19, 2006 • Amended Memorandum and Articles of Association Filed January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed March 8, 2007 • Application for Incorporation - BVI Business Company - September 19, 2006 • Application to Change a Foreign Character Name Filed September 19, 2006 including Verification of Translation • Memorandum and Articles of Association - September 19, 2006 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Poon, Kai Kit 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York
Sino-Panel (Guizhou) Limited VI Company No. 1432429 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – September 18, 2007 • Memorandum and Articles of Association – September 18, 2007 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • USD50,000 dividend into 50,000 shares of USD1.00 each • Sino-Panel (Asia) Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Issuance of Certificate of Incorporation	Date of Issuance of Share Certificate	Date of Issuance of Certificate of Incorporation	Charter Documents Received	Authorized Capital and Shareholders
<p>Sino-Panel (Huailua) Limited <i>VI Company No. 1432427</i></p> <p>Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – September 18, 2007 • Restated Memorandum and Articles of Association – Filed January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 Previous Amendments/Memorandum and Articles of Association Filed January 21, 2011 including certified Directors Resolution amending Memorandum of Association • Memorandum and Articles of Association - September 18, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung <ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York
<p>Sino-Panel (North East China) Limited <i>VI Company No. 643479</i></p> <p>Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Disapplication of Schedule 2, Part IV effective January 20, 2011 • Certificate of Incorporation – February 23, 2005 • Notice of Filing of Restated Memorandum and Articles of Association Filed January 21, 2011 • Re-Registered Memorandum and Articles of Association – January 1, 2007 • Amendments of Memorandum and /or Articles of Association Filed January 21, 2011 including certified Directors' Resolution Dated January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed March 24, 2006 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung <ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1,001 ordinary shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Notice of Election to Disapply Part IV Filed January 20, 2011 • Re-Registered Memorandum and Articles of Association – January 1, 2007 • Declaration that the Company has no bearer shares in issue Dated January 20, 2011 including certified Directors' Resolution adopting Restated Memorandum and Articles of Association Dated January 20, 2011 • Certificate of Compliance with Requirements on Application for Registration Dated February 23, 2005 including Verification of Translation of the Company name • Memorandum and Articles of Association – February 23, 2005 	
<p>Sino-Panel (North Sea) Limited <i>VI Company No. 1420405</i></p> <p>Registered Office P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – July 20, 2007 • Amendment to Memorandum of Association – Filed December 22, 2010 including certified Directors Resolution amending Memorandum of Association • Memorandum and Articles of Association – July 20, 2007 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed December 19, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung <ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1,002 shares charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Incorporation	Date of Incorporation	Charter Documents Received	Current	Authorized Capital and Shareholders
Sino-Panel (Qinzhou) Limited VI Company No. 1432428 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Change of Name from Sino-Panel (Jiayu) Limited to Sino-Panel (Qinzhou) Limited Dated December 5, 2007 • Certificate of Incorporation – September 18, 2007 • Change of Company Name or Add/Change of Foreign Character Name Filed December 5, 2007 including attached Memorandum and Articles of Association – September 18, 2007 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 • Memorandum and Articles of Association – September 18, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with a par value of USD1.00 each • Sino-Panel (Asia) Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Sino-Panel (Russia) Limited VI Company No. 1571333 Registered Office MC Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – February 12, 2010 including translation certification regarding company name • Memorandum and Articles of Association – February 12, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 2 shares charged in favour of Law Debenture Trust Company of New York
Sino-Panel (Shaoyang) Limited VI Company No. 1434767 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – October 2, 2007 • Memorandum and Articles of Association – October 2, 2007 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with a par value USD1.00 each • Sino-Panel (Asia) Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Sino-Panel (Yongzhou) Limited VI Company No. 1432426 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – September 18, 2007 • Restated Memorandum and Articles of Association – Filed January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed January 14, 2009 • Previous Amendments/Memorandum and Articles of Association Filed January 21, 2011 including certified Directors Resolution • Memorandum and Articles of Association - September 18, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Incorporation Search	Date of Certificate of Incorporation	Registered Documents	Company Directors	Authorized Capital and Shareholders
Sino-Panel (Yunnan) Limited BVI Company No. 1381062 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 19, 2007 • Restated Memorandum and Articles of Association – Filed January 21, 2011 • Certified Directors Resolution authorizing amendment Filed January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger - Filed December 19, 2007 • Application for Incorporation - BVI Business Company Dated January 19, 2007 • Application to Change a Foreign Character Name including Verification of Translation Dated January 19, 2007 • Memorandum and Articles of Association - January 19, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York
Sino-Panel [Hunan] Limited BVI Company No. 1070457 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Re-Registration (Schedule 2) – November 27, 2006 • Certificate of Incorporation referring to former name Comtech Universal Limited which changed to Sino-Panel [Hunan] Limited July 24, 2006 • Certificate of Incorporation under the name Comtech Universal Limited – August 3, 2001 • Notice of Change of Registered Agent Filed August 13, 2007 • Notice of Change of Registered Office Filed August 13, 2007 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 • Memorandum and Articles of Association – August 3, 2001 adopted by Directors' Resolution Dated January 20, 2011 and Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors' Resolution amending Memorandum of Association Filed January 21, 2011 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1,001 ordinary shares charged in favour of Law Debenture Trust Company of New York

Company Name	Date of Incorporation	Date of Incorporation	Date of Incorporation	Charter Documents Received	Current Directors	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed April 16, 2007 • Application for Re-Registration as a BVI Business Company Filed November 27, 2006 • Notice of Amendment of Memorandum of Association Filed November 27, 2006 including certified Directors' Resolution authorizing re-registration Filed November 27, 2006 • Declaration that there are no bearer shares in issue Filed November 27, 2006 • Re-Registered Memorandum and Articles of Association – November 27, 2006 • Notice of Amendment of Memorandum of Association Filed July 24, 2006 including certified Directors' Resolution approving name change Filed July 24, 2006 • Amended Memorandum and Articles of Association – July 24, 2006 including Translator's Certificate in connection with the Company name • Certificate of Compliance Dated August 3, 2001 • Memorandum and Articles of Association – August 3, 2001 		
<p>Sino-Panel [Suzhou] Limited <i>BVI Company No. 1058647</i></p> <p><i>Registered Office</i> P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 [*]	<ul style="list-style-type: none"> • Certificate of Re-Registration (Schedule 2) -- October 20, 2006 • Certificate of Incorporation referring to former name Pacific Harvest Holdings Limited which changed to Sino-Panel [Suzhou] Limited October 19, 2006 • Certificate of Incorporation under the name Pacific Harvest Holdings Limited – Dated August 8, 2005 • Notice of Change of Registered Agent Filed August 13, 2007 • Notice of Change of Registered Office File August 13, 2007 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 • Memorandum and Articles of Association – August 8, 2005 adopted by Directors' Resolution Dated January 20, 2011 and Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors' Resolution amending Memorandum of Association Filed January 21, 2011 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York

Name of Company	Date of Incorporation in the jurisdiction	Date of Incorporation in the jurisdiction	Date of Incorporation in the jurisdiction	Documents received	Current Officers	Authorized Capital and Shareholder
				<ul style="list-style-type: none"> • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger -Filed October 14, 2009 • Register of Members and Share Ledger -Filed April 16, 2007 • Application for Re-Registration as a BVI Business Company Filed October 20, 2006 • Re-Registered Memorandum and Articles of Association - Dated October 20, 2006 including Translator's Certificate regarding Chinese translation of name • Translator's Certificate regarding name Filed October 13, 2006 including certified Directors' Resolution approving name change Filed October 13, 2006 • Notice of Amendment of Memorandum of Association Filed October 13, 2006 • Certificate of Compliance Dated August 8, 2005 • Memorandum and Articles of Association - August 8, 2005 		
<p>Sino-Panel [Xiangxi] Limited <i>VJ Company No. 1069477</i></p> <p>Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Re-Registration (Schedule 2) – November 27, 2006 • Certificate of Incorporation referring to former name Rich Base Worldwide Limited which changed to Sino-Panel [Xiangxi] Limited July 24, 2006 • Certificate of Incorporation under the name Rich Base Worldwide Limited – October 12, 2001 • Notice of Change of Registered Agent Filed August 13, 2007 • Notice of Change of Registered Office File August 13, 2007 • Amended Memorandum and Articles of Association – October 12, 2001 adopted by Directors' Resolution and Filed January 21, 2011 • Amendments of Memorandum and/or Articles of Association Filed January 21, 2011 including certified Directors' Resolution amending Memorandum of Association Filed January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1,001 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Register of Members and Share Ledger – Filed May 7, 2010 • Declaration that there are no bearer shares in issue Filed November 27, 2006 and certified Directors' Resolution approving to re-register Filed November 27, 2006 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed April 16, 2007 • Application for Re-Registration as a BVI Business Company Filed November 27, 2006 • Application to Add/Change a Foreign Character Name Dated November 27, 2006 • Re-Registered Memorandum and Articles of Association – November 27, 2006 • Additional Re-Registered Memorandum and Articles of Association – November 27, 2006 		

Company Name	Date of Certificate of Incorporation	Date of Certificate of Registration	Date of Certificate of Incorporation	Charter Documents Received	Director	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Notice of Amendment of Memorandum of Association Filed July 24, 2006 including certified Director's Resolution regarding name change Filed July 24, 2006 • Amended Memorandum and Articles of Association – July 24, 2006 • Certificate of Compliance Dated October 12, 2001 • Memorandum and Articles of Association – October 12, 2001 		
<p>ino-Panel Holdings Limited VI Company No. 388858</p> <p>Registered Office P.O. Box 71, Chaigmuir Chambers, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	28-Jun-11 * containing numerous registers of mortgages, charges or other encumbrances	<ul style="list-style-type: none"> • Certificate of Incorporation – May 19, 2000 • Re-registered Memorandum and Articles of Association Filed January 24, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 12, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed August 14, 2009 • Register of Members and Share Ledger – Filed June 15, 2009 • Register of Members and Share Ledger – Filed March 24, 2006 • Amended Register of Mortgages, Charges or Other Encumbrances Filed November 10, 2010 • Amended Register of Mortgages, Charges or Other Encumbrances Filed April 4, 2010 • Amended Register of Mortgages, Charges or Other Encumbrances Filed September 15, 2009 • Amended Register of Mortgages, Charges or Other Encumbrances Filed April 6, 2006 • Amended Register of Mortgages, Charges or Other Encumbrances Filed March 10, 2006 • Amended Register of Mortgages, Charges or Other Encumbrances Filed October 22, 2004 • Notice of Election to Disapply Part IV Filed January 13, 2011 including Declaration and certified member's resolution approving New Memorandum and Articles of Association • Re-registered Memorandum and Articles of Association - January 1, 2007 	<ul style="list-style-type: none"> • Chan, Tak Yuen (& President) 	<ul style="list-style-type: none"> • 50,000 shares with no par value • Sino-Forest Corporation - 1,002 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Certificate of Compliance with Requirements on Application for Registration Dated May 19, 2000 • Memorandum and Articles of Association - May 19, 2000 		
<p>ino-Panel Trading Limited VI Company No. 1582977</p> <p>Registered Office 4C Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation including Translation Certificate – April 28, 2010 • Memorandum and Articles of Association – April 28, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Ip, Hon Cheung 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Panel (Asia) Inc. – 1 share charged in favour of Law Debenture Trust Company of New York

Name of Company	Date of Incorporation/Registration	Date of Compliance Statement	Date of Certificate of Incorporation/Registration	List of Documents Filed	Officers/Directors	Authorised Capital and Shareholders
<p>Sino-Global Investments Limited <i>VI Company No. 1067100</i></p> <p><i>Registered Office</i> P.O. Box 3321, Drake Chambers, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11 updated 7-Jul-11	30-Jun-11 replaced by 14-Jul-11 *	<ul style="list-style-type: none"> • Certificate of Re-Registration (Schedule 2) – November 24, 2006 • Certificate of Incorporation – July 2, 2002 • Amendments of Memorandum/Articles of Association Filed December 24, 2010 • Amended Memorandum and Articles of Association – December 24, 2010 • Register of Members and Share Ledger – Filed June 23, 2011 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed August 27, 2009 • Register of Members and Share Ledger – Filed June 2, 2009 • Register of Members and Share Ledger – Filed March 14, 2006 • Application for Re-Registration as a BVI Business Company Filed November 24, 2006 • Notice of Amendment of Memorandum of Association Filed November 24, 2006 including certified Director's Resolution regarding re-registration Filed November 24, 2006 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Global Holdings Inc. - 1,001 shares charged in favour of Law Debeanture Trust Company of New York
				<ul style="list-style-type: none"> • Declaration that there are no bearer shares in issue Filed November 24, 2006 • Re-Registered Memorandum and Articles of Association – November 24, 2006 • Certificate of Compliance Dated July 2, 2002 • Memorandum and Articles of Association – July 2, 2002 		
<p>Sino-Wood Finance Limited <i>VI Company No. 571373</i></p> <p><i>Registered Office</i> P.O. Box 957, Offshore Corporations Centre, Road Town, Tortola, British Virgin Islands</p>	16-Jun-11	16-Jun-11	21-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 10, 2003 • Notice of Amendment of Memorandum of Association Filed April 12, 2006 including approving Directors' Resolution dated March 29, 2006 • Notification letter of resignation of Registered Agent Filed March 20, 2006 • Certificate of Compliance with Requirements on Application for Registration Dated December 10, 2003 • Memorandum and Articles of Association – December 10, 2003 	<ul style="list-style-type: none"> • Chan, Tak Yuen 	<ul style="list-style-type: none"> • USD50,000 dividend into 50,000 shares of USD1.00 each • Sino-Wood Partners, Limited – 1 share • Share register was not contained in corporate search in order to ascertain the existence of a charge
<p>Sino-Wood Trading Limited <i>VI Company No. 1561911</i></p> <p><i>Registered Office</i> MC Chambers, Wickhams Cay 1, Road Town, British Virgin Islands</p>	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 29, 2009 • Amended Memorandum and Articles of Association – Filed March 16, 2011 • Amendments of Memorandum/Articles of Association Filed March 16, 2011 including Certified Directors' Amending Resolution Dated March 16, 2011 • Memorandum and Articles of Association – December 29, 2009 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed December 22, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	<ul style="list-style-type: none"> • Chan, Tak Yuen • Zhao, Weimao • Chen, Hua 	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Sino-Wood Partners, Limited – 2 shares charged in favour of Law Debeanture Trust Company of New York

Company Name	Date of Incorporation	Date of Registration	Date of Last Annual General Meeting	Charter Documents Received	Current	Authorized Capital and Shareholders
Smart Sure Enterprises Limited SVI Company No. 1515411 Registered Office DMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – January 2, 2009 • Amended Memorandum and Articles of Association – Dated March 16, 2011 • Register of Members and Share Ledger – Filed November 16, 2011 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 13, 2009 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • USD50,000 dividend into 50,000 shares of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debenture Trust Company of New York
Suri-Wood Inc. SVI Company No. 246849 Registered Office P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	23-Jun-11 * containing numerous certificates of registration of charges	<ul style="list-style-type: none"> • Certificate of Incorporation – September 1, 1997 • Re-registered Memorandum and Articles of Association – Filed January 1, 2007 • Amendments of Memorandum/Articles of Association Filed January 21, 2011 including Certified Directors' Amending Resolution Dated January 21, 2011 • Register of Members and Share Ledger – Filed June 9, 2011 • Register of Members and Share Ledger – Filed November 17, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 • Register of Members and Share Ledger – Filed October 14, 2009 • Register of Members and Share Ledger – Filed June 2, 2009 • Register of Members and Share Ledger – Filed March 24, 2006 • Certified of Registration of Charge Dated November 9, 2010 • Application for Registration of Charge described as amended and restated pledge agreement Dated October 8, 2010 including Register of Charges • Certificate of Registration of Charge Dated November 9, 2010 • Application for Registration of Charge described as amended and restated pledge agreement Dated October 8, 2010 Filed November 9, 2010 	• Chan, Tak Yuen • Poon, Kai Kit	<ul style="list-style-type: none"> • 50,000,000 shares with no par value • Sino-Wood Partners, Limited – 10,001 shares charged in favour of Law Debenture Trust Company of New York
				<ul style="list-style-type: none"> • Certificate of Variation of Charge Dated November 9, 2010 including Application to Register Variation in terms of Registered Charge Filed November 9, 2010 • Certificate of Variation of Charge Dated April 19, 2010 including Application to Register Variation in terms of Registered Charge Filed April 19, 2010 • Certificate of Registration of Charge Dated August 12, 2009 including Application of Registration of Charge Filed August 12, 2009 • Notice of Election to Disapply Part IV Filed January 20, 2011 including Declaration and certified Directors Resolution adopting Restated Memorandum and Articles of Association Filed January 20, 2011 • Memorandum and Articles of Association Re-registered January 1, 2007 • Declaration including Notice of Amendment of Memorandum and Articles of Association Filed December 21, 2006 and certified Directors Resolution approving new Memorandum and Articles of Association • Memorandum and Articles of Association - September 1, 1997 • Notice of Amendment of Memorandum of Association including certified Shareholders Resolution changing registered office and registered agent Filed December 31, 2004 		

Company Name	Date of Issuance of Certificate of Incorporation	Date of Incorporation	Date of Issuance of Certificate of Incorporation	Charters/Documents Referenced	Authorized Capital	Authorized Capital and Shareholders
				<ul style="list-style-type: none"> • Notice of Amendment of Memorandum/Articles of Association Filed October 28, 1999 including Certificate on Chinese Characters and certified Shareholders Resolution adopting Chinese name Filed October 28, 1999 • Certificate of Compliance with Requirements on Application for Registration Dated September 1, 1997 • Memorandum and Articles of Association - September 1, 1997 		
Billion Edge Limited <i>VI Company No. 1561622</i> <i>Registered Office</i> MC Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – December 22, 2009 • Memorandum and Articles of Association – December 22, 2009 • Register of Members and Share Ledger – Filed November 16, 2010 • Register of Members and Share Ledger – Filed May 7, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • USD50,000 ordinary shares with a par value of USD1.00 each • Suri-Wood Inc. – 1 share charged in favour of Law Debeature Trust Company of New York
Blue Quest International Limited <i>VI Company No. 1599749</i> <i>Registered Office</i> MC Chambers, Wickhams Way 1, Road Town, Tortola, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association – August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debeature Trust Company of New York
Cell Keen Worldwide Limited <i>VI Company No. 1599750</i> <i>Registered Office</i> MC Chambers, Wickhams Way 1, Road Town, British Virgin Islands	16-Jun-11	16-Jun-11	20-Jun-11 *	<ul style="list-style-type: none"> • Certificate of Incorporation – August 11, 2010 • Memorandum and Articles of Association – August 11, 2010 • Register of Members and Share Ledger – Filed November 16, 2010 	• Chan, Tak Yuen	<ul style="list-style-type: none"> • 50,000 ordinary shares with no par value • Suri-Wood Inc. – 1 share charged in favour of Law Debeature Trust Company of New York

Chart of SAIC Search Results

WFOE企业基本信息汇总表
Basic Corporate Information of WFOEs

序号 No.	公司地址/法定代表人/注册资本/投资总额 Company/Address/Legal Representative/Registered Capital/Total Investment	公司股东(或所属企业)/企业类型/成立日期/经营期限 Shareholder (or Parent Company)/Enterprise Type/Establishment Date/Operation Duration	公司设立时的公司董事/监事/经理及变更情况 Directors/Supervisors/Managers upon Establishment of Company and Changes	经营范围 Scope of Business	登记机关/工商注册号/年检情况 Registration Authority/Registration No./Annual Inspection Status
1	<p>嘉汉枫情(上海)贸易有限公司 Sino-Maple (Shanghai) Trading Co., Ltd.</p> <p>上海市外高桥保税区日京路35号1023室 Room 1023, No. 35 Rijing Road, Shanghai Waigaoqiao Free Trade Zone</p> <p>赵健呼 Zhao Jianhui</p> <p>170万美元(实收资本170万美元/投资总额) USD 1,700,000 (Paid-in Capital: USD 1,700,000/No records for total investment)</p>	<p>GRANDEUR WINWAY LIMITED, 出资额170万美元, 出资比例100% GRANDEUR WINWAY LIMITED, Amount of Contribution: USD 1,700,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2003年9月18日 September 18, 2003</p> <p>自2003年9月18日至2033年9月17日 From September 18, 2003 to September 17, 2033</p>	<p>公司设立时: 董事: 陈德源(董事长)、赵伟茂、潘家杰、许建华、陈华 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Pan Jiajie, Xu Donghua, Chen Hua</p> <p>2007年10月: 董事: 陈德源(董事长)、赵伟茂、潘家杰、陈华 October, 2007: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Pan Jiajie, Chen Hua</p> <p>2010年3月: 董事: 陈德源(董事长)、赵伟茂、赵健呼、陈华 March, 2010: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Zhao Jianhui, Chen Hua</p> <p>2010年4月: 董事: 赵健呼(董事长)、赵伟茂、陈梅娜、陈华 April, 2010: Directors: Zhao Jianhui (Board Chairman), Zhao Weimao, Chen Deyuan, Chen Hua</p> <p>监事、经理不详 Supervisors and Managers: not available</p>	<p>国际贸易、转口贸易、保税区企业间的贸易及区内贸易代理; 通过境内有进出口经营权的代理企业代理与非保税区企业从事贸易业务; 保税区内商业性简单加工; 保税区内商务咨询服务。(涉及许可经营的项目凭许可证经营) International trade, intermediary trade, trade among enterprises and trade agency within the bonded area; agency of trade with enterprises outside the bonded area via domestic enterprises with the right to operate import and export business; simple commercial processing within the bonded area; commercial consulting service within the bonded area. (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>上海市工商行政管理局 Administration of Industry and Commerce of Shanghai Municipality</p> <p>310115400133676</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
2	<p>北澳枫情(上海)商贸有限公司 Sino-Maple (Shanghai) Co., Ltd.</p> <p>上海市古茂路1515号19号楼302室 Room 302, Building 19, No. 1515 Gumel Road, Shanghai</p> <p>陈德源 Chen Deyuan</p> <p>1700万美元(实收资本1700万美元/投资总额1785万美元) USD 17,000,000 (Paid-in Capital: USD 17,000,000/Total Investment: USD 17,850,000)</p>	<p>GRANDEUR WINWAY LIMITED, 出资额1700万美元, 出资比例100% GRANDEUR WINWAY LIMITED, Amount of Contribution: USD 17,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2006年11月16日 November 16, 2006</p> <p>自2006年11月16日至2036年11月15日 From November 16, 2006 to November 15, 2036</p>	<p>公司设立时: 董事: 赵伟茂(董事长)、陈华、周清华 Establishment of Company: Directors: Zhao Weimao (Board Chairman), Chen Hua, Zhou Qinghua</p> <p>2007年4月: 董事: 赵伟茂(董事长)、陈华、周清华、叶韵祥、LIM HOE PIN (林海兵) April, 2007: Directors: Zhao Weimao (Board Chairman), Chen Hua, Zhou Qinghua, Ye Huanxiang, Lim Hoe Pin</p> <p>2008年3月: 董事: 陈德源(董事长)、赵伟茂、周清华、叶韵祥、LIM HOE PIN (林海兵); 监事: 陈华 March, 2008: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Zhou Qinghua, Ye Huanxiang, Lim Hoe Pin; Supervisor: Chen Hua</p> <p>2008年12月: 董事: 陈德源(董事长)、赵伟茂、周清华、叶韵祥、洪浩霖; 监事: 陈华 December, 2008: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Zhou Qinghua, Ye Huanxiang, Hong Zhaolin; Supervisor: Chen Hua</p> <p>经理不详 Managers: not available</p>	<p>木材、木制品及其配件、建筑材料(钢材、水泥除外)、装饰材料、家具的批发、进出口(原木出口除外)、佣金代理(拍卖除外); 木结构的安装、室内装潢设计咨询、其他相关配套业务(涉及配额许可证管理、专项规定管理的商品按照国家有关规定办理)。(涉及行政许可的, 凭许可证经营) Wholesale, import and export (excluding export of log), and commission agency (excluding auction) of wood, woodwork and accessories, construction materials (excluding steel and cement), fitting-out materials and furniture; installation of wood floor, consultation for indoor fitting-out design, and other related supporting business (commodities subject to the management of quota permit and special provisions shall be operated in accordance with relevant provisions of the State). (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>上海市工商行政管理局徐汇分局 Administration of Industry and Commerce of Shanghai Municipality, Xuhui Branch</p> <p>31000100490848</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

3	<p>苏杭城市生态苗木(苏州)有限公司 Sinowin Plantings (Suzhou) Co., Ltd.</p> <p>苏州工业园区双阳路12号 No. 12 Shuangyang Road, Suzhou Industrial Zone</p> <p>陈德源 Chen Deyuan</p> <p>2003万美元(实收资本2000万美元/投资总额4500万美元) USD 20,000,000 (Paid-in Capital: USD 20,000,000/Total Investment: USD 45,000,000)</p>	<p>SINOWIN INVESTMENTS LIMITED, 出资额2000万美元, 出资比例100% SINOWIN INVESTMENTS LIMITED, Amount of Contribution: USD 20,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2003年6月27日 June 27, 2003</p> <p>自2003年6月27日至2053年2月26日 From June 27, 2003 to February 26, 2053</p>	<p>公司设立时: 董事: 陈华(总经理), 陈梅源(董事长), 潘家杰, 许伟华, 赵伟茂; 监事: 蔡建国 Establishment of Company: Directors: Chen Hua (General Manager), Chen Deyuan (Board Chairman), Pan Jiajie, Xu Donghua, Zhao Weimao; Supervisor: Cai Jianguo</p> <p>2005年2月: 董事: 潘家杰, WONG KEE YEN, 赵伟茂, 陈华(总经理), 陈梅源(董事长) February, 2005: Directors: Pan Jiajie, Wong Kee Yen, Zhao Weimao, Chen Hua (General Manager), Chen Deyuan (Board Chairman)</p> <p>2007年10月: 董事: 潘家杰, 赵伟茂, 陈华(总经理), 陈梅源(董事长) October, 2007: Directors: Pan Jiajie, Zhao Weimao, Chen Hua (General Manager), Chen Deyuan (Board Chairman)</p> <p>2010年5月: 董事: 陈华(总经理), 陈梅源(董事长), 潘家杰, 赵伟茂; 监事: 蔡建国 May, 2010: Directors: Chen Hua (General Manager), Chen Deyuan (Board Chairman), Pan Jiajie, Zhao Weimao; Supervisor: Cai Jianguo</p> <p>2010年6月: 董事: 陈华(总经理), 陈梅源(董事长), 赵伟茂, 监事: 蔡建国 June, 2010: Directors: Chen Hua (General Manager), Chen Deyuan (Board Chairman), Zhao Weimao; Supervisor: Cai Jianguo</p>	<p>花卉生产与苗圃基地的建设、经营; 园林绿化及配套设施工程的设计、施工及养护管理; 绿化苗木、花卉的培育、生产、销售和租摆。 Production of flowers, construction and operation of nursery gardens; design, construction and maintenance of gardening and related sprinkler irrigation projects; fostering, production, sale and lease of gardening trees and flowers.</p>	<p>江苏省苏州工业园区工商行政管理局 Administration of Industry and Commerce of Suzhou Industrial Zone, Jiangsu Province</p> <p>320594400008265</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
4	<p>江苏嘉润生态苗木有限公司 Jiangsu Jianrun Plantings Co., Ltd.</p> <p>句容市天王镇衣林村 Nonglin Village, Tianwang Town, Jurong City</p> <p>陈华 Chen Hua</p> <p>人民币2000万元(实收资本人民币2000万元/总投资额) RMB 20,000,000 (Paid-in Capital: RMB 20,000,000/No records for total investment)</p>	<p>苏杭城市生态苗木(苏州)有限公司, 出资额人民币2000万元, 出资比例100% Sinowin Plantings (Suzhou) Co., Ltd., Amount of Contribution: RMB 20,000,000, Ownership Percentage: 100%</p> <p>有限公司(法人独资)内资 Limited company (legal person sole proprietorship), domestic</p> <p>2010年10月22日 October 22, 2010</p> <p>自2010年10月22日至2030年10月21日 From October 22, 2010 to October 21, 2030</p>	<p>公司设立时: 执行董事: 陈华, 总经理: 陈华; 监事: 周瑾 Establishment of Company: Executive Director: Chen Hua; General Manager: Chen Hua; Supervisor: Zhou Jin</p> <p>无相关变更记录 No records for change of management</p> <p>最新情况: 执行董事: 陈华, 总经理: 陈华; 监事: 周瑾 Latest: Executive Director: Chen Hua; General Manager: Chen Hua; Supervisor: Zhou Jin</p>	<p>一般经营项目: 苗木、花卉种植、销售; 园林绿化工程设计、施工; 生态农业观光服务。 Ordinary business items: planting and sale of seedling trees and flowers; design and construction of gardening projects; agricultural garden tour.</p>	<p>镇江市句容市工商行政管理局 Administration of Industry and Commerce of Jurong City, Zhenjiang City</p> <p>32118300091341</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
5	<p>苏州市悦隼园艺设计有限公司 Suzhou City Yuejun Gardening Design Co., Ltd.</p> <p>苏州工业园区唯亭镇浦田路75号 No. 75 Pufan Road, Weiting Town, Suzhou Industrial Zone</p> <p>李明 Li Ming</p> <p>人民币300万元(实收资本人民币300万元/总投资额) RMB 3,000,000 (Paid-in Capital: RMB 3,000,000/No records for total investment)</p>	<p>苏杭城市生态苗木(苏州)有限公司, 出资额人民币900万元, 出资比例30% Sinowin Plantings (Suzhou) Co., Ltd., Amount of Contribution: RMB 900,000, Ownership Percentage: 30%</p> <p>沙金, 出资额人民币600万元, 出资比例20% Sha Jin, Amount of Contribution: RMB 600,000, Ownership Percentage: 20%</p> <p>李明, 出资额人民币150万元, 出资比例50% Li Ming, Amount of Contribution: RMB 1,500,000, Ownership Percentage: 50%</p> <p>有限公司(自然人控股) Limited company (natural person controlled)</p> <p>2008年8月11日 August 11, 2008</p> <p>自2008年8月11日至2018年8月5日 From August 11, 2008 to August 5, 2018</p>	<p>公司设立时: 执行董事: 徐法军; 监事: 李明 Establishment of Company: Executive Director: Xu Fajun; Supervisor: Li Ming</p> <p>2008年10月: 董事: 李明(董事长), 沙金(总经理), 徐法军; 监事: 周瑾 October, 2008: Directors: Li Ming (Board Chairman), Sha Jin (General Manager), Xu Fajun; Supervisor: Zhou Jin</p> <p>最新情况: 董事: 李明(董事长), 徐法军, 沙金(总经理); 监事: 周瑾 Latest: Directors: Li Ming (Board Chairman), Xu Fajun, Sha Jin (General Manager); Supervisor: Zhou Jin</p>	<p>一般经营项目: 园林绿化景观设计施工; 古典建筑设计施工; 园艺木制品生产; 提供相关信息咨询; 水电安装; 鲜花盆栽、园林设备销售。 Ordinary business items: design and construction of gardening landscape; design and construction of classical buildings; production of woodwork for gardening; relevant information consultation; installation of water and power supply; sale of flowers, potted landscape and gardening equipment.</p>	<p>江苏省苏州工业园区工商行政管理局 Administration of Industry and Commerce of Suzhou Industrial Zone, Jiangsu Province</p> <p>320594000122602</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

<p>宿迁市绿林生态苗木有限公司 Suqian Linyu Plantings Co., Ltd.</p> <p>沭阳县淮阳镇淮沭路南1500米 1,500 meters south to Tongyuan Road, Xuyang Town, Shuyang County</p> <p>陈德源 Chen Deyuan</p> <p>人民币2000万元 (实收资本人民币2000万元/未 显示投资总额) RMB 20,000,000 (Paid-in Capital: RMB 20,000,000/No records for total investment)</p>	<p>宿迁市绿林生态苗木(苏州)有限公司 Shuyuan Plantings (Suzhou) Co., Ltd.</p> <p>有限公司(法人独资)私营 Limited company (legal person sole proprietorship), private</p> <p>2010年8月27日 August 27, 2010</p> <p>自2010年8月27日至2060年8月26日 From August 27, 2010 to August 26, 2060</p>	<p>公司设立时: 执行董事: 陈德源; 监事: 周瑞; 总经理: 徐法军 Establishment of Company: Executive Director: Chen Deyuan; Supervisor: Zhou Rui; General Manager: Xu Fajun</p> <p>无相关变更资料 No records for change of management</p>	<p>花卉生产与苗圃基地的建设、经营; 园林绿化及配套设施工程的设计、施工及养护管理; 绿化苗木、花卉的培育、种植、销售和租赁。 Production of flowers, construction and operation of nursery gardens; design, construction and maintenance of gardening and related sprinkler irrigation projects; fostering, production, sale and lease of gardening trees and flowers.</p>	<p>宿迁市林阳工商行政管理局 Administration of Industry and Commerce of Shuyang County, Suqian City</p> <p>32132200014915</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>苏州市绿林园林工程有限公司 Suzhou City Lvyun Garden Engineering Co., Ltd.</p> <p>苏州工业园区唯亭科技园 Weiting Technology Park, Suzhou Industrial Zone</p> <p>陈德源 Chen Deyuan</p> <p>人民币3000万元 (实收资本人民币3000万元/未 显示投资总额) RMB 30,000,000 (Paid-in Capital: RMB 30,000,000/No records for total investment)</p>	<p>宿迁市绿林生态苗木(苏州)有限公司, 出资额人民币3000万元, 投资比例100% Shuyuan Plantings (Suzhou) Co., Ltd., Amount of Contribution: RMB 30,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2003年7月17日 July 17, 2003</p> <p>自2003年7月17日至2053年7月14日 From July 17, 2003 to July 14, 2053</p>	<p>公司设立时: 执行董事: 吴卫明; 监事: 周晓刚; 总经理: 周小圃 Establishment of Company: Executive Director: Wu Weiming; Supervisor: Zhou Xiaoli; General Manager: Zhou Xiaoli</p> <p>2004年12月21日: 执行董事: 沈学仁(总经理); 监事: 周晓刚 December 21, 2004: Executive Director: Shen Xueren (General Manager); Supervisor: Zhou Xiaoli</p> <p>2007年5月: 执行董事: 沈学仁(总经理); 监事: 何秉荣 May, 2007: Executive Director: Shen Xueren (General Manager); Supervisor: He Rongrong</p> <p>2008年3月: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 黄可欣 March, 2008: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisors: Huang Kexin</p> <p>最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 黄可欣 Latest: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Huang Kexin</p>	<p>园林绿化工程设计、施工、养护; 苗木、花卉的培育、种植、收购、销售、租赁; 自有房屋、苗圃租赁; 机械设备的销售、租赁; 园林古建筑施工、养护; 假山堆砌、养护; 市政工程施工; 水电安装施工; 景观设计制作 Design, construction and maintenance of gardening projects; fostering, planting, purchase, sale and lease of seedling trees and flowers; lease of self-owned premises and nursery gardens, sale and lease of mechanical equipment; construction and maintenance of classical buildings in gardens; construction and maintenance of rockwork; construction of municipal projects; installation of water and power supply; design and production of landscape.</p>	<p>江苏省苏州工业园区工商行政管理局 Administration of Industry and Commerce of Suzhou Industrial Zone, Jiangsu Province</p> <p>320594000034547</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>苏州市绿林园林工程有限公司宜兴分公司 Suzhou City Lvyun Garden Engineering Co., Ltd. Yixing Branch</p> <p>宜兴市西渚镇西渚村 Xizhu Village, Xizhu Town, Yixing City</p> <p>陈德源 Chen Deyuan</p>	<p>苏州市绿林园林工程有限公司 Suzhou City Lvyun Garden Engineering Co., Ltd.</p> <p>有限公司(自然人控股) Limited company (natural person controlled)</p> <p>2005年5月27日 May 27, 2005</p> <p>自2005年5月27日至2008年6月13日 From May 27, 2005 to June 13, 2008</p>	<p>最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 黄可欣 Latest: Director: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Huang Kexin</p>	<p>受母公司委托从事园林绿化工程及配套设施系统的设计、施工和养护管理; 苗木、花卉的培育、种植、销售和租赁。(前述经营范围及专项审批的凭有效资质证书经营) As entrusted by the parent company, engaging in the design, construction and maintenance of gardening projects and related sprinkler irrigation systems; fostering, planting, sale and lease of seedling trees and flowers. (Items subject to special approval shall be operated with valid qualification certificates.)</p>	<p>无锡市宜兴工商行政管理局 Administration of Industry and Commerce of Yixing City, Wuxi City</p> <p>320282000176919</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>苏州市绿林园林工程有限公司西安分公司 Suzhou City Lvyun Garden Engineering Co., Ltd. Xi'an Branch</p> <p>西安市新城区太华南路131号第26幢1单元0302室 Room 0302, Unit 1, Building 26, No. 131 Taihua South Road, Xincheng District, Xi'an City</p> <p>杨麒龙 Yang Qitong</p>	<p>苏州市绿林园林工程有限公司 Suzhou City Lvyun Garden Engineering Co., Ltd.</p> <p>有限责任公司分公司(自然人投资或控股) Branch of a limited liability company (natural person invested or controlled)</p> <p>2010年5月14日 May 14, 2010</p> <p>自2010年5月14日至(未显示终止日期) From May 14, 2010 to (no termination date disclosed)</p>	<p>无相关记录 No relevant records</p>	<p>一般经营项目: 园林绿化工程的设计、施工、养护; 苗木、花卉的培育、种植、收购、养护; 假山堆砌、养护; 市政工程施工; 水电安装施工; 景观设计制作。(以上经营范围均不含国家规定的前置许可及专项、禁止项目) Ordinary business items: design, construction and maintenance of gardening projects; fostering, planting, purchase and maintenance of seedling trees and flowers; construction and maintenance of rockwork; construction of municipal projects; installation of water and power supply; design and production of landscapes. (Excluding items subject to pre-approval, special control or prohibition of the State.)</p>	<p>西安市工商行政管理局 Administration of Industry and Commerce of Xi'an City</p> <p>610100200068542</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

10	<p>嘉汉生物科技(广州)有限公司 Sino-Biotechnology (Guangzhou) Limited</p> <p>广州市越秀区东风东路765、767、769号东望大厦2707-2710室 Room 2707-2710, Dongfang Building, No. 765, 767 and 769 Dongfang East Road, Yuexiu District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>100万美元(实收资本100万美元/投资总额140万美元) USD 1,000,000 (Paid-in Capital: USD 1,000,000/Total Investment: USD 1,400,000)</p>	<p>嘉汉生物科学有限公司 Sino-Biotechnology Limited</p> <p>有限责任公司(外国法人独资) Limited Liability company (foreign legal person sole proprietorship)</p> <p>2007年12月14日 December 14, 2007</p> <p>自2007年12月14日至2037年12月14日 From December 14, 2007 to December 14, 2037</p>	<p>公司设立时,执行董事:陈德源;监事:叶翰科;经理:陈德源 Establishment of Company: Executive Director: Chen Deyuan; Supervisor: Ye Hanke; Manager: Chen Deyuan</p> <p>无相关变更记录 No records for change of management</p>	<p>林木、花卉、苗木种植(农作物新品种选育和种子开发生产;我国稀有和特有的珍贵优良品种;转基因植物种子、水产苗种除外),造林栽培,林木产品及制品技术的研究开发。技术推广,非提供相关技术咨询、技术服务,销售本企业产品。(法律、法规禁止经营的不得经营,涉及许可经营的凭许可证经营) Planting of forest trees, flowers and seedling trees (selection and breeding of new varieties of crops, development and production of seeds, excluding precious quality varieties unique to China, seeds of gene-modified plants and aquatic offspring), forestry, research and development of technologies for wood products and woodwork. Promotion of technologies, provision of relevant technological consulting and technological services, and sale of own products. (Excluding items prohibited by laws and regulations; where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City</p> <p>44010400062236</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
11	<p>广州市番禺大成木业有限公司 Guangzhou Panyu Dacheng Wood Co., Ltd.</p> <p>广州市番禺区大石街穗村 Zhi Village, Dashi Street, Panyu District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>人民币100万元(实收资本人民币100万元/投资总额人民币140万元) RMB 1,000,000 (Paid-in Capital: RMB 1,000,000/Total Investment: RMB 1,400,000)</p>	<p>HOMIX LIMITED</p> <p>有限责任公司(外国法人独资) Limited Liability company (foreign legal person sole proprietorship)</p> <p>1998年7月21日 July 21, 1998</p> <p>自1998年7月21日至2010年7月21日 From July 21, 1998 to July 21, 2010</p>	<p>公司设立时:总经理:黄衍刚;监事:高雪玲; Establishment of Company: General Manager: Huang Yunshun; Supervisor: Gao Xueling</p> <p>2008年11月:董事:黄志刚(总经理),廖春和,成林;监事:沈惠生 November, 2008: Directors: Huang Zhigang (General Manager), Liao Chunhe, Cheng Lin; Supervisor: Wang Huiheng</p> <p>2009年7月:董事:黄志刚(董事长),廖春和,陈润华;监事:魏开刚 July, 2009: Directors: Huang Zhigang (Board Chairman), Liao Chunhe, Chen Runhua; Supervisor: Wei Kaigang</p> <p>2010年4月:董事:陈德源(董事长),陈华,赵伟茂;监事:吴永金 April, 2010: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Wu Yongzheng</p> <p>2010年9月:董事:陈德源(董事长),陈华,赵伟茂;监事:吴永金;经理:廖春和 September, 2010: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Wu Yongzheng; Manager: Liao Chunhe</p> <p>最新情况:董事长:陈德源;总经理:廖春和 Latest Board Chairman: Chen Deyuan; Manager: Liao Chunhe</p>	<p>人造板的研发、制造、销售本公司产品及提供木材加工、工程技术咨询服务。(经营范围涉及法律、行政法规禁止经营的不得经营,涉及许可经营的未取得许可前不得经营) Research, development and production of artificial panel, sale of own products, provision of wood processing and engineering technological consulting service. (Excluding items prohibited by laws and regulations; where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>广州市工商行政管理局番禺分局 Administration of Industry and Commerce of Guangzhou City, Panyu Branch</p> <p>44012640000999</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

12	<p>江苏大阳木业有限公司 Jiangsu Dayang Wood Co., Ltd.</p> <p>宿迁经济开发区富民大道322号 No. 322 Fumin Avenue, Suqian Economic Development Zone</p> <p>陈德源 Chen Deyuan</p> <p>人民币1000万元 (实收资本人民币18500万元) RMB 10,000,000 (Total Investment: RMB 185,000,000)</p>	<p>英属维尔京群岛恒源大控股有限公司 (British Virgin Islands) Ever Huge Holdings Co., Ltd.</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2003年8月19日 August 19, 2003</p> <p>自2003年8月19日至2058年8月19日 From August 19, 2003 to August 19, 2058</p>	<p>公司设立时: 董事: 陈华 (董事长), 黄卿德, 熊雷平 (经理); 监事: 熊方刚, 林小妹, 廖长霖 (监事会主席) Establishment of Company: Directors: Chen Hua (Board Chairman), Huang Qingde, Xiong Xueping (Manager); Supervisors: Xiong Fanggang, Lin Xiaomei, Liao Changlin (Chairman of Supervisory Board)</p> <p>2004年7月: 董事: 陈华 (董事长), 黄卿德, 汪惠生 (总经理); 监事: 陈雷云, 汪琦, 李琼 July, 2004: Directors: Chen Hua (Board Chairman), Huang Qingde, Wang Huisheng (General Manager); Supervisors: Chen Liyun, Wang Wei, Li Qiong</p> <p>2004年11月: 董事: 郭庆金 (董事长), 高益, 罗凯庭, 汪惠生 (总经理); 监事: 陈雷云, 汪琦, 李琼 November, 2004: Directors: Guo Qingjin (Board Chairman), Gao Yi, Luo Kaiqing, Wang Huisheng (General Manager); Supervisors: Chen Liyun, Wang Wei, Li Qiong</p> <p>2008年6月: 董事: 黄志刚 (董事长兼任总经理), 成林, 廖春和; 监事: 汪惠生 June, 2008: Directors: Huang Zhigang (Board Chairman and General Manager), Cheng Lin, Liao Chunhe; Supervisor: Wang Huisheng</p> <p>2010年6月: 董事: 陈德源 (董事长), 陈华, 赵伟庆; 监事: 吴永春; 总经理: 李明臣</p>	<p>一般经营项目: 木材加工及工程技术咨询服务; 研发、制造、销售人造板 Ordinary business items: wood processing and engineering technological consulting; research, development, production and sale of artificial panel.</p>	<p>江苏省宿迁市工商行政管理局 Administration of Industry and Commerce of Suqian City, Jiangsu Province</p> <p>32130000010898</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
13	<p>泓致(广州)林业管理咨询服务股份有限公司 Sino-Global (Guangzhou) Forestry Management Consulting Inc.</p> <p>广州市天河区体育东路116号2401房 Room 2401, No. 116 Tiyu East Road, Tianhe District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>200万美元 (实收资本200万美元/实收总额280万美元) USD 2,000,000 (Paid-in Capital: USD 2,000,000/Total Investment: USD 2,800,000)</p>	<p>泓致林业管理顾问有限公司, 出资额为200万美元, 投资比例100% Sino Forestry Management Consulting Inc., Amount of Contributions USD 2,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2010年9月21日 September 21, 2010</p> <p>自2010年9月21日至2040-09-21 From September 21, 2010 to September 21, 2040</p>	<p>公司设立时: 执行董事: 陈德源; 监事: 叶文法; 经理: 洪浩霖 Establishment of Company: Executive Director: Chen Deyuan; Supervisor: Ye Wenda; Manager: Hong Zhaolin</p> <p>无相关变更资料 No records for change of management</p> <p>最新情况: 总经理: 洪浩霖 Latest: General Manager: Hong Zhaolin</p>	<p>林业生产经营活动的技术研发、技术转让、技术支持、技术咨询及其他与林业生产经营活动相关的管理、咨询服务。(法律、法规禁止的不得经营, 涉及许可经营的凭许可证经营) Technological research and development, technological transfer, technological support, technological consulting for forestry production and operation, and other operation management and consulting services concerning forestry production and operation. (Excluding items prohibited by laws and regulations; where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City</p> <p>440101400057309</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
14	<p>安景曼德林业有限公司 Anjing Mandra Forestry Limited</p> <p>安庆市经济技术开发区 Anqing Economic and Technological Development Zone</p> <p>陈德源 Chen Deyuan</p> <p>2000万美元 (实收资本1999.99万美元/实收总额6000万美元) USD 20,000,000 (Paid-in Capital: USD 19,999,900/Total Investment: USD 60,000,000)</p>	<p>曼德林业发展有限公司, 这是一直英属维尔京群岛公司, 出资额2000万美元, 投资比例100% Mandra Forestry Anhui Limited, a BVI company, Amount of Contribution USD 20,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2005年3月14日 March 14, 2005</p> <p>自2005年3月14日至2055年3月13日 From March 14, 2005 to March 13, 2055</p>	<p>公司设立时: 执行董事: 张颂义 Establishment of Company: Executive Director: Zhang Songyi</p> <p>2009年10月: 执行董事: 陈东建; October, 2009: Executive Director: Chen Dongjian</p> <p>2010年8月: 执行董事: 陈德源; August, 2010: Executive Director: Chen Deyuan</p>	<p>森林资源培育, 林木 (主要是人工林) 营造、生产、采运; 林业综合开发利用; 经营林木及林产品 (珍贵树种原木加工除外); 林业资源及相关配套产品的开发利用; 城市绿化; 林业科技研发、推广、应用和相关的森林服务等; 林业开发、经营和管理相关的咨询服务。在经营管理和林业开发中涉及行政许可事项, 应按有关规定另行办理。 Fostering of forest resources, planting, production, cutting and transportation of forest trees (mainly man-made forest trees); general development and utilization of forest trees; operation of timber and timber products (except processing of log of precious varieties); development and utilization of forest resources and related supporting products, and urban gardening; research, development, promotion and application of forestry technologies and relevant forest management services; consulting service for forestry development, operation and management. Items in the operation management and forestry development subject to administrative approval shall be operated in accordance with the relevant provisions.</p>	<p>安徽省工商行政管理局 Administration of Industry and Commerce of Anhui Province</p> <p>34000040001243</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

15	安庆曼图林业有限公司桐城分公司 Anqing Mandra Forestry Limited, Tong Yi Zang Branch 桐城市瑶圃中路西育才学校院内 Court of Yucai School, West of Shenguang Middle Road, Tongcheng City 陈德源 Chen Deyuan	安庆曼图林业有限公司 Anqing Mandra Forestry Limited 外商投资企业分支机构 Branch of a foreign-invested enterprise 2008年7月30日 July 30, 2008 自2008年7月30日至2055年3月13日 From July 30, 2008 to March 13, 2055	公司设立时: 总经理: 涂颖 Establishment of Company: General Manager: Tu Ying 2010年11月: 负责人由涂颖变更为陈德源 November, 2010: Person-in-charge: Chen Deyuan	森林资源培育、林木(主要是人工林)营造、采伐。 Fostering of forest resources, planting and cutting of forest trees (mainly man-made forest trees).	安庆市工商行政管理局 Administration of Industry and Commerce of Anqing City 34080500004033 已通过2010年年检 Passed 2010 annual inspection
16	安庆曼图林业有限公司太湖县分公司 Anqing Mandra Forestry Limited, Tai Su Wang Branch 太湖县环城北路28号 No. 28 Huancheng North Road, Taihu County 陈德源 Chen Deyuan	安庆曼图林业有限公司 Anqing Mandra Forestry Limited 外商投资企业分支机构 Branch of a foreign-invested enterprise 2008年7月30日 July 30, 2008 自2008年7月30日至2055年3月13日 From July 30, 2008 to March 13, 2055	公司设立时: 总经理: 郑德 Establishment of Company: General Manager: Zheng De 2010年11月: 负责人由涂颖变更为陈德源 November, 2010: Person-in-charge: Chen Deyuan	森林资源培育、林木(主要是人工林)营造、采伐。 Fostering of forest resources, planting and cutting of forest trees (mainly man-made forest trees).	安庆市工商行政管理局 Administration of Industry and Commerce of Anqing City 34080500004025 已通过2010年年检 Passed 2010 annual inspection
17	安庆曼图林业有限公司潜山县分公司 Anqing Mandra Forestry Limited, Qian Shan Yue Branch 潜山梅城镇镇前路 Wanguo Road, Meicheng Town, Qianshan County 陈德源 Chen Deyuan	安庆曼图林业有限公司 Anqing Mandra Forestry Limited 外商投资企业分支机构 Branch of a foreign-invested enterprise 2003年7月30日 July 30, 2003 自2003年7月30日至2055年3月13日 From July 30, 2003 to March 13, 2055	公司设立时: 总经理: 夏宗甫 Establishment of Company: General Manager: Xia Zongfu 2010年11月: 负责人由涂颖变更为陈德源 November, 2010: Person-in-charge: Chen Deyuan	森林资源培育、林木(主要是人工林)营造、采伐。 Fostering of forest resources, planting and cutting of forest trees (mainly man-made forest trees).	安庆市工商行政管理局 Administration of Industry and Commerce of Anqing City 34080500004017 已通过2010年年检 Passed 2010 annual inspection
18	曼图林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited 南昌市洪都北大道636号恒裕商务中心2204、2205室 Room 2204-2205, Signo Business Center, No. 636 Hongdu North Avenue, Nanchang City 陈德源 Chen Deyuan 2140万美元(实收资本2140万美元/投资总额4900万美元) USD 21,400,000 (Paid-in Capital: USD 21,400,000/Total Investment: USD 49,000,000)	Mandra Forestry Anhui Limited, 出资额2140万美元, 持股比例100% Mandra Forestry Anhui Limited, Amount of Contribution: USD 21,400,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship) 2006年1月12日 January 12, 2006 自2006年1月12日至2056年1月11日 From January 12, 2006 to January 11, 2056	公司设立时: 执行董事: 张颂文 Establishment of Company: Executive Director: Zhang Songyi 2006年5月: 执行董事: 曾显斌 May, 2006: Executive Director: Xia Zongfu 2006年10月: 执行董事: 张颂文 October, 2006: Executive Director: Zhang Songyi 2010年8月: 执行董事: 陈德源 August, 2010: Executive Director: Chen Deyuan	森林资源培育及相关配套产品的开发、利用; 林木营造、销售; 林木综合利用; 城市绿化; 林业科技研发、推广、应用、管理、咨询和相关服务。林木及林木产品的进出口贸易。(国家有专项规定除外) Fostering of forest resources, development and utilization of related supporting products; planting and sale of forest trees; general development and utilization of forest trees; urban greening; research, development, promotion and application of forestry technologies, management, consulting and relevant services. Import and export of timber and timber products. (Excluding items subject to special provisions.)	江西省工商行政管理局 Administration of Industry and Commerce of Jiangxi Province 36000510000564 已通过2009年年检 Passed 2009 annual inspection
19	曼图林业(江西)有限公司修水分公司 Mandra Forestry (Jiangxi) Limited, Xiushui Branch 修水县义宁镇南滨江花镇2栋1单元202室 Room 202, Unit 1, Building 2, Binjiang Garden, South of Yining Town, Xiushui County 张颂文 Zhang Songyi	曼图林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited 外商投资企业分公司 Branch of a foreign-invested enterprise 2009年4月23日 April 23, 2009 2009年4月23日至2056年1月11日 From April 23, 2009 to January 11, 2056	无相关记录 No relevant records	为本公司代办业务。(国家有专项规定的除外) Handling business on behalf of the head office. (Excluding items subject to special provisions.)	江西省九江市工商行政管理局 Administration of Industry and Commerce of Jiujiang City, Jiangxi Province 36040530001940 年检情况不详 No records for annual inspection

20	<p>垦园林业(江西)有限公司瑞金分公司 Mandra Forestry (Jiangxi) Limited, Ruijin Branch</p> <p>瑞金市会昌镇向阳北路东侧 East of Xiangyang North Road, Xiangyang Town, Ruijin City</p> <p>陈德源 Chen Deyuan</p>	<p>垦园林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited</p> <p>外商投资企业分公司 Branch of a foreign-invested enterprise</p> <p>2006年11月10日 November 10, 2006</p> <p>自2006年11月10日至2056年1月11日 From November 10, 2006 to January 11, 2056</p>	<p>公司设立时: 经理: 张颂义 Establishment of Company: Manager: Zhang Songyi</p> <p>2010年11月: 负责人由张颂义变更为陈德源 November, 2010: Person-in-charge: Chen Deyuan</p>	<p>森林资源培育及相关配套产品的开发、利用; 林木营造、销售; 林木综合开发利用; 城市绿化; 林业科技研发、推广、应用、管理、咨询和相关服务。(国家专项规定除外) Fostering of forest resources, development and utilization of related supporting products; planting and sale of forest trees; general development and utilization of forest trees; urban gardening; research, development, promotion and application of forestry technologies, management, consulting and relevant services. (Excluding items subject to special provisions.)</p>	<p>赣州市工商行政管理局 Administration of Industry and Commerce of Ganzhou City</p> <p>360700530000014</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
21	<p>垦园林业(江西)有限公司宁都分公司 Mandra Forestry (Jiangxi) Limited, Ningdu Branch</p> <p>宁都县淮江镇新庄综合大市场A栋29号30号 No. 29-30, Building A, Ximhuang Market, Meijiang Town, Ningdu County</p> <p>张颂义 Zhang Songyi</p>	<p>垦园林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited</p> <p>外商投资企业分公司 Branch of a foreign-invested enterprise</p> <p>2008年7月2日 July 2, 2008</p> <p>2008年7月2日至2056年1月11日 From July 2, 2008 to January 11, 2056</p>	<p>公司设立时: 经理: 张颂义 Establishment of Company: Manager: Zhang Songyi</p> <p>2010年11月: 负责人由张颂义变更为陈德源 November, 2010: Person-in-charge: Chen Deyuan</p>	<p>森林资源培育及相关配套产品的开发、利用; 林木营造、销售; 林业综合开发利用; 城市绿化; 林业科技研发、推广、应用、管理、咨询和相关服务。 Fostering of forest resources, development and utilization of related supporting products; planting and sale of forest trees; general development and utilization of forest trees; urban gardening; research, development, promotion and application of forestry technologies, management, consulting and relevant services.</p>	<p>赣州市工商行政管理局 Administration of Industry and Commerce of Ganzhou City</p> <p>360700530001293</p> <p>未见年检记录 No records for annual inspection</p>
22	<p>垦园林业(江西)有限公司南平分公司 Mandra Forestry (Jiangxi) Limited, Nanping Branch</p> <p>福建省建阳市贵山小区住宅4号 No. 4 Private House, Baoshan Residential Community, Jianyang City, Fujian Province</p> <p>陈德源 Chen Deyuan</p>	<p>垦园林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited</p> <p>分公司(外商投资企业分支机构) Branch of a foreign-invested enterprise</p> <p>2007年11月07日 November 7, 2007</p> <p>自2007年11月07日至2056年01月11日 From November 7, 2007 to January 11, 2056</p>	<p>无相关资料 No relevant records</p>	<p>森林资源培育及相关配套产品的开发、利用; 林木营造、销售; 林业综合开发利用; 城市绿化; 林业科技研发、推广、应用、管理、咨询和相关服务。(以上经营范围涉及许可经营项目的, 应在取得有关部门的许可后方可经营) Fostering of forest resources, development and utilization of related supporting products; planting and sale of forest trees; general development and utilization of forest trees; urban gardening; research, development, promotion and application of forestry technologies, management, consulting and relevant services. (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>南平市工商行政管理局 Administration of Industry and Commerce of Nanping City</p> <p>350700500000867</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
23	<p>垦园林业(江西)有限公司连城分公司 Mandra Forestry (Jiangxi) Limited, Liancheng Branch</p> <p>连城县莲峰镇东河北路239号 No. 239 Donghuan North Road, Liancheng Town, Liancheng County</p> <p>陈德源 Chen Deyuan</p>	<p>垦园林业(江西)有限公司 Mandra Forestry (Jiangxi) Limited</p> <p>外商投资企业分公司 Branch of a foreign-invested enterprise</p> <p>2007年11月26日 November 26, 2007</p> <p>2007年11月26日至2056年1月11日 From November 26, 2007 to January 11, 2056</p>	<p>最新情况: 负责人: 陈德源 Latest: Person-in-charge: Chen Deyuan</p>	<p>森林资源培育及相关配套产品的开发、利用; 林木营造、销售; 林业综合开发利用; 城市绿化; 林业科技研发、推广、应用、管理、咨询和相关服务。(以上经营范围涉及许可经营项目的, 应在取得有关部门的许可后方可经营) Fostering of forest resources, development and utilization of related supporting products; planting and sale of forest trees; general development and utilization of forest trees; urban gardening; research, development, promotion and application of forestry technologies, management, consulting and relevant services. (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>福建省龙岩市工商行政管理局 Administration of Industry and Commerce of Longyan City, Fujian Province</p> <p>350800500000572</p> <p>未见年检记录 No records for annual inspection</p>
24	<p>黄冈垦园林业有限公司 Huanggang Mandra Forestry Limited</p> <p>湖北省黄冈市西湖北路29号 No. 29 Xihu Second Road, Huanggang District, Hubei Province</p> <p>陈德源 Chen Deyuan</p> <p>150万美元 (实收资本150万美元/批准总额200万美元) USD 1,500,000 (Paid-in Capital: USD 1,500,000/Total Investment: USD 2,000,000)</p>	<p>垦园林业湖北有限公司, 这是一家香港公司, 出资额150万美元, 投资比例100% Mandra Forestry Hubei Limited, a Hong Kong company, Amount of Contribution: USD 1,500,000, Ownership Percentage: 100%</p> <p>有限责任公司(台湾港澳法人独资) Limited liability company (Hong Kong, Macao and Taiwan legal person sole proprietorship)</p> <p>2007年9月5日 September 5, 2007</p> <p>自2007年9月5日至2057年9月5日 From September 5, 2007 to September 5, 2057</p>	<p>公司设立时: 执行董事: 张颂义; 监事: 曾望洪; 总经理: Si Kai Sing (曾开盛) Establishment of Company: Executive Director: Zhang Songyi; Supervisor: Xia Wanghong; General Manager: Si Kai Sing</p> <p>2010年7月: 执行董事: 陈德源 July, 2010: Executive Director: Chen Deyuan</p>	<p>森林资源培育; 林木营造、加工、运输、经营、仓储; 林木资源基地建设; 林业综合开发利用; 林业资源及相关配套产品的开发利用; 城市绿化; 林业科技研发、推广、应用和相关服务; 林业开发、经营和管理相关咨询服务。 Fostering of forest resources; planting, processing, transportation, operation and storage of forest trees; construction of nursery gardens; general development and utilization of forest trees; development and utilization of forest resources and related supporting products; urban gardening; research, development, promotion and application of forestry technologies, and relevant services; consulting services for forestry development, operation and management.</p>	<p>黄冈市工商行政管理局 Administration of Industry and Commerce of Huanggang City</p> <p>421100400000093</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

<p>25 宜黄县林业有限公司 Yihuang Miaudn Forestry Limited</p> <p>江西省宜黄县工业园区 Yihuang County Industrial Zone, Jiangxi Province</p> <p>陈德源 Chen Dayuan</p> <p>1800万美元 (实收资本1800万美元/投资总额2900万美元) USD 18,000,000 (Paid-in Capital: USD 18,000,000/Total Investment: USD 29,000,000)</p>	<p>Miaudn Forestry Anhui Limited, 出资额1800万美元, 投资比例100% Miaudn-Forestry Anhui Limited, Amount of Contribution: USD 18,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2006年10月24日 October 24, 2006</p> <p>自2006年10月24日至2056年10月24日 From October 24, 2006 to October 24, 2056</p>	<p>公司设立时: 执行董事: 张颂义; 监事: 谢望洪 (总经理) Establishment of Company: Executive Director: Zhang Songyi; Supervisor: Xie Wangbin (General Manager)</p> <p>2010年8月: 执行董事: 陈德源 August, 2010: Executive Director: Chen Dayuan</p>	<p>森林资源培育; 林木营造、销售; 林业综合开发利用; 林业资源及相关配套产品的开发利用; 城市绿化; 林业科技研发、推广、应用和相关服务; 林业开发、经营和管理相关咨询服务。(国家规定的限制类、禁止类除外)</p> <p>Fostering of forest resources; planting and sale of forest trees; general development and utilization of forest trees; development and utilization of forest resources and related supporting products; urban gardening; research, development, promotion and application of forestry technologies and relevant services; consulting services for forestry development, operation and management. (Excluding items restricted and prohibited by the State.)</p>	<p>抚州市工商行政管理局 Administration of Industry and Commerce of Fuzhou City</p> <p>36100051000666</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>26 宜城垦园林业有限公司 Xuancheng Miaudn Forestry Limited</p> <p>宜城市梅溪塔158号经济技术开发区 Economic and Technological Development Zone, No. 158 Meixi Road, Xuancheng City</p> <p>陈德源 Chen Dayuan</p> <p>2000万美元 (实收资本1999.99万美元/投资总额6000万美元) USD 20,000,000 (Paid-in Capital: USD 19,999,900/Total Investment: USD 60,000,000)</p>	<p>美国林业安徽有限公司, 这是一次美国维尔京群岛公司, 出资额2000万美元, 投资比例100% Miaudn Forestry Anhui Limited, a BVI company, Amount of Contribution: USD 20,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2005年3月14日 March 14, 2005</p> <p>自2005年3月14日至2055年3月14日 From March 14, 2005 to March 14, 2055</p>	<p>公司设立时: 执行董事: 张颂义 Establishment of Company: Executive Director: Zhang Songyi</p> <p>2010年5月: 执行董事: 陈德源 May, 2010: Executive Director: Chen Dayuan</p>	<p>森林资源培育; 林木 (主要是人工林) 营造、生产、采运; 林业综合开发利用; 经营林木及林木产品 (珍贵树种原木加工除外); 林业资源及相关配套产品的开发利用; 城市绿化; 林业科技研发、推广、应用和相关服务; 林业开发、经营和管理相关的咨询服务。在经营管理和林业开发中涉及行政许可事项, 应按规定另行办理。</p> <p>Fostering of forest resources, planting, production, cutting and transportation of forest trees (mainly man-made forest trees); general development and utilization of forest resources and related supporting products; urban gardening; research, development, promotion and application of forestry technologies and relevant forest management services; consulting services for forestry development, operation and management. Items in the operation management and forestry development subject to administrative approval shall be operated in accordance with the relevant provisions.</p>	<p>宜城市工商行政管理局 Administration of Industry and Commerce of Xuancheng City</p> <p>34000040001091</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>27 资溪垦园林业有限公司 Zixi Miaudn Forestry Limited</p> <p>资溪县建设路23号二楼 2/F, No. 23 Jianshe Road, Zixi County</p> <p>赵伟茂 Zhao Weimao</p> <p>人民币12000万元 (实收资本人民币12000万元/投资总额人民币23350万元) RMB 120,000,000 (Paid-in Capital: RMB 120,000,000/Total Investment: RMB 233,500,000)</p>	<p>Miaudn Forestry Anhui Limited, 出资额人民币11040万元, 投资比例92% Miaudn Forestry Anhui Limited, Amount of Contribution: RMB 110,400,000, Ownership Percentage: 92%</p> <p>升华集团控股有限公司, 出资额人民币960万元, 投资比例8% Shenghua Group Holding Company, Amount of Contribution: RMB 9,600,000, Ownership Percentage: 8%</p> <p>有限责任公司 (中外合资) Limited liability company (Sino-foreign joint venture)</p> <p>2006年12月29日 December 29, 2006</p> <p>自2006年12月29日至2036年12月29日 From December 29, 2006 to December 29, 2036</p>	<p>公司设立时: 董事: 张颂义 (董事长), 谢望洪, 成金松 Establishment of Company: Directors: Zhang Songyi (Board Chairman), Xie Wangbin, Qi Jinsong</p> <p>2010年8月: 董事: 赵伟茂 (董事长), 陈华, 沈云芳 August, 2010: Directors: Zhao Weimao (Board Chairman), Chen Hua, Shen Yunfang</p>	<p>森林资源培育; 林木营造、销售; 林业综合开发利用; 林业资源及相关配套产品的开发利用; 城市绿化; 林业科技研发、推广、应用和相关服务; 林业开发、经营和管理相关咨询服务。(国家规定的限制类、禁止类除外)</p> <p>Fostering of forest resources; planting and sale of forest trees; general development and utilization of forest trees; development and utilization of forest resources and related supporting products; urban gardening; research, development, promotion and application of forestry technologies and relevant services; consulting services for forestry development, operation and management. (Excluding items restricted and prohibited by the State.)</p>	<p>抚州市工商行政管理局 Administration of Industry and Commerce of Fuzhou City</p> <p>36100051000658</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>28 英湖垦园林业有限公司 Wuhu Miaudn Forestry Limited</p> <p>芜湖市花园路113号 No. 113 Huanyuan Road, Wuhu City</p> <p>陈德源 Chen Dayuan</p> <p>600万美元 (实收资本599.973万美元/投资总额1000万美元) USD 6,000,000 (Paid-in Capital: USD 5,999,973/Total Investment: USD 10,000,000)</p>	<p>美国林业安徽有限公司, 出资额600万美元, 投资比例100% Miaudn Forestry Anhui Limited, Amount of Contribution: USD 6,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2005年3月14日 March 14, 2005</p> <p>自2005年3月14日至2055年3月14日 From March 14, 2005 to March 14, 2055</p>	<p>公司设立时: 执行董事: 张颂义 Establishment of Company: Executive Director: Zhang Songyi</p> <p>无相关变更资料 No records for change of management</p>	<p>森林资源培育; 林木 (主要是人工林) 营造、生产、采运; 林业综合开发利用; 经营林木及林木产品 (珍贵树种原木加工除外); 林业资源及相关配套产品的开发利用; 城市绿化; 林木科技研发、推广、应用和相关服务; 林业开发、经营和管理相关的咨询服务。在经营管理和林业开发中涉及行政许可事项, 应按规定另行办理。</p> <p>Fostering of forest resources, planting, production, cutting and transportation of forest trees (mainly man-made forest trees); general development and utilization of forest resources and related supporting products; urban gardening; research, development, promotion and application of forestry technologies and relevant forest management services; consulting services for forestry development, operation and management. Items in the operation management and forestry development subject to administrative approval shall be operated in accordance with the relevant provisions.</p>	<p>芜湖市工商行政管理局 Administration of Industry and Commerce of Wuhu City</p> <p>340000400003739</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

<p>29 嘉汉林业(中国)投资有限公司 Sino-Forest (China) Investments Limited</p> <p>广州市天河区天河北路233号中恒大厦2410-2411室 Room 2410-2411, CTFIC Plaza, No. 233 Tianhe North Road, Tianhe District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>7135万美元(实收资本7135万美元/未显示投资总额) USD 71,350,000 (Paid-in Capital: USD 71,350,000/No records for total investment)</p>	<p>嘉汉林业投资有限公司, 出资额7135万美元, 投资比例100% Sino-Forest Investments Limited, Amount of Contribution: USD 71,350,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2004年7月28日 July 28, 2004</p> <p>自2004年7月28日至2054年7月26日 From July 28, 2004 to July 26, 2054</p>	<p>公司设立时: 董事: 陈德源(董事长), 潘家杰; Wong Kee Yen Establishment of Company: Directors: Chen Deyuan (Board Chairman), Pan Jiajie, Wong Kee Yen</p> <p>2009年11月: 董事: 陈德源(董事长), 陈华, 赵伟茂 November, 2009: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao</p> <p>最新情况: 董事长: 陈德源 Latest: Board Chairman: Chen Deyuan</p>	<p>(一) 在国家允许外商投资的林木(主要是人工林)营造、生产、木材加工、经营及市场开发、林业资源及相关产品开发利用、城市绿化、植物科技开发、苗木服务等依法进行投资和再投资; (二) 受其所投资企业书面委托(经董事会一致通过), 向所投资企业提供下列服务: 1、协助或代理其所投资的企业从国内外采购该企业自用的机器设备、办公用品和生产所需的林木、林产品原材料(包括向境外关联公司采购其在中国境内的林木产品及林产品原料材料), 和国内外市场销售所投资企业培育、生产、加工、经营的产品, 包括苗木、原木、木材及木制品等, 并提供售后服务; 2、在对外贸易管理部门的同意和监督下, 在其所投资企业间平调外汇; 3、为所投资企业提供产品生产、销售和市场营销过程中的技术支持、员工培训、企业内部人员管理等服务; 4、协助其所投资企业寻求贷款及提供担保; (三) 在中国境内设立科研开发中心或部门, 从事新产品及高新技术的研究开发, 转让其研究开发成果, 并提供相应技术服务; (四) 为其投资者提供咨询服务, 为关联公司提供与其投资有关的市场信息、投资政策等咨询服务; (五) 承接其母公司和关联公司的服务外派业务。</p> <p>(1) Investing and re-investing in planting and production of forest trees (mainly man-made forest trees), wood processing, operation and marketing, development and utilization of forest resources and related supporting products, urban gardening, plant technological development, forest management services and other areas, in which foreign investment is permitted by the State; (2) As entrusted by its invested enterprises in writing (adopted by the Board of Directors), providing the following services for its invested enterprises: (i) assisting or acting on behalf of its invested enterprises to procure mechanical equipment, office facilities, raw materials and accessories for timber and timber products production, from</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City</p> <p>440101400022435</p> <p>已届2009年年检 Passed 2009 annual inspection</p>
<p>30 嘉汉林业(河源)有限公司 Sino-Forest (Heyuan) Co., Ltd.</p> <p>河源市建设大道以南华法街东边德源东方银座综合楼A座907-919房 Room 907-919, Building A, Genent Building, Deena Oriental Kenzo Plaza, East of Hunda Street, South to Huanhe Avenue, Heyuan City</p> <p>陈德源 Chen Deyuan</p> <p>2500万美元(实收资本2500万美元/投资总额5640万美元) USD 25,000,000 (Paid-in Capital: USD 25,000,000/Total Investment: USD 56,400,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额2500万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 25,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2004年9月17日 September 17, 2004</p> <p>自2004年9月17日至2034年9月16日 From September 17, 2004 to September 16, 2034</p>	<p>公司设立时: 董事: 陈德源(董事长), 潘家杰, 黄唐仁 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Pan Jiajie, Huang Tangren</p> <p>2007年10月: 董事: 陈德源(董事长), 潘家杰, 赵伟茂 October, 2007: Chen Deyuan (Board Chairman), Pan Jiajie, Zhao Weimao</p> <p>最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂, 监事: 韩展成 Latest: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Han Zhancheng</p>	<p>经营育苗、苗木销售、造林、护林、林木砍伐再生及综合利用, 经营自产苗木、林业生产经营的技术研发、技术转让、技术支持、技术咨询及其他与林业生产经营相关的管理、咨询服务。 Fostering and sale of seedling trees, planting, fostering and maintenance of forest trees, cutting, regeneration and comprehensive utilization of forest trees, operation of self-produced standing timber; technological research and development, technological transfer, technological support, technological consulting for forestry production and operation, and other operation management and consulting services concerning forestry production and operation.</p>	<p>河源市工商行政管理局 Administration of Industry and Commerce of Heyuan City</p> <p>44160040004674</p> <p>已届2009年年检 Passed 2009 annual inspection</p>
<p>31 嘉汉林业(苏州)商贸有限公司 Sino-Forest (Suzhou) Trading Co., Ltd</p> <p>苏州吴中经济开发区石湖东路28号 No. 28 Shihu East Road, Wuzhong Economic Development Zone, Suzhou</p> <p>陈德源 Chen Deyuan</p> <p>3000万美元(实收资本3000万美元/投资总额6000万美元) USD 3,000,000 (Paid-in Capital: USD 3,000,000/Total Investment: USD 6,000,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额3000万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 3,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2005年7月26日 July 26, 2005</p> <p>自2005年7月26日至2035年7月25日 From July 26, 2005 to July 25, 2035</p>	<p>公司设立时: 董事: 陈德源(董事长), 黄唐仁, 潘家杰, 葛经理, 赵伟茂, 副总经理: 耿久义 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Huang Tangren, Pan Jiajie, General Manager: Zhao Weimao; Deputy General Manager: Geng Jiuyi</p> <p>2007年10月: 董事: 陈德源(董事长), 陈华, 赵伟茂(总经理), 潘家杰 October, 2007: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao (General Manager), Pan Jiajie</p> <p>最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂(总经理), 潘家杰 Latest: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao (General Manager), Pan Jiajie</p>	<p>林木材; 木地板及木制品成品批发; 商品进出口(不包括原木出口); 其他相关配套业务。林业生产经营的技术研发、技术转让、技术支持、技术咨询及其他与林业生产经营相关的管理、咨询服务。(凡涉及国家专项规定的, 取得专项许可手续后经营) Wholesale of wood, wood floor and woodwork; Import and export of commodities (excluding export of log); other related supporting business. Technological research and development, technological transfer, technological support, technological consulting for forestry production and operation, and other operation management and consulting services concerning forestry production and operation. (Items subject to special provisions of the State shall be operated after the special approval is obtained.)</p>	<p>江苏省工商行政管理局 Administration of Industry and Commerce of Jiangsu Province</p> <p>320594400012755</p> <p>已届2009年年检 Passed 2009 annual inspection</p>

<p>32 浙江林业(阳江)有限公司 Sino-Forest (Yangjiang) Co., Ltd. 阳江市江城区石湾路354号三楼 Yangjiang City 陈德源 Chen Deyuan 1000万欧元(实收资本1000万欧元/未显示投资总额) USD 10,000,000 (Paid-in Capital: USD 10,000,000/No records for total investment)</p>	<p>浙江林业(中国)投资有限公司, 出资额1000万欧元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 10,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship) 2010年12月14日 December 14, 2010 自2010年12月14日至2040年12月14日 From December 14, 2010 to December 14, 2040</p>	<p>无相关资料 No relevant records</p>	<p>造林、育林、护林; 林木砍伐更新及综合伙伐利用、经营自产栎类木(有效期至2013年12月31日); 林业生产经营的技术研发、技术转让、技术咨询、技术服务及其他与林业生产经营相关的运营管理、咨询服务。 Planting, fostering and maintenance of forest trees; cutting, regeneration and comprehensive utilization of forest trees, operation of self-produced standing timber (effective until December 31, 2013); technological research and development, technological transfer, technological support, technological consulting for forestry production and operation, and other operation management and consulting services concerning forestry production and operation.</p>	<p>阳江市工商行政管理局 Administration of Industry and Commerce of Yangjiang City 441700400005749 已通过2010年年检 Passed 2010 annual inspection</p>
<p>33 浙江林业(广州)有限公司 Sino-Forest (Guangzhou) Co., Ltd. 广州市天河区天河北路233号中德大厦2410A Room 2410A, CITIC Plaza, No. 233 Tianhe North Road, Tianhe District, Guangzhou City 陈德源 Chen Deyuan 500万欧元(实收资本500万欧元/投资总额1250万欧元) USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD 12,500,000)</p>	<p>浙江林业(中国)投资有限公司, 出资额500万欧元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 5,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship) 2004年10月25日 October 25, 2004 自2004年10月25日至2034年10月25日 From October 25, 2004 to October 25, 2034</p>	<p>公司设立时: 陈德源(董事长), 潘杰杰, 黄清仁 Establishment of Company: Chen Deyuan (Board Chairman), Pan Jiejie, Huang Qingren 2009年11月: 陈德源(董事长), 陈华, 赵伟茂 November, 2009: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao 最新情况: 董事: 陈德源(董事长) Latest Director: Chen Deyuan (Board Chairman)</p>	<p>在国家允许外商投资的林木(主要是人工林)营造、生产、木材加工、经营及市场开发、林业资源及相关配套产品开发利用; 城市绿化、植物科技开发、园林服务等领域内依法经营育苗、造林、育林、护林, 林木砍伐更新及综合伙伐利用; 销售本企业产品; 林业生产经营的技术研发、技术转让、技术支持、技术咨询及其他与林业生产经营相关的运营管理、咨询服务。(仅限办公用) Operation of seedling trees, planting, fostering and maintenance of forest trees, in the areas of planting and production of forest trees (mainly man-made forest trees), wood processing, operation and marketing, development and utilization of forest resources and related supporting products, urban greening, plant technological development, forest management service and other areas, in which foreign investment is permitted by the State; sale of own products; technological research and development, technological transfer, technological support, technological consulting for forestry production and operation, and other operation management and consulting services concerning forestry production and operation. (Only for office purpose)</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City 440101400023427 已通过2009年年检 Passed 2009 annual inspection</p>
<p>34 深圳浙江林业科技有限公司 Shenzhen Sino-Forest Science and Technology Co., Ltd. 深圳市南山区大塘工业二路11号E栋101-2 Room 101-2, Building E, No. 11 Gongye Second Road, Datan Industrial Zone, Nanshan District, Shenzhen City 陈德源 Chen Deyuan 人民币500万元(实收资本人民币500万元/未显示投资总额) RMB 5,000,000 (Paid-in Capital: RMB 5,000,000/No records for total investment)</p>	<p>浙江林业(广州)有限公司, 出资额人民币450万元, 投资比例90% Sino-Forest (Guangzhou) Co., Ltd., Amount of Contribution: RMB 4,500,000, Ownership Percentage: 90% 深圳凯尔新材料科技有限公司, 出资额人民币50万元, 投资比例10% Shenzhen Patentless New Material Technology Co., Ltd., Amount of Contribution: RMB 500,000, Ownership Percentage: 10% 有限责任公司 Limited liability company 2010年11月15日 November 15, 2010 自2010年11月15日至2060年11月15日 From November 15, 2010 to November 15, 2060</p>	<p>公司设立时: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 李朝雷; 经理: 杨林清 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Che Bingli; Manager: Yang Linqing 最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 李朝雷; 经理: 杨林清 Latest Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Che Bingli; Manager: Yang Linqing</p>	<p>林产品、木制品、家具及配件, 木制品用胶黏剂、人造板及生产工艺的技术研发、产品销售及相关信息咨询(不含法律、行政法规、国务院决定规定需要前置审批及禁止的项目); 股权投资(不含证券业务)。 Technological research and development of production process and sale of forest products, woodwork, furniture and accessories, adhesive for woodwork, artificial panel, and relevant information consultation (excluding items subject to pre-approval as required by or items prohibited by laws, administrative regulations and decisions of the State Council); equity investment (excluding securities business).</p>	<p>江苏省工商行政管理局 Administration of Industry and Commerce of Jiangsu Province 440301105046675 已通过2010年年检 Passed 2010 annual inspection</p>

35	<p>嘉汉林业(普洱)有限公司 Sino-Forest (Pu'er) Co., Ltd.</p> <p>云南省普洱市思茅区茶苑路36号 No. 36 Chuyuan Road, Simao District, Pu'er City, Yunnan Province</p> <p>陈德源 Chen Deyuan</p> <p>1000万美元(未显示实缴资本/未显示投资总额) USD 10,000,000 (Paid-in Capital: not available/No records for total investment)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额1000万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 10,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2011年2月22日 February 22, 2011</p> <p>自2011年2月22日至2061年2月22日 From February 22, 2011 to February 22, 2061</p>	<p>无相关资料 No relevant records</p>	<p>造林、蓄林、育林、林木经营和销售; 苗木培育和销售; 林业科技研发、技术咨询和技术服务。 Planting, managing and fostering forests, operation and sale of forest trees; fostering and sale of seedling trees; research and development of forestry technology, technological consulting and technological services for forestry.</p>	<p>云南省普洱市工商行政管理局 Administration of Industry and Commerce of Simao City, Yunnan Province</p> <p>53270040000032</p> <p>未见年检记录 No records for annual inspection</p>
36	<p>嘉汉林业(河源)有限公司 Sino-Wood (Heyuan) Co., Ltd.</p> <p>河源县灯塔镇灯塔村印光组拜脚岗组附近(205国道边) Zhuankong, Wushigang, Yiguang Group, Dengta Village, Dengta Town, Dongyuan County (beside G205 Road)</p> <p>陈德源 Chen Deyuan</p> <p>1800万美元(实收资本1000万美元/未显示投资总额) USD 18,000,000 (Paid-in Capital: USD 10,000,000/No records for total investment)</p>	<p>嘉汉林业(中国)投资有限公司 Sino-Forest (China) Investments Limited</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2010年1月5日 January 5, 2010</p> <p>自2010年1月5日至2040年1月5日 From January 5, 2010 to January 5, 2040</p>	<p>无公司成立时及有关变更资料 No records upon the establishment of company and no records for change of managements</p> <p>最新情况: 董事: 陈德源(董事长), 陈华, 赵伟茂; 监事: 叶益彬 Latest: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Ye Yibin</p>	<p>研发、制造、销售人造板、胶木制品产品(该项目的木材经营许可证书有效期至2012年12月30日止); 提供木材及相关产品的工程技术咨询服务。产品70%内销, 30%外销。 Research, development, production and sale of artificial panel and eucalyptus products (the wood operation permit for such item will expire on December 30, 2012); provision of engineering technological consulting for wood and related products. 70% of the products will be sold on the domestic markets and 30% will be exported.</p>	<p>河源市工商行政管理局 Administration of Industry and Commerce of Heyuan City</p> <p>441600400065111</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
37	<p>广西福源林业有限公司 Guangxi Fuyuan Forestry Co., Ltd.</p> <p>广西南宁市青秀区长湖路30号金湖基地4楼401号 Room 401, 4/F, Jinhufu, No. 30 Changlu Road, Qingxiu District, Nanning City, Guangxi</p> <p>陈德源 Chen Deyuan</p> <p>675万美元(实收资本675万美元/投资总额1250万美元) USD 6,750,000 (Paid-in Capital: USD 6,750,000/Total Investment: USD 12,500,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额675万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 6,750,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>1995年8月7日 August 7, 1995</p> <p>自1995年8月7日至2045年8月7日 From August 7, 1995 to August 7, 2045</p>	<p>公司设立时, 董事: 陈德源(董事长); 林庆余(副董事长); 潘家杰(常务董事), 韩国平(总经理), 简湛玲, 祁建雄, 周宇英, 刘佑房 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Lin Qingyu (Vice Board Chairman), Pan Jiata (Executive Director), Han Guoping (General Manager), Chen Hailing, Qi Shuxiong, Zhou Ningying, Liu Youfang</p> <p>1999年8月: 董事: 陈德源(董事长); 林庆余(副董事长); 潘家杰(常务董事兼总经理), 简湛玲, 祁建雄, 周宇英, 刘佑房 August, 1999: Directors: Chen Deyuan (Board Chairman), Lin Qingyu (Vice Board Chairman), Pan Jiata (Executive Director and General Manager), Chen Hailing, Qi Shuxiong, Zhou Ningying, Liu Youfang</p> <p>2000年1月: 副总经理: 吴乾耀 January, 2000: Deputy General Manager: Wu Qianhui</p> <p>2001年4月: 副董事长: 黄丽东 April, 2001: Vice Board Chairman: Huang Lidong</p> <p>2005年8月: 董事: 陈德源(董事长), 赵伟茂, 黄宗仁, 陈华, 黄丽东, 周宇英 May, 2005: Directors: Chen Deyuan (Board Chairman), Zhao Weimao, Huang Zhenren, Chen Hua, Huang Lidong, Zhou Ningying</p>	<p>抚育造林, 林木生产销售, 林业综合开发及利用。 Fostering forests, production and sale of timber, general development and utilization of forest trees.</p>	<p>广西壮族自治区工商行政管理局 Administration of Industry and Commerce of Guangxi Zhuang Autonomous Region</p> <p>450000400003119</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

35	<p>高要新福林业发展有限公司 Gao Yao Jinyao Forestry Development Co., Ltd.</p> <p>高要市金渡镇金渡区H1、H2小区 H1, H2 Residential Community, Jindu District, Jindu Town, Gao Yao City</p> <p>陈德源 Chen Deyuan</p> <p>310万欧元 (实收资本310万欧元/投资总额400万欧元) USD 3,100,000 (Paid-in Capital: USD 3,100,000/Total Investment: USD 4,000,000)</p>	<p>浙江林业(中国)投资有限公司, 出资额310万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 3,100,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>1995年7月12日 July 12, 1995</p> <p>自1995年7月12日至2045年7月11日 From July 12, 1995 to July 11, 2045</p>	<p>公司设立时: 董事: 陈德源(董事长) 邓瑞良(副董事长); 甘文友(副总经理), 陈杰新; 总经理: 韩凤平; 总裁: 潘家杰; Establishment of Company: Directors: Chen Deyuan (Board Chairman), Deng Ruiliang (Vice Board Chairman), Gan Wenyu (Deputy General Manager), Chen Jiexin; General Manager: Han Guoping; President: Pan Jiadie</p> <p>2000年1月: 总经理: 潘家杰 January, 2000: General Manager: Pan Jiadie</p> <p>2006年3月: 董事: 陈德源(董事长), 潘家杰, 赵伟茂, 陈华, 黄启仁, 陈杰新, 何国明 March, 2006: Directors: Chen Deyuan (Board Chairman), Pan Jiadie, Zhao Weimao, Chen Hua, Huang Qiren, Chen Jiexin, He Guoming</p> <p>2007年2月: 董事: 陈德源(董事长), 潘家杰, 赵伟茂, 陈华, 卢超群, 监事: 康汉华 February, 2007: Directors: Chen Deyuan (Board Chairman), Pan Jiadie, Zhao Weimao, Chen Hua, Lu Qiang; Supervisor: Kang Hanchua</p> <p>2010年4月: 董事: 陈德源(董事长), 陈华, 赵伟茂, 监事: 韩凤成 April, 2010: Directors: Chen Deyuan (Board Chairman), Chen Hua, Zhao Weimao; Supervisor: Han Chenshu</p>	<p>经营育苗、选种、育林、护林, 林木砍伐更生及综合利用, 生产、销售。 Operation of seedling trees; planting, fostering and maintenance of forest trees; cutting, regeneration, comprehensive utilization, production and sale of forest trees.</p>	<p>肇庆市工商行政管理局 Administration of Industry and Commerce of Zhaoqing City</p> <p>441200400008897</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
39	<p>漳州嘉尚林业发展有限公司 Zhangzhou Jiamin Forestry Development Co., Ltd.</p> <p>漳州市芗城区瑞峰路6-12号 No. 6-12 Rui Feng Road, Xiangcheng District, Zhangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>150万欧元 (实收资本150万欧元/投资总额200万欧元) USD 1,500,000 (Paid-in Capital: USD 1,500,000/Total Investment: USD 2,000,000)</p>	<p>浙江林业(中国)投资有限公司, 出资额150万美元, 投资比例100% Sino-Forest (China) Investments Limited, Amount of Contribution: USD 1,500,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2001年9月7日 September 7, 2001</p> <p>自2001年9月7日至2051年9月6日 From September 7, 2001 to September 6, 2051</p>	<p>公司设立时: 董事: 陈德源(董事长), 潘家杰(副董事长兼总经理), 陈惠玲, 卢超群, 魏润朋 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Pan Jiadie (Vice Board Chairman and General Manager), Chen Huiling, Lu Qiang, Wei Runpeng</p> <p>2004年8月: 董事: 陈德源(董事长), 潘家杰(副董事长兼总经理), 黄启仁, 许崇华 August, 2004: Directors: Chen Deyuan (Board Chairman), Pan Jiadie (Vice Board Chairman and General Manager), Huang Qiren, Xu Donghua</p> <p>2006年11月: 董事: 陈德源(董事长), 潘家杰(副董事长兼总经理), 陈华, 黄启仁, 赵伟茂 November, 2006: Directors: Chen Deyuan (Board Chairman), Pan Jiadie (Vice Board Chairman and General Manager), Chen Hua, Huang Qiren, Zhao Weimao</p> <p>2008年6月: 董事: 陈德源(董事长), 潘家杰(副董事长兼总经理), 陈华, 赵伟茂, 韩凤成 June, 2008: Directors: Chen Deyuan (Board Chairman), Pan Jiadie (Vice Board Chairman and General Manager), Chen Hua, Zhao Weimao, Han Chenshu</p> <p>2009年12月: 董事: 陈德源(董事长), 潘家杰(总经理), 陈华, 韩凤成, 赵伟茂; 监事: 黄可欣 December, 2009: Directors: Chen Deyuan (Board Chairman), Pan Jiadie (General Manager), Chen Hua, Zhao Weimao; Supervisor: Huang Kehui</p>	<p>植树造林, 林业科技研究, 推广、应用, 森林采伐与销售, 林业综合利用; 花卉培育和销售; 城市绿化工程和生物工程。(不含国家限制及出口产品不涉及配额许可证管理品种)(以上经营范围涉及许可经营项目的, 应在取得有关部门的许可后方可经营) Planting forests; research, promotion and application of forestry technologies; cutting and sale of forest trees; general development and utilization of forest trees; fostering and sale of flowers; urban gardening and bioengineering. (Excluding items restricted by the State, and excluding exported items subject to the management of quota permit.) (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>漳州市工商行政管理局 Administration of Industry and Commerce of Zhangzhou City</p> <p>350600400010146</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

<p>40 江西湘南林业发展有限公司 Jiangxi Huanhang Forestry Development Co., Ltd.</p> <p>南昌市二经路37号经纬大厦二三层A座 Tower A, 2/F, Jingwei Building, No. 37 Erjing Road, Nanchang City</p> <p>陈德源 Chen Deyuan</p> <p>500万美元 (实收资本500万美元/投资总额1000万美元) USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD 10,000,000)</p>	<p>香港清木木业(江西)有限公司 Hong Kong Sino-Wood (Jiangxi) Limited</p> <p>有限责任公司(台湾法人独资) Limited liability company (Hong Kong, Macau and Taiwan legal person sole proprietorship)</p> <p>1995年8月4日 August 4, 1995</p> <p>自1995年8月4日至2045年8月3日 From August 4, 1995 to August 3, 2045</p>	<p>公司设立时: 董 事: 陈德源(董事长), 林福柳(副董事长兼副总经理), 潘家杰(常务董事兼总经理), 陈惠玲, 刘国华, 杨同平, 祁远雄 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Lin Bijin (Vice Board Chairman and General Manager), Pan Jiajie (Executive Director and General Manager), Chen Huiling, Liu Chuchua, Han Chuoping, Qi Shuxiong</p> <p>2005年5月: 董 事: 陈德源(董事长), 林福柳(副董事长), 潘家杰, 黄启仁, 许栋华, 汪晓萍, 陈华 May, 2005: Directors: Chen Deyuan (Board Chairman), Lin Bijin (Vice Board Chairman), Pan Jiajie, Huang Qiren, Xu Donghua, Wang Xiaozhong, Chen Hua</p> <p>2005年8月: 董 事: 陈德源(董事长), 林福柳(副董事长), 潘家杰, 黄启仁, 赵伟茂, 汪晓萍, 陈华 August, 2005: Directors: Chen Deyuan (Board Chairman), Lin Bijin (Vice Board Chairman), Pan Jiajie, Huang Qiren, Zhao Weimao, Wang Xiaozhong, Chen Hua</p> <p>2007年4月: 董 事: 陈德源(董事长), 潘家杰, 赵伟茂, 陈华, 林福柳; 监 事: 卢起钉 April, 2007: Directors: Chen Deyuan (Board Chairman), Pan Jiajie, Zhao Weimao, Chen Hua, Lin Bijin; Supervisor: Lu Qiding</p> <p>2010年8月: 董 事: 陈德源(董事长), 叶柏祥, 杨显东, 吴乾恩, 林福柳; 监 事: 卢起钉 August, 2010: Directors: Chen Deyuan (Board Chairman), Ye Baixiang, Yang Xiansheng, Wu Qianen, Lin Fujiao; Supervisor: Lu Qiding</p>	<p>经营种苗、林木栽植和培育、林用物资和机械、木材采伐、林产品、森林资源转让、木材加工(木、竹经营许可有效期至2012年4月27日); 林木种子经营、生产许可有效期至2012年4月16日。 Operation of seedling trees, planting and fostering of forest trees, forestry materials and machines, outlay of timber, timber products, transfer of forest resources and wood processing (the wood and bamboo operation permit will expire on April 27, 2012; the forest tree seeds operation and production permit will expire on April 16, 2012.)</p>	<p>江西省工商行政管理局 Administration of Industry and Commerce of Jiangxi Province</p> <p>360000520000592</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>41 嘉汉林业(中国)投资有限公司 Sino-Panel (China) Investments Limited</p> <p>广州市越秀区东风东路765、767、769号20层全层 28F (Entire Floor), No. 765, 767 and 769 Dongfeng East Road, Yuexiu District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>10000万美元(实收资本10000万美元/未显示投资总额) USD 100,000,000 (Paid-in Capital: USD 100,000,000/No records for total investment)</p>	<p>嘉汉林业(亚洲)有限公司, 出资额10000万美元, 投资比例100% SINO-PANEL(ASIA) INC., Amount of Contribution: USD 100,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2008年7月28日 July 28, 2008</p> <p>自2008年7月28日至2058年7月28日 From July 28, 2008 to July 28, 2058</p>	<p>公司设立时: 董 事: 陈德源(董事长兼经理)、叶柏祥、余晓明 Establishment of Company: Director: Chen Deyuan (Board Chairman and Manager), Ye Baixiang, Yu Xiaoming</p> <p>董 事: 卢起钉 Supervisor: Lu Qiding</p> <p>无相关变更资料 No records for change of management</p>	<p>(一) 在国家允许外商投资的林、木业等领域依法进行投资; (二) 受托投资企业的书面委托, 向所投资企业提供下列服务: 1. 协助或代理所投资的企业从国内外采购该企业所需的机器设备、办公设备和生产所需的竹材、林木苗圃、辅材料(包括向境外关联公司采购其在中国境内的木制品及其原、辅材料), 和在国内外销售所投资企业生产、加工、经营竹材、木材产品, 包括竹材、木材及其制品等, 并提供售后服务; 2. 在外汇管理部门的同意和监督下, 在所投资企业之间平衡外汇; 3. 为所投资企业提供产品生产、销售和开发过程中的技术支持、员工培训、企业内部人事管理等服务; 4. 协助所投资企业寻求国内外贷款及提供担保; (三) 在中国境内设立科研开发中心或部门, 从事新产品及高新技术的研究开发, 转让研究开发成果, 并提供相应的技术服务; (四) 为投资者提供咨询服务, 为关联公司提供与其投资有关的市场信息、投资政策等咨询服务; (五) 承接母公司和关联公司的服务外包业务; (六) 通过佣金代理(拍卖除外)、批发方式在国内销售其进口及在国内采购的商品。 (I) Investing according to law in forest industry, wood industry and other areas, in which foreign investment is permitted by the State; (II) As entrusted by its invested enterprises in writing, providing invested enterprises with the following services: 1. assisting or acting on behalf of invested enterprises to procure machinery equipment, office facilities, and raw materials and accessories of bamboo and timber required for production, from domestic and foreign markets for their private use (including procuring from overseas affiliates the woodwork, raw materials and accessories in China), and to sell bamboo, timber and woodwork manufactured, processed and managed by invested enterprises;</p>	<p>广东省工商行政管理局 Administration of Industry and Commerce of Guangdong Province</p> <p>440000400011610</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>42 嘉汉林业(福建)有限公司 Sino-Panel (Fujian) Co., Ltd.</p> <p>厦门市思明区嘉禾路1号世纪中心1809室 Room 1809, Panji Center, No. 1 Liangye Road, Siming District, Xiamen City</p> <p>陈德源 Chen Deyuan</p> <p>500万美元(实收资本500万美元/投资总额1000万美元) USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD 10,000,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额500万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 5,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2008年12月22日 December 22, 2008</p> <p>自2008年12月22日至2038年12月21日 From December 22, 2008 to December 21, 2038</p>	<p>公司设立时: 董 事: 陈德源(执行董事) 监 事: 杨显东 理 理: 苏培基 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xiansheng Manager: Su Daxian</p> <p>无相关变更资料 No records for change of management</p>	<p>木材、木制品的批发及进出口业务; 森林管理; 林产品综合利用; 承接城市与居民区绿化工程; 苗木培育与种植。(以上商品进出口不涉及国营贸易、进出口配额许可证、出口配额外、出口许可证等专项管理的商品)(以上经营范围涉及许可经营项目的, 应在取得有关部门的许可后方可经营) Wholesale and import of wood and woodwork; forestation and forest management; comprehensive utilization of forest products; carrying on greening engineering for urban and residential quarters; fostering and planting seedling trees. (The import and export of the aforesaid commodities do not include those subject to special supervision, such as state-managed trade, license for import-export quota, bidding for export quota, export license, etc) (Where administrative approval is required for business operation, such approval shall be obtained.)</p>	<p>厦门市工商行政管理局 Administration of Industry and Commerce of Xiamen City</p> <p>350200400032521</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

43	<p>嘉汉林业(黑龙江)贸易有限公司 Sino-Panel (Heilongjiang) Trading Co., Ltd.</p> <p>哈尔滨市道里区上海街8号4层30号 Room 30, 4/F, No. 8 Shanghai Street, Dnoli District, Harbin City</p> <p>陈德源 Chen Deyuan</p> <p>100万美元(实收资本100万美元/投资总额140万美元) USD 1,000,000 (Paid-in Capital: USD 1,000,000/Total Investment: USD 1,400,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额100万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 1,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2009年3月25日 March 25, 2009</p> <p>自2009年3月25日至2059年3月24日 From March 25, 2009 to March 24, 2059</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 周晓坤 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Zhou Xiaokun</p> <p>无相关变更资料 No records for change of management</p>	<p>板材及板材制品(木质及人造板)的批发及进出口业务。(国家外商投资产业指导目录限制、禁止类除外;涉及配额许可证管理、专项规定管理的商品按国家有关规定办理) Wholesale, import and export of panel and panel products (wood and artificial panel). (Excluding items restricted and prohibited by industry direction guidance for foreign investment; commodities subject to the management of quota permit or special provisions should be operated in accordance with relevant provisions of the State)</p>	<p>哈尔滨市工商行政管理局 Administration of Industry and Commerce of Harbin City</p> <p>企230100400007943 Enterprise 230100400007943</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
44	<p>江西嘉维林业有限公司 Jiangxi Jiawei Panel Co., Ltd.</p> <p>南昌市洪城路588号洪大服装世界裙楼2002-2003室 Room 2002-2003, Hongda Clothes World, No. 588 Hongcheng Road, Nanchang City</p> <p>陈德源 Chen Deyuan</p> <p>2100万美元(实收资本2100万美元/投资总额5900万美元) USD 21,000,000 (Paid-in Capital: USD 21,000,000/Total Investment: USD 59,000,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额2100万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 21,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2009年5月15日 May 15, 2009</p> <p>自2009年5月15日至2039年5月15日 From May 15, 2009 to May 15, 2039</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle</p> <p>无相关变更资料 No records for change of management</p>	<p>林木营造、销售; 苗木培育与销售; 林业科技研发、推广、应用、管理、咨询和相关服务; 林木及林木产品批发及进出口业务(以上商品进出口不涉及国营贸易、进出口配额许可证、出口配额证等专项规定管理的商品; 以上项目涉及其他专项管理规定的, 按国家有关规定执行)。(本竹经营许可证实效期至2014年5月26日。林木种子生产、经营许可证实效期至2014年4月27日) Planting and sale of forest trees; fostering and sale of seedling trees; research and development, promotion, application, management, consulting of forestry technology and related services; wholesale, import and export of timber and timber products (the import and export of the aforesaid commodities do not include those subject to special supervision such as state-managed trade, license for import-export quota, bidding for export quota, export license etc; any of the aforesaid commodities concerning special regulations management should be handled in accordance with relevant regulations of the state). (The wood and bamboo operation permit will expire on May 26, 2014, and the forest tree seeds production and operation permit will expire on April 27, 2014.)</p>	<p>江西省工商行政管理局 Administration of Industry and Commerce of Jiangxi Province</p> <p>36000510000708</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
45	<p>嘉汉林业(湖南)森林有限公司 Sino-Panel (Hunan) Forest Management Co., Ltd.</p> <p>湖南省永州市冷水滩区河东双洲路(永州市林业局内) Hedong Shuangzhou Road, Lengshuitan District, Yongzhou City, Hunan Province (within Yongzhou Municipal Forestry Bureau)</p> <p>陈德源 Chen Deyuan</p> <p>人民币18981万元(实收资本人民币18941万元/投资总额3050万美元) RMB 189,810,000 (Paid-in Capital: RMB 189,810,000/Total Investment: USD 30,500,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额人民币18981万元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: RMB 189,810,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国一人)(外国法人独资) Limited liability company (one foreign investor) (foreign legal entity sole proprietorship)</p> <p>2010年7月20日 July 20, 2010</p> <p>自2010年7月20日至2040年7月19日 From July 20, 2010 to July 19, 2040</p>	<p>无公司设立时及有变更资料 No records for management upon the establishment of company and no records for change of management</p> <p>最新信息: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾烈 Latest: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianli</p>	<p>前置许可经营范围: 森林、造林、育林、林木经营与销售; 林业开发; 木材进出口业务(国家法律法规规定须经审批方可经营或禁止进出口的货物和技术除外); 苗木培育和销售(林木种子生产许可证有效期至2014年5月25日、林木种子经营许可证有效期至2014年5月25日); 林业科技研发、推广、应用、管理、咨询和相关服务; 林木及林木产品销售(本竹经营、加工许可证有效期至2015年5月30日)。(以上经营项目需许可证的, 凭有效许可证经营。法律、法规禁止的不得经营) Items subject to pre-approval: forest management, forestation and fostering, operation and sale of forest trees; forestry development; import and export of timber (excluding any good and technology which shall be approved by the state laws, regulations and rules or which is prohibited for import or export); fostering and sale of seedling trees (the forest tree seeds production permit will expire on May 25, 2014, and the forest tree seeds operation permit will expire on May 25, 2014); research and development, promotion, implementation, management, consulting of forestry technology and related services; sale of wood and wood products (the wood operation and processing permit will expire on May 30, 2015). (Where administrative approval is required for business operation, such approval shall be obtained; no item prohibited by laws and regulations is allowed for operation.)</p>	<p>永州市工商行政管理局 Administration of Industry and Commerce of Yongzhou City</p> <p>431100400002160</p> <p>2010年设立, 未见年检记录 Established in 2010; no records for annual inspection</p>

<p>46 嘉汉纸业(北海)木业有限公司 Sino-Panel (Beihai) Wood Products Co., Ltd.</p> <p>北海市北海大道四号北海出口加工区B1区2非线二层 2/F, Building 2, Area B1, Beihai Export Processing Zone, West of Beihai Avenue, Beihai City</p> <p>陈德源 Chen Deyuan</p> <p>250万美元(实收资本250万美元/投资总额500万美元) USD 2,500,000 (Paid-in Capital: USD 2,500,000/Total Investment: USD 5,000,000)</p>	<p>嘉汉纸业(中国)投资有限公司, 出资额250万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 2,500,000, Ownership Percentage: 100%</p> <p>有限责任公司(外商法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2010年6月9日 June 9, 2010</p> <p>自2010年6月9日至2060年6月9日 From June 9, 2010 to June 9, 2060</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 金国华 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Jin Guohua</p> <p>无相关变更资料 No records for change of management</p>	<p>筹建木材和竹制品、人造板、实木复合地板、实木地板、强化地板、竹木复合地板、板式家具、实木家具和其他木制品的生产、加工和销售; 林木的种植、开发和销售(在国家允许外商投资的林种、木业范围内依法经营); 林木制品经营和进出口贸易项目(筹建期至2011年12月9日止, 筹建期内不得从事经营活动)。 Establishing production, processing and sale of wood and bamboo wood products, artificial panel, solid wood engineered floor, solid wood floor, laminate floor, bamboo wood engineered floor, plate furniture, solid wood furniture and other woodwork; planting, development and sale of forest trees (operated within the scope of forest and wood industry permitted by the State for foreign investment); operation of wood products and import and export trade (the establishment term will expire on December 9, 2011, and no operation is allowed in the term of establishment).</p>	<p>北海市工商行政管理局 Administration of Industry and Commerce of Beihai City</p> <p>450500400003040</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>47 嘉汉纸业(湖南)发展有限公司 Sino-Panel (Hunan) Development Co., Ltd.</p> <p>长沙市天心区芙蓉中路二段200号体育公寓4栋1310-1311房 Room 1310-1311, Building 4, Tiyu Apartment, No. 200 of Section 2, Furong Middle Road, Tianxin District, Changsha City</p> <p>陈德源 Chen Deyuan</p> <p>140万美元(140万美元/投资总额200万美元) USD 1,400,000 (Paid-in Capital: USD 1,400,000/Total Investment: USD 2,000,000)</p>	<p>嘉汉纸业(中国)投资有限公司, 出资额140万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 1,400,000, Ownership Percentage: 100%</p> <p>有限责任公司(外商一人)(外商法人独资) Limited liability company (one foreign investor) (foreign legal entity sole proprietorship)</p> <p>2010年8月30日 August 30, 2010</p> <p>自2010年8月30日起至30年 30 years as from August 30, 2010</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 姜友斌 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Jiang Youbin</p> <p>无相关变更资料 No records for change of management</p>	<p>板材的购销(木竹经营、加工许可证有效期至2014年12月31日, 零售业务只能在长沙市雨花区高桥建材市场内); 营林和造林(不含我国特有和特有的珍贵优良品种的种植)。 Procurement of panel (the wood operation and processing permit will expire on December 31, 2014, and retail business is only allowed in Gaoqiao Building Material Market of Yuhua District, Changsha City); forest management and forestation (excluding plantation of precious quality varieties unique to China).</p>	<p>湖南省工商行政管理局 Administration of Industry and Commerce of Hunan Province</p> <p>430000400004176</p> <p>2010年设立, 未见年检记录 Established in 2010; no records for annual inspection</p>
<p>48 嘉汉纸业(广东)森林有限公司 Sino-Panel (Guangdong) Forest Management Co., Ltd.</p> <p>东莞市金耀镇城郊工业区世纪大道(广东嘉汉木业发展有限公司厂区内) Shiji Avenue, Chengdong Industrial Zone, Jiayu Town, Gaoyao City (within the factory of Guangdong Jiayu Wood Products Development Co., Ltd.)</p> <p>陈德源 Chen Deyuan</p> <p>500万美元(实收资本500万美元/投资总额500万美元) USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD 5,000,000)</p>	<p>嘉汉纸业(中国)投资有限公司, 出资额500万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 5,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外商法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2010年11月8日 November 8, 2010</p> <p>自2010年11月8日起至2040年11月1日 From November 8, 2010 to November 1, 2040</p>	<p>最新信息: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾惠 Latest: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianhui</p> <p>无相关变更资料 No records for change of management</p>	<p>造林、造林、育林、苗木培育、林木经营与销售(除限制、禁止类); 林木及林木产品销售; 林业科技研发、推广、应用、技术咨询和技术服务及货物进出口、技术进出口。(法律法规禁止的项目除外; 法律法规限制项目须取得许可证方可经营) Forest management, forestation, forest fostering, fostering of seedling trees, operation and sales of timber (excluding restricted or prohibited items); sale of timber and timber products; research and development, promotion, implementation, technology consulting and technology service of forestry technology, and corresponding import and export of goods and technology. (Excluding any item prohibited by laws and regulations; license should be obtained for any item restricted by laws and regulations.)</p>	<p>肇庆市工商行政管理局 Administration of Industry and Commerce of Zhaoqing City</p> <p>441200400013920</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>49 嘉汉纸业(广西)森林有限公司 Sino-Panel (Guangxi) Forest Management Co., Ltd.</p> <p>南宁市青秀区民族大道143号地琅花园8号楼2812—13、2815号 Room 2812-13 and 2815, Building 8, Deral Garden, No. 143 Minzu Avenue, Qingxiu District, Nanning City</p> <p>陈德源 Chen Deyuan</p> <p>500万美元(实收资本500万美元/投资总额1000万美元) USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD 10,000,000)</p>	<p>嘉汉纸业(中国)投资有限公司, 出资额500万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 5,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外商法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2010年12月9日 December 9, 2010</p> <p>自2010年至2060年 From 2010 to 2060</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾惠 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianhui</p> <p>无相关变更资料 No records for change of management</p>	<p>造林、造林、育林、林木经营和销售(种植); 林业开发; 林业科技研发、推广、应用、管理、咨询和相关服务; 林木(仅限原木、板方材、单板、人造板, 木材经营许可有效期至2011年5月31日)及林产品批发及进出口贸易。(涉及许可证和专项管理的商品, 按照国家有关规定办理) Forest management, forestation, forest fostering, operation and sales of timber (establishment); forestry development; research and development, promotion, implementation, management, consulting of forestry technology and related services; wholesale, import and export of timber (limited to log, panel, veneer, artificial panel, and the timber operation permit will expire on May 31, 2011) and timber products. (Any commodity subject to license and special supervision shall be operated in accordance with relevant regulations of the State.)</p>	<p>南宁市工商行政管理局 Administration of Industry and Commerce of Nanning City</p> <p>450100400010727</p> <p>未年检 No records for annual inspection</p>

50	嘉汉林业(江西) 营林有限公司 Sino-Panel (Jiangxi) Forest Management Co., Ltd. 南昌市洪城路588号洪大世界2002室 Room 2002, Hongda Clothes World, No. 588 Hongcheng Road, Nanchang City 陈德源 Chen Dayuan 3000万美元 (实收资本2500万美元/投资总额3000万美元) USD 30,000,000 (Paid-in Capital: USD 25,000,000/Total Investment: USD 30,000,000)	嘉汉林业(中国) 投资有限公司, 出资额为3000万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 30,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship) 2010年12月10日 December 10, 2010 自2010年12月10日至2040年12月9日 From December 10, 2010 to December 9, 2040	公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 林碧楠 Establishment of Company: Director: Chen Dayuan (Executive Director) Supervisor: Yang Xianle Manager: Lin Bilin 无相关变更记录 No records for change of management	营林、造林、育林、林木经营(以上项目国务院专项规定的除外); 林业开发; 林业科技研发、推广、应用、管理、咨询和相关服务; 林木及林木产品批发及进出口贸易。(林木经营许可有效期至2014年5月26日, 林木种子生产、经营许可有效期至2014年04月27日) Forest management, forestation, forest fostering, timber operation (excluding any item of the aforesaid subject to special regulations of the State); forestry development, research and development, promotion, implementation, management, consulting of forestry technology and related services; wholesale, import and export of timber and timber products. (The wood and bamboo operation permit will expire on May 26, 2014, and the forest tree seeds production and operation permit will expire on April 27, 2014.)	南京市工商行政管理局 Administration of Industry and Commerce of Nanjing City 36000051000749 已通过2010年年检 Passed 2010 annual inspection
51	嘉汉林业(云南) 营林有限公司 Sino-Panel (Yunnan) Forest Management Co., Ltd. 临沧市临翔区白塔路与学府路之间沿河河北岸 临沧水榭2楼 Building 2, Xiantingshulake, North Bank of Yuanxi River between Baota Road and Xuefu Road, Lincang District, Lincang City 陈德源 Chen Dayuan 500万美元 (实收资本500万美元/未显示投资总额) USD 5,000,000 (Paid-in Capital: USD 5,000,000/No records for total investment)	嘉汉林业(中国) 投资有限公司, 出资额为500万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 5,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship) 2011年1月7日 January 7, 2011 自2011年1月7日至2051年1月6日 From January 7, 2011 to January 6, 2051	无相关记录 No records	营林、造林、育林、林木经营和销售; 林业开发; 林木及林木产品批发及进出口业务; 林业科技研发、推广、应用、管理、咨询和相关服务。 Forest management, forestation, forest fostering, operation and sale of timber; forestry development; wholesale, import and export of timber and timber products; research and development, promotion, implementation, management, consulting of forestry technology and related services.	云南省工商行政管理局 Administration of Industry and Commerce of Yunnan Province 510100400030730 2011年设立, 未到年检时间 Established in 2011; annual inspection has not been started
52	嘉汉林业(贵州) 营林有限公司 Sino-Panel (Guizhou) Forest Management Co., Ltd. 贵阳市云岩区延安中路91号大德201房 Room 201, No. 91 Yan'an Middle Road, Yunyan District, Guiyang City 陈德源 Chen Dayuan 3000万美元 (实收资本2000万美元/投资总额3000万美元) USD 30,000,000 (Paid-in Capital: USD 20,000,000/Total Investment: USD 30,000,000)	嘉汉林业(中国) 投资有限公司, 出资额3000万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 30,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship) 2011年1月19日 January 19, 2011 自2011年1月19日至2041年1月18日 From January 19, 2011 to January 18, 2041	公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾福 Establishment of Company: Director: Chen Dayuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianfu 无相关变更记录 No records for change of management	营林、造林、育林、林木经营和销售; 林业开发; 林木及林木产品、木材及木制品、板材及板材制品的批发及进出口业务; 苗木培育和销售; 林业科技研发、推广、应用、管理、咨询和相关服务。 Forest management, forestation, forest fostering, operation and sale of timber; forestry development; wholesale, import and export of timber and timber products, wood and wood products, panel and panel products; fostering and sale of seedling trees; research and development, promotion, implementation, management, consulting of forestry technology and related services.	贵阳市工商行政管理局 Administration of Industry and Commerce of Guiyang City 520100400046676 2011年设立, 未到年检时间 Established in 2011; annual inspection has not been started
53	嘉汉林业(陕西) 营林有限公司 Sino-Panel (Shanxi) Forest Management Co., Ltd. 西安市雁塔路25号银河科技产业园G-1号 No. 6-1, Yinhe Technological Park, No. 25 Tongyuan Road, Xi'an Road 陈德源 Chen Dayuan 3000万美元 (实收资本0万美元/未显示投资总额) USD 30,000,000 (Paid-in Capital: USD 0/No records for total investment)	嘉汉林业(中国) 投资有限公司, 出资额3000万美元, 投资比例100% Sino-Panel (China) Investments Limited, Amount of Contribution: USD 30,000,000, Ownership Percentage: 100% 有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship) 2011年3月31日 March 31, 2011 自2011年3月31日至2041年3月28日 From March 31, 2011 to March 28, 2041	无相关记录 No records.	外省调进进口的原木、锯材、板材的批发, 有效期至2011年5月31日; 苗木培育; 林业科技研发、推广、应用、管理、咨询和相关服务。(涉及许可证及国家专项规定的商品和服务按有关规定办理; 取得许可证后凭相关许可文件经营)(未取得专项许可的项目除外) Wholesale of log, converted timber and panel imported from other provinces, with the valid term to expire on May 31, 2011; fostering of seedling trees; research and development, promotion, implementation, management, consulting of forestry technology and related services. (Any commodity and service subject to license and regulated by special regulations of the State should be operated in accordance with relevant regulations, and operation is allowed to carry out after obtaining relevant license.) (Except for any item for which special license has not been obtained.)	西安市工商行政管理局 Administration of Industry and Commerce of Xi'an City 610100400008462 2011年设立, 未到年检时间 Established in 2011; annual inspection has not been started

54	<p>嘉汉林业(四川)林业有限公司 Sino-Panal (Sichuan) Forestry Co., Ltd.</p> <p>成都市武侯区少陵横街142号附17号1楼 1/F, No. 142-17, Shaolingheng Street, Wushou District, Chengdu City</p> <p>陈德源 Chen Deyuan</p> <p>3000万美元(2011年设立, 无实缴资本信息/认缴出资总额9000万美元) USD 30,000,000 (Established in 2011, no records for paid-in capital/Total Investment: USD 90,000,000)</p>	<p>嘉汉林业(中国)投资有限公司, 出资额为3000万美元, 出资比例100% Sino-Panal (China) Investments Limited, Amount of Contribution: USD 30,000,000, Ownership Percentage: 100%</p> <p>其他 Others</p> <p>2011年1月27日 January 27, 2011</p> <p>自2011年1月27日至2041年1月26日 From January 27, 2011 to January 26, 2041</p>	<p>无相关资料 No records</p>	<p>营林、造林、育林、林木经营和批发; 林业开发; 林木及林木产品、木材及木制品、板材及板材制品的批发及进出口业务; 苗木培育和批发; 林业科技研发、推广、应用、管理、咨询和相关服务。(涉及行政许可事项, 按照国家有关规定办理) Forest management, forestation, forest fostering, operation and sale of timber; forestry development; wholesale, import and export of timber and timber products, wood and wood products, panel and panel products; fostering and wholesale of seedling trees; research and development, promotion, implementation, management, consulting of forestry technology and related services. (Any item subject to qualification or license should be operated in accordance with relevant regulations of the State.)</p>	<p>成都市工商行政管理局 Administration of Industry and Commerce of Chengdu City</p> <p>530000400005331</p> <p>2011年设立, 未到年检 Established in 2011; annual inspection has not been started</p>
55	<p>嘉汉林业(广西)发展有限公司 Sino-Panal (Guangxi) Development Co., Ltd.</p> <p>南宁市青秀区民族大道143号瑞花园6幢2019-2828号房 Room 2819-2828, Building 6, Dazui Garden, No. 143 Minzu Avenue, Qingxiu District, Nanning City</p> <p>陈德源 Chen Deyuan</p> <p>1650万美元(实缴资本1650万美元/认缴出资总额4700万美元) USD 16,500,000 (Paid-in Capital: USD 16,500,000/Total Investment: USD 47,000,000)</p>	<p>嘉汉林业(广西)有限公司 Sino-Panal (Guangxi) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年4月27日 April 27, 2007</p> <p>自2007年4月27日至2047年4月27日 From April 27, 2007 to April 27, 2047</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾慧 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianhui</p> <p>无相关变更资料 No records for change of management</p>	<p>竹木材、竹木制品的批发及进出口业务。(涉及行政许可管理、专项规定管理的事项按照国家有关规定办理) Wholesale, import and export of bamboo and bamboo products. (Any commodity subject to the management of quota permit and special provisions should be operated in accordance with relevant provisions of the State.)</p>	<p>广西壮族自治区工商行政管理局 Administration of Industry and Commerce of Guangxi Zhuang Autonomous Region</p> <p>450000400004105</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
56	<p>嘉汉林业(贵州)有限公司 Sino-Panal (Guizhou) Co., Ltd.</p> <p>贵阳市平安西路258号贵阳市林业局办公大楼一单元 1/F, Office Building of Guizhou Municipal Forestry Bureau, No. 258 Ping'an West Road, Guizhou City</p> <p>陈德源 Chen Deyuan</p> <p>1900万美元(未见实缴资本信息/未显示认缴出资总额) USD 19,000,000 (No records for paid-in capital/No records for total investment)</p>	<p>(英属维尔京群岛) 嘉汉林业(广西)有限公司, 出资额1900万美元, 出资比例100% (British Virgin Islands) Sino-Panal (Guangxi) Co., Ltd., Amount of Contribution: USD 19,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年8月27日 August 27, 2007</p> <p>无期限 No records for valid operation duration</p>	<p>无相关资料 No records</p>	<p>原料林基地建设; 胶合板、细木工板、木地板、拼接板、锯材加工和销售(凭有效经营许可证书开展经营活动) Construction for source of raw material forests; processing and sale of plywood, laminated wood board, wood floor, wedge joint board and converted timber (operation is only allowed when valid operation permit has been obtained.)</p>	<p>广西壮族自治区贺州市工商行政管理局 Administration of Industry and Commerce of Guangxi Zhuang Autonomous Region</p> <p>450000400000265</p> <p>未见年检记录 No records for annual inspection</p>
57	<p>嘉汉林业(三江)有限公司 Sino-Panal (Sanjiang) Co., Ltd.</p> <p>柳州三江县古宜镇鲤鱼小区民族商品街14号4楼4/F, No. 14 Minzu Commodity Street, Chanyu Residential Community, Guxuan Town, Sanjiang County, Liuzhou City</p> <p>陈德源 Chen Deyuan</p> <p>600万美元(实缴资本600万美元/认缴出资总额1500万美元) USD 6,000,000 (Paid-in Capital: USD 6,000,000/Total Investment: USD 15,000,000)</p>	<p>嘉汉林业(广西)有限公司 Sino-Panal (Guangxi) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年9月28日 September 28, 2007</p> <p>自2007年9月28日起30年 30 years as from September 28, 2007</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 吴乾慧 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Wu Qianhui</p> <p>无相关变更资料 No records for change of management</p>	<p>林木的种植; 苗圃的建设经营; 杉板材、细木工板、木地板、拼接板、地板基材的加工、销售。(加工项目限分公司经营) Plantation of forest trees; construction and operation of nursery gardens; processing and sale of converted china fir, laminated wood board, wood floor, wedge joint board and basic material for floorboard. (Only branch companies are allowed to operate processing business.)</p>	<p>柳州市工商行政管理局 Administration of Industry and Commerce of Liuzhou City</p> <p>450200400001699</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

58	<p>嘉汉振业(柳州)有限公司 Sino-Panel (Luzhou) Co., Ltd.</p> <p>广西壮族自治区柳州市鹿寨县中心工业二区 Area 2, Central Industrial Park, Luzhai County, Luzhou City, Guangxi Zhuang Autonomous Region</p> <p>陈德源 Chen Deyuan</p> <p>800万美元(实收资本800万美元/投资总额1990 万美元) USD 8,000,000 (Paid-in Capital: USD 8,000,000/Total Investment: USD 19,900,000)</p>	<p>嘉汉振业(广西)有限公司 Sino-Panel (Guangxi) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年9月21日 September 21, 2007</p> <p>自2007年9月21日至2037年9月30日 From September 21, 2007 to September 30, 2037</p>	<p>公司设立时: 董事: 陈德源(执行董事)、叶柏祥(监事) 监事: 杨显乐 经理不详 Establishment of Company: Directors: Chen Deyuan (Executive Director), Ye Haxiang (Director) Supervisor: Yang Xianle No records for manager</p> <p>无相关变更记录 No records for change of management</p>	<p>林木的种植及销售和竹木制品、胶合板的加工、销售。 Plantation and sale of timber; processing and sale of bamboo products and plywood.</p>	<p>柳州市工商行政管理局 Administration of Industry and Commerce of Luzhou City</p> <p>450200400002309</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
59	<p>嘉汉振业(耿马)有限公司 Sino-Panel (Gengma) Co., Ltd.</p> <p>云南省临沧市耿马县孟定镇中缅路侧宾馆四楼 4/F, Liku Hotel, Zhongmian Road, Mengding Town, Gengma County, Lincang City, Yunnan Province</p> <p>陈德源 Chen Deyuan</p> <p>1155万美元(实收资本1155万美元/投资总额26 10万美元) USD 11,550,000 (Paid-in Capital: USD 11,550,000/Total Investment: USD 26,100,000)</p>	<p>嘉汉振业(云南)有限公司 Sino-Panel (Yunnan) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年5月9日 May 9, 2007</p> <p>自2007年5月9日至2037年5月8日 From May 9, 2007 to May 8, 2037</p>	<p>公司设立时: 董事: 陈德源(执行董事)、叶柏祥 经理: 王涛 监事不详 Establishment of Company: Director: Chen Deyuan (Executive Director), Ye Haxiang Manager: Wang Tao No records for supervisor</p> <p>无相关变更记录 No records for change of management</p>	<p>竹材、木材(原木、锯材、半成品)的加工、销售; 蓄林和育林; 木材的 进出口业务。 Processing and sale of bamboo and wood (log, converted timber, semi- manufactured goods); forest management and fostering; Import and export of wood.</p>	<p>云南省工商行政管理局 Administration of Industry and Commerce of Yunnan Province</p> <p>530000100000169</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
60	<p>嘉汉振业(云南)贸易有限公司 Sino-Panel (Yunnan) Trading Co., Ltd.</p> <p>昆明市西山区33号中央国际A-1-1903号 No. A-1-1903, Zhongyanguolehuang, No. 33 Xielang Road, Kunming City</p> <p>陈德源 Chen Deyuan</p> <p>240万美元(实收资本240万美元/投资总额430 万美元) USD 2,400,000 (Paid-in Capital: USD 2,400,000/Total Investment: USD 4,300,000)</p>	<p>嘉汉振业(云南)有限公司 Sino-Panel (Yunnan) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2008年3月11日 March 11, 2008</p> <p>自2008年3月11日至2038年3月10日 From March 11, 2008 to March 10, 2038</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 刘武英 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Liu Wuying</p> <p>无相关变更记录 No records for change of management</p>	<p>木材及其制品(木家具、木地板、木门、人造板、指接板)的批发及进口 (从缅甸进口须得到缅甸政府有关部门的许可)和木制品(木家具、木地板 板、木门、人造板、指接板)的批发及出口。 Wholesale and import (Burma government's license should be obtained when importing from Burma) of wood and wood products (wood furniture, wood floor, wood door, artificial panel, wedge joint board), and wholesale and export of wood products (wood furniture, wood floor, wood door, artificial panel, wedge joint board).</p>	<p>云南省工商行政管理局 Administration of Industry and Commerce of Yunnan Province</p> <p>530000400002505</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
61	<p>黑龙江嘉汉振业有限公司 Heilongjiang Jiantu Panel Co., Ltd.</p> <p>黑龙江省牡丹江市穆棱市穆棱镇 Muling Town, Muling City, Mudanjiang City, Heilongjiang Province</p> <p>陈德源 Chen Deyuan</p> <p>2100万美元(实收资本2100万美元/投资总额42 00万美元) USD 21,000,000 (Paid-in Capital: USD 21,000,000/Total Investment: USD 42,000,000)</p>	<p>嘉汉振业(东北)有限公司 Sino-Panel (Dongbei) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2005年5月20日 May 20, 2005</p> <p>自2005年5月20日至2055年5月19日 From May 20, 2005 to May 19, 2055</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 叶柏祥 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Ye Haxiang</p> <p>2007年8月: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 詹晓坤 August, 2007: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Zhan Xiaokun</p>	<p>许可经营项目: OSB板及二次加工板的生产、加工和销售; 附属产品和其 它林木产品的生产、加工和销售。(木材经营 加工许可证有效期至: 2009年5月20日至2013年5月19日) Licensed business: production, processing and sale of OSB panel and secondary processed panel; production, processing and sales of affiliated products and other timber products. (The wood operation and processing permit is valid from May 20, 2009 to May 19, 2013.)</p> <p>一般经营项目: 木材及木制品的批发及进出口业务。(以上商品进出口 不涉及配额贸易、进出口配额许可证、出口配额招标、出口许可证等特殊 管理的商品) Ordinary business: wholesale, import and export of wood and wood products. (The import and export of the aforesaid commodities do not include those subject to special supervision, such as state-managed trade, license for import-export quota, bidding for export quota and export license etc.)</p>	<p>牡丹江市工商行政管理局 Administration of Industry and Commerce of Mudanjiang City</p> <p>231000400001642</p> <p>无验资报告信息 No records for annual inspection</p>

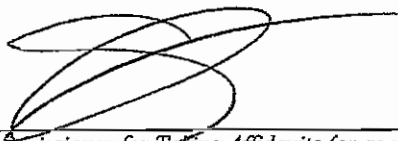
<p>62 湘西自治州嘉源林业发展有限公司 Xiangxi Autonomous State Jiayuan Forestry Development Co., Ltd.</p> <p>吉首市红庙门办事处武陵东路55号（红庙门机电市场B栋2楼1-6号门面） No. 55 Wuliang East Road, Hongqimen, Jishou City (Room 1-6, 2/F, Building B, Hongqimen Home Appliances Market)</p> <p>叶翰祥 Ye Hanxiang</p> <p>300万美元（实收资本300万美元/投资总额500万美元） USD 3,000,000 (Paid-in Capital: USD 3,000,000/Total Investment: USD 5,000,000)</p>	<p>嘉源林业（湘西）有限公司 Sino-Panel (Xiangxi) Co., Ltd.</p> <p>有限责任公司（外商一人）（外国法人独资） Limited liability company (one foreign investor) (foreign legal entity sole proprietorship)</p> <p>2006年9月25日 September 25, 2006</p> <p>自2006年9月25日至2016年9月24日 From September 25, 2006 to September 24, 2016</p>	<p>公司设立时： 董事：陈德源（执行董事） 监事：严少川 经理：杨显东 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yan Shaochuan Manager: Yang Xiandong</p> <p>2007年8月： 董事：陈德源（执行董事） 监事：严少川 经理：洪友斌 August, 2007: Director: Chen Deyuan (Executive Director) Manager: Jiang Youbin</p> <p>2011年5月25日： 董事：叶翰祥（董事长） May 25, 2011: Director: Ye Hanxiang (Chairman)</p>	<p>竹制品、木制品、人造板、家具生产、加工、销售、苗木种植、购销。 Production, processing and sale of bamboo products, wood products, artificial panel and furniture; plantation, procurement and sale of forest trees.</p>	<p>湘西土家族苗族自治州 工商行政管理局 Administration of Industry and Commerce of Xiangxi Tujia-Miao Autonomous Prefecture</p> <p>433100400000193</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>63 湖南嘉裕木业有限公司 Hunan Jiayu Wood Products Co., Ltd.</p> <p>湖南省怀化市迎丰西路瑞天广场六楼17010室 Room 17010, Qiongfeng Plaza, Yingfeng West Road, Huailua City, Hunan Province</p> <p>叶翰祥 Ye Hanxiang</p> <p>960万美元（实收资本960万美元） USD 9,600,000 (Paid-in Capital: USD 9,600,000)</p>	<p>嘉源林业（亚洲）有限公司，出资额960万美元，出资比例100% SINO-PANEL(ASIA) INC., Amount of Contribution: USD 9,600,000, Ownership Percentage: 100%</p> <p>有限责任公司（外国法人独资） Limited liability company (foreign legal entity sole proprietorship)</p> <p>2006年4月14日 April 14, 2006</p> <p>30年 30 years</p>	<p>公司设立时： 董事：陈德源（执行董事） 监事、经理不详 Establishment of Company: Director: Chen Deyuan (Executive Director) No records on supervisors and managers</p> <p>无相关变更资料 No records for change of management</p>	<p>杉指接板、细木工板、拼板、板枋、地板、复合地板、门芯板的加工及包销其产品（木竹经营、加工许可证2007年3月13日—2011年7月13日）营林和育林，其他政策允许林业经营项目。 Processing of china fir wedge joint board, laminated wood board, jointed board, panel, floor, engineered floor, door panel and sales of their products (the wood and bamboo operation and processing permit is valid from March 13, 2007 to July 13, 2011); forest management and fostering; other forestry businesses permitted by relevant policies.</p>	<p>怀化市工商行政管理局 Administration of Industry and Commerce of Huailua City</p> <p>431200400000043</p> <p>未按规定年检信息 No records for annual inspection</p>
<p>64 邵阳嘉源木业有限公司 Shaoyang Jiuding Wood Products Co., Ltd.</p> <p>湖南省洞口县经济开发区 Dongkou County Economic Development Zone, Shaoyang Province</p> <p>叶翰祥 Ye Hanxiang</p> <p>人民币9286万元（实收资本人民币9286万元/投资总额22722万元） RMB 92,860,000 (Paid-in Capital: RMB 92,860,000/Total Investment: USD 22,720,000)</p>	<p>嘉源林业（湖南）有限公司 Sino-Panel (Hunan) Co., Ltd.</p> <p>有限责任公司（外国法人独资） Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年3月14日 March 14, 2007</p> <p>自2007年3月14日至2047年3月13日 From March 14, 2007 to March 13, 2047</p>	<p>公司设立时： 董事：陈德源（执行董事） 监事：杨显东 经理：洪友斌 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xiandong Manager: Jiang Youbin</p> <p>无相关变更资料 No records for change of management</p> <p>最新信息（2011年4月）： 董事：叶翰祥（执行董事） 监事：杨显东 经理：洪友斌 Latest (April, 2011): Director: Ye Hanxiang (Executive Director) Supervisor: Yang Xiandong Manager: Jiang Youbin</p>	<p>前置经营许可范围：木材产品经营、加工。 Pre-approved business: operation and processing of wood products.</p> <p>一般经营范围：林木产品的开发、经营和销售；木材产品、人造板、家具和其他木制品的开发、生产、加工、经营和销售；营林、造林和育林；及林区“砍、小、薪”材和竹林的综合利用新技术，新产品的开发和生产。（涉及许可项目凭许可证经营） Ordinary business: development, operation and sales of timber products; development, production, operation and sale of wood products, artificial panel, furniture and other woodwork; forest management, reforestation and forest fostering; and comprehensive use of new technology to timber which is "inferior, small, firewood" and bamboo in the forest area, development and production of new products. (Any item subject license is allowed to operate when relevant license has been obtained.)</p>	<p>邵阳市工商行政管理局 Administration of Industry and Commerce of Shaoyang City</p> <p>430500400000046</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

<p>65 嘉丰木业(苏州)有限公司 Jiafeng Wood (Suzhou) Co., Ltd.</p> <p>苏州吴中经济开发区石湖东路 Sihu East Road, Wuzhong Economic Development Zone, Suzhou City</p> <p>陈德源 Chen Deyuan</p> <p>5000万美元 (实收资本5000万美元) USD 50,000,000 (Paid-in Capital: USD 50,000,000)</p>	<p>嘉丰(中国)有限公司, 出资额5000万美元, 投资比例100% Sino-Wood (China) Co., Ltd., Amount of Contribution: USD 50,000,000, Ownership Percentage: 100%</p> <p>有限责任公司 (外商独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2001年1月20日 January 20, 2001</p> <p>自2001年1月20日至2031年1月19日 From January 20, 2001 to January 19, 2031</p>	<p>公司设立时: 董事: 陈德源 (董事长)、潘家杰 (董事)、陈惠玲 (董事)、余晓明 (董事) 经理: 于晓明 监事: 不详 Establishment of Company: Director: Chen Deyuan (Chairman), Pan Jiajie (Director), Chen Huijing (Director), Yu Xiaoming (Director) Manager: Yu Xiaoming No records for supervisors</p> <p>2001年7月 (第一次): 董事: 陈德源 (董事长)、潘家杰 (董事)、黄启仁 (董事) 经理: 于晓明 July, 2001 (first): Director: Chen Deyuan (Chairman), Pan Jiajie (Director), Huang Qiren (Director) No records for managers and supervisors</p> <p>2001年7月 (第二次): 董事: 陈德源 (董事长) 经理: 于晓明 July, 2001 (second): Director: Chen Deyuan (Chairman) Manager: Yu Xiaoming No records for supervisors</p>	<p>森林管理、生产各类人造板、新型建筑材料、家具及木制品、膜印材料等, 销售资产产品, 相关产品安装调试服务。 Forest management, forestation, production of various artificial panel, new-style construction materials, furniture, woodwork and fitting-out materials, sale of qualified products, and installation service for relevant products.</p>	<p>江苏省工商行政管理局 Administration of Industry and Commerce of Jiangsu Province</p> <p>320500400008150</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>
<p>66 北海市嘉丰木业有限公司 Beihai Jiafeng Wood Co., Ltd.</p> <p>市岭海路工业园区综合楼202号 Room 202, General Building, Xianggang Road Industrial Park, Beihai City</p> <p>余光明 Yu Guangming</p> <p>人民币550万元 (实收资本人民币550万元/投资总额550万美元) RMB 5,500,000 (Paid-in Capital: RMB 5,500,000/Total Investment: USD 5,500,000)</p>	<p>嘉丰木业(苏州)有限公司, 出资额人民币550万元, 投资比例100% Jiafeng Wood (Suzhou) Co., Ltd., Amount of Contribution: RMB 5,500,000, Ownership Percentage: 100%</p> <p>有限责任公司 (台港澳法人独资) Limited liability company (Hongkong, Macao and Taiwan legal person sole proprietorship)</p> <p>2005年11月3日 November 3, 2005</p> <p>自2005年11月3日至2055年11月2日 From November 3, 2005 to November 2, 2055</p>	<p>公司设立时: 董事: 魏淑娟 (执行董事) 监事: 曾广凡 经理: 杨广积 Establishment of Company: Director: Wei Shujuan (Executive Director) Supervisor: Zeng Guangfan Manager: Yang Guangji</p> <p>2007年11月: 董事: 余光明 (董事长)、赵健 (董事)、黄倩萍 (董事)、蔡建国 (董事) 监事: 张涛 经理: 曾亮 November, 2007: Directors: Yu Guangming (Chairman), Zhao Jian (Director), Huang Qianping (Director), Cai Jianguo (Director) Supervisor: Zhang Tao Manager: Zeng Liang</p>	<p>单板、木地板、胶合板、新型人造板加工销售; 原木(收购)、刨花板、中纤板加工销售 (凭木材经营许可证经营至2011年4月30日)。 Processing and sale of veneer, wood floor, bteplate, new-style artificial panel; processing and sale of log (purchase), particle board, medium density fiberboard (The wood operation permit will expire on April 30, 2011).</p>	<p>北海市工商行政管理局 Administration of Industry and Commerce of Beihai City</p> <p>450500400001794</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
<p>67 张家港保税区嘉丰国际贸易有限公司 Zhangjiagang Free Trade Zone Jiafeng International Trading Co., Ltd.</p> <p>张家港保税区汇达大厦615B室 Room 615B, Huida Building, Zhangjiagang Free Trade Zone</p> <p>陈德源 Chen Deyuan</p> <p>1000万美元 (实收资本1000万美元/投资总额2390万美元) USD 10,000,000 (Paid-in Capital: USD 10,000,000/Total Investment: USD 23,900,000)</p>	<p>Sino-Panel (Suzhou) Limited</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年1月29日 January 29, 2007</p> <p>自2007年1月29日至2037年1月28日 From January 29, 2007 to January 28, 2037</p>	<p>公司设立时: 董事: 陈德源 (执行董事) 监事: 杨显东 经理: 余晓明 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Yu Xiaoming</p> <p>无相关变更资料 No records for change of management</p>	<p>一般经营项目: 进出口业务 (不含进口商品分销业务; 国家限定公司经营或禁止进出口的商品除外), 转口贸易, 国内保税区企业间的贸易, 与区外有进出口经营权企业间的贸易, 与贸易有关的服务。(涉及专项审批的, 凭许可证经营) Ordinary business: import and export (excluding distribution of imported commodities; excluding any commodity restricted for operation by the State or prohibited for import and export), intermediary trade, trade among domestic enterprises in the bonded zone, trade with enterprises outside the bonded zone which have the right to import and export, and trade services. (Any item subject to special approval is allowed for operation when relevant approval has been obtained.)</p>	<p>江苏省张家港保税区工 商行政管理委员会 Administration of Industry and Commerce of Zhangjiagang Bonded Zone of Jiangsu Province</p> <p>320592400002838</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

68	<p>广东嘉维木业发展有限公司 Guangdong Jiayue Wood Products Development Co., Ltd.</p> <p>广东省高要市金渡镇城东工业区 Chengdong Industrial Zone, Jinhu Town, Gaoyao City, Guangdong Province</p> <p>陈德源 Chen Deyuan</p> <p>4900万美元 (实收资本4900万美元/认缴出资8500万美元) USD 49,000,000 (Paid-in Capital: USD 49,000,000/Total Investment: USD 85,000,000)</p>	<p>(英属维尔京群岛) 嘉维板业(高要)有限公司 (British Virgin Islands) Sino-Panel (Gaoyao) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>1997年6月24日 June 24, 1997</p> <p>自1997年6月24日至2047年6月23日 From June 24, 1997 to June 23, 2047</p>	<p>公司设立时: 董事: 潘家杰(董事长)、邓瑞良(副董事长) 经理: 潘家杰(总经理)、甘文友(副总经理) Establishment of Company: Directors: Pan Jiajie (Board Chairman), Deng Ruiliang (Deputy Board Chairman) Managers: Pan Jiajie (General Manager), Gan Wenyu (Deputy General Manager)</p> <p>1998年4月: 董事: 陈德源(董事长)、邓瑞良(副董事长) 经理: 潘家杰(总经理)、甘文友(副总经理) April, 1998: Directors: Chen Deyuan (Chairman), Deng Ruiliang (Deputy Chairman) Managers: Pan Jiajie (General Manager), Gan Wenyu (Deputy General Manager)</p> <p>2000年3月: 董事: 陈德源(董事长) 经理: 潘家杰(总经理) March, 2000: Director: Chen Deyuan (Chairman) Manager: Pan Jiajie (General Manager)</p> <p>2005年3月: 董事: 陈德源(董事长)、袁启仁(董事)、潘家杰(董事)</p>	<p>生产经营人造板、家具及其他木制品, 森林及林区“次、小、薪”材和竹材的综合利用新技术、新产品开发与生产。产品50%外销。 Manufacturing and operating artificial panel, furniture and other woodwork, forest management, forestation and comprehensive use of new technology to timber which is "inferior, small, firewood" and bamboo in the forest area, development and production of new products. 50% of products are exported.</p>	<p>肇庆市工商行政管理局 Administration of Industry and Commerce of Zhaoqing City</p> <p>441200400005770</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
69	<p>嘉维板业(广州)商贸有限公司 Sino-Panel (Guangzhou) Trading Co., Ltd.</p> <p>广州市越秀区东风东路765、767、769号东座大厦26F楼金层 26/F (Entire Floor), Dongfeng Building, No. 765, 767 and 769 Dongfeng East Road, Yuexiu District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>2628万美元 (实收资本2628万美元) USD 26,280,000 (Paid-in Capital: USD 26,280,000)</p>	<p>嘉维板业(广州)有限公司 Sino-Panel (Guangzhou) Co., Ltd.</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年6月27日 June 27, 2007</p> <p>自2007年6月27日至2027年6月27日 From June 27, 2007 to June 27, 2027</p>	<p>公司设立时: 董事: 陈德源(执行董事) 监事: 杨显乐 经理: 林朝林 Establishment of Company: Director: Chen Deyuan (Executive Director) Supervisor: Yang Xianle Manager: Lin Hanzhong</p> <p>无相关变更资料 No records for change of management</p>	<p>木材及木制品成品的批发及进出口业务, 苗木、化肥的批发, 甘蔗、藤条等经济作物及其产品的批发, 商品信息的咨询(涉及配额许可证管理、专项规定管理的商品按照国家有关规定办理)。 Wholesale, import and export of wood and wood products, wholesale of seedling trees, fertilizer, wholesale of sugar-yielding crops, such as sugarcane, banyan and their secondary products, consulting on business information (Any commodity subject to the management of quota permit and special regulations management should be operated in accordance with relevant regulations of the State.)</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City</p> <p>440101400018104</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>
70	<p>嘉维板业(北海)发展有限公司 Sino-Panel (Beihai) Development Co., Ltd.</p> <p>北海市北海大道西北海出口加工区管委会大楼302室 Room 302, Management Committee Building of Beihai Export Processing Zone, West of Beihai Avenue, Beihai City</p> <p>陈德源 Chen Deyuan</p> <p>2800万美元 (实收资本2800万美元/认缴出资8000万美元) USD 28,000,000 (Paid-in Capital: USD 28,000,000/Total Investment: USD 80,000,000)</p>	<p>嘉维板业(北海)有限公司, 出资额2800万美元, 出资比例100% Sino-Panel (Beihai) Co., Ltd., Amount of Contribution: USD 28,000,000, Ownership Percentage: 100%</p> <p>有限责任公司(外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2007年8月28日 August 28, 2007</p> <p>自2007年8月28日至2037年8月27日 From August 28, 2007 to August 27, 2037</p>	<p>无相关资料 No records</p>	<p>木材、木料及其制品的购销及进出口业务项目(不含生产、加工, 按有效《木材经营(加工)许可证》核准范围内经营, 有效期至2012年4月30日止); 自有厂房租赁。 Purchase, sales, import and export of bamboo, wood and their products (excluding production, processing; to be operated within the approved scope of the valid Wood Operation (Processing) Permit, which will expire on April 30, 2012); lease of self-owned workshop.</p>	<p>北海市工商行政管理局 Administration of Industry and Commerce of Beihai City</p> <p>450500400001077</p> <p>已通过2010年年检 Passed 2010 annual inspection</p>

75	<p>黑龙江嘉林贸易有限公司 Heilongjiang Jielin Trading Co., Ltd.</p> <p>哈尔滨市南岗区长江路28号长江国际大厦1301房 Room 1301, Changjiang International Building, No. 28 Changjiang Road, Nangang District, Harbin City</p> <p>陈德源 Chen Deyuan</p> <p>1300万元 (实收资本1300万美元/认缴出资总额) USD 13,000,000 (Paid-in Capital: USD 13,000,000/No records for total investment)</p>	<p>(英属维尔京群岛) 嘉林纸业 (俄罗斯) 有限公司 (British Virgin Islands) Sino-Paper (Russia) Co., Ltd.</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal entity sole proprietorship)</p> <p>2010年7月23日 July 23, 2010</p> <p>自2010年7月23日至2040年7月22日 From July 23, 2010 to July 22, 2040</p>	<p>公司设立时 (2005年5月): 董事: 陈德源 (执行董事) Establishment of Company (May, 2005): Director: Chen Deyuan (Executive Director)</p> <p>2007年1月: 董事: 陈德源 (执行董事) 经理: 叶翰祥 监事: 杨磊东 January, 2007: Director: Chen Deyuan (Executive Director) Manager: Ye Hanxiang Supervisor: Yang Xiaole</p> <p>2007年8月: 董事: 陈德源 (执行董事) 经理: 肖晓坤 监事: 杨磊东 August, 2007: Director: Chen Deyuan (Executive Director) Manager: Xiao Xiaokun Supervisor: Yang Xiaole</p>	<p>木材、板材及板材制品的批发和进出口、代理、咨询及相关服务 (涉及配额许可证管理、专项规定管理的商品按照国家有关规定办理); 林木营造、销售; 苗木培育与销售; 林业科技研发、推广、应用、管理、咨询和相关服务。 (法律、法规禁止的不得经营, 涉及许可证经营的凭许可证经营)</p> <p>Wholesale, import, export, commissioning, consulting of wood, panel and panel products and relevant services (any item subject to the management of quota permit and special regulations should be operated in accordance with relevant regulations of the State); forestation and sale of timber; fostering and sales of seedling trees; research and development, promotion, implementation, management, consulting of forestry technology and related services. (Any item prohibited by laws and regulations is not allowed for operation, and any item subject to license is allowed for operation when relevant license has been obtained.)</p>	<p>哈尔滨市工商行政管理局 Administration of Industry and Commerce of Harbin City</p> <p>230100400008671</p> <p>2010年设立, 未见年检记录 Established in 2010; no records for annual inspection</p>
76	<p>嘉林林业 (广州) 商贸有限公司 (已注销) Sino-Forest (Guangzhou) Trading Co., Ltd.</p> <p>广州市天河区天河北路233号中信大厦2410B室 Room 2410B, CITIC Plaza, No. 233 Tianhe North Road, Tiance District, Guangzhou City</p> <p>陈德源 Chen Deyuan</p> <p>注册资本: 500万美元 (实收资本500万美元/认缴出资总额1250万美元) Registered capital: USD 5,000,000 (Paid-in Capital: USD 5,000,000/Total Investment: USD</p>	<p>嘉林林业 (中国) 投资有限公司 Sino-Forest (China) Investments Limited</p> <p>有限责任公司 (外国法人独资) Limited liability company (foreign legal person sole proprietorship)</p> <p>2005年3月31日 March 31, 2005</p> <p>2005年3月31日至2035年3月31日 From March 31, 2005 to March 31, 2035</p> <p>注销日期: 2010年6月18日 Date of deregistration: June 18, 2010</p>	<p>公司设立时: 董事: 陈德源 (董事长)、潘家杰、黄周仁 Establishment of Company: Directors: Chen Deyuan (Board Chairman), Pan Jiajie, Huang Qiren</p> <p>2007年10月: 董事: 陈德源 (董事长)、潘家杰、陈华 October, 2007: Directors: Chen Deyuan (Board Chairman), Pan Jiajie, Chen Hua</p>	<p>木材、木材制成品批发及进出口 (不含原木、锯材出口); 苗木、化肥的批发 (不含化肥进口业务); 其他相关配套业务 (涉及配额许可证管理、专项规定管理的商品按照国家有关规定办理)。 (危险化学品除外)。 (法律、法规禁止经营的不得经营, 涉及许可证经营的凭许可证经营)</p> <p>Wholesale, import and export of wood and wood products (excluding export of log and converted timber); wholesale of seedling trees, fertilizer (excluding import of fertilizer); other supporting business (commodities subject to the management of quota permit and special regulations should be operated in accordance with relevant regulations of the State). (Excluding hazardous chemicals). (Any item prohibited by laws and regulations is not allowed for operation, and any item subject to license is allowed for operation when relevant license has been obtained.)</p>	<p>广州市工商行政管理局 Administration of Industry and Commerce of Guangzhou City</p> <p>企独粤总字第008333号 QI Du Yue Zong Zi No. 008333</p> <p>已错过2009年年检 Passed 2009 annual inspection</p>
77	<p>湛江神州木材资源发展有限公司 (已注销) Zhanjiang Lohzhou Eucalyptus Resources Development Co., Ltd. (Cancelled)</p> <p>湛江市人民大道中33号 No. 33 Middle Renmin Avenue, Zhanjiang City</p> <p>陈德源 Chen Deyuan</p> <p>140万美元 (实收资本0万美元/认缴出资总额0万美元) USD 1,400,000 (Paid-in Capital: USD 0/Total Investment: USD 0)</p>	<p>嘉林木业集团有限公司 Sino-Wood Group Co., Ltd.</p> <p>有限责任公司 (台港澳法人独资) Limited liability company (Hong Kong, Macao and Taiwan legal person sole proprietorship)</p> <p>1994年1月29日 January 29, 1994</p> <p>自1994年1月29日至2024年1月28日 From January 29, 1994 to January 28 2024</p> <p>注销日期: 2003年11月4日 Date of deregistration: November 4, 2003</p>	<p>公司设立时: 董事: 陈德源 (董事长) 经理: 潘家杰 (总经理)、陈惠玲 (副总经理) Establishment of Company: Director: Chen Deyuan (Chairman) Managers: Pan Jiajie (General Manager), Chen Huiling (Deputy General Manager)</p> <p>无相关变更资料 No records for change of management</p>	<p>森林、木材加工、木制品、林产化工产品生产与销售。 Forest management, processing of wood, production and sale of woodwork and forest chemical products.</p>	<p>湛江市工商行政管理局 Administration of Industry and Commerce of Zhanjiang City</p> <p>企独粤港总字第000571号 QI Du Yue Zhan Zong Zi No.000571</p> <p>已通过2009年年检 Passed 2009 annual inspection</p>

This is Exhibit "B" referred to in the Affidavit of Christina Shiels
sworn June 21, 2012

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Commissioner for Taking Affidavits (or as may be)

ORIGINAL

06/20/12

Court File No. CV-12-9667-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.c. 1985, C.c-36, AS AMENDED

AND IN THE MATTER OF PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

**Proof of Claim against
Directors or Officers of
Sino-Forest Corporation
of Ernst & Young LLP**

**PROOF OF CLAIM AGAINST
DIRECTORS AND OFFICERS OF SINO-FOREST CORPORATION**

I N D E X

Tab	Description
A	Proof of Claim of Ernst & Young LLP
A1	Schedule A1 - Particularized Claim
A2	Schedule A2 - Description of Claim
B	Schedule B - List of Directors and Officers

**PROOF OF CLAIM AGAINST
DIRECTORS OR OFFICERS OF SINO-FOREST CORPORATION**

This form is to be used only by Claimants asserting a claim against any director and/or officers of Sino-Forest Corporation, and NOT for claims against Sino-Forest Corporation itself. For claims against Sino-Forest Corporation, please use the form titled "Proof of Claim Against Sino-Forest Corporation", which is available on the Monitor's website at <http://cfcanada.fticonsulting.com/sfc>.

1. Original Claimant Identification (the "Claimant")

Legal Name of Claimant: Ernst & Young LLP

Name of Contact: Doris Stamml

Address:

Title: Chief Legal Counsel

Ernst & Young LLP
222 Bay Street, P.O. Box 251
Ernst & Young Tower, 27th Floor

Phone #: 416-943-3039

Email: doris.stamml@ca.ev.com

City: Toronto

Prov / State: ON

Postal/Zip code: M5K 1J7

2. Assignee, if D&O Claim has been assigned

Full Legal Name of Assignee _____

Name of Contact _____

Address _____

Phone # _____

Fax # _____

City _____ Prov / State _____

e-mail _____

Postal/Zip code _____

3. Amount of D&O Claim

The Director or Officer was and still is indebted to the Claimant as follows:

I/we have a claim against a Director(s) and/or Officer(s)

Name(s) of Director(s) and/or Original Officer(s)	Currency	Currency Amount	Amount of Claim
<u>See Schedule B for a list of all directors and officers whom this claim is asserted</u>	<u>CDN</u>	\$7,154,200,000.00 plus all not yet quantified/unknown amounts as set out in Schedule "A1" are also claimed against the directors and officers listed in Schedule B.	\$7,154,200,000.00 plus all not yet quantified/unknown amounts as set out in Schedule "A1" are also claimed against the directors and officers listed in Schedule B.
<u>See Schedule B for a list of all directors and officers whom this claim is asserted</u>	<u>USD</u>	\$1,805,000,000.00 plus all not yet quantified/unknown amounts as set out in Schedule "A1"	\$1,805,000,000.00 plus all not yet quantified/unknown amounts as set out in Schedule "A1"

4. Documentation

Provide all particulars of the D&O Claim and supporting documentation, including amount, and description of transaction(s) or agreement(s), or legal breach(es) giving rise to the D&O Claim.

See Schedule "A2" plus all documents appended thereto.

5. Certification

I hereby certify that:

1. I am the Claimant, or authorized representative of the Claimant.
2. I have knowledge of all the circumstances connected with this D&O Claim.
3. Complete documentation in support of this D&O Claim is attached.

Name Doris Stamm

Title Chief Legal Counsel

Dated at Toronto

this 20th day of June 2012

Signature 

Witness 

6. Filing of D&O Claim

This Proof of Claim **must be received by the Monitor by no later than 5:00 p.m. (prevailing Eastern Time) on June 20, 2012**, by registered mail, courier, personal delivery or electronic or digital transmission at the following address:

FTI Consulting Canada Inc.
Court-appointed Monitor of Sino-Forest Corporation
TD Waterhouse Tower
79 Wellington Street West
Suite 2010, P.O. Box 104
Toronto, Ontario M5K 1G8

Attention: Jodi Porepa
Telephone: (416) 649-8094
E-mail: sfc@fticonsulting.com

An electronic version of this form is available at <http://cfcanada.fticonsulting.com/sfc>

SCHEDULE "A1"

1. Negligent misrepresentation:

- (a) in an amount yet to be quantified as more particularly set out in Schedule "A2";
and
- (b) costs and interest.

2. Fraudulent misrepresentation:

- (a) in an amount yet to be quantified as more particularly set out in Schedule "A2";
and
- (b) costs and interest.

3. Inducing Breach of Contract:

- (a) in an amount yet to be quantified as more particularly set out in Schedule "A2";
and
- (b) costs and interest.

4. Injury to Reputation:

- (c) in an amount yet to be quantified as more particularly set out in Schedule "A2";
and
- (d) costs and interest.

5. Contribution and indemnity under the *Negligence Act*, R.S.O 1990, c. N-1 and other applicable legislation outside of Ontario:

(a) The action in Ontario Superior Court of Justice Court File No. CV-11-43115300CP (only as the Court permits):

- (i) damages claimed in the amount of up to CDN \$7,149,200,000.00;
- (ii) damages claimed in the amount of up to USD \$1,805,000,000.00;
- (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in this proceeding; and
- (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.

(b) The action in *Quebec Superior Court* File No. 200-06-000132-111 (only as authorized and given representative status):

- (i) unknown and unquantified damages in Canadian dollars;
- (ii) unknown and unquantified damages in U.S. dollars;
- (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the above-mentioned proceeding; and
- (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.

- (c) The verified complaint in *Supreme Court of the State of New York*, County of New York – Index No. 650258/2012:
- (i) unknown and unquantified damages in Canadian dollars;
 - (ii) unknown and unquantified damages in U.S. dollars;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the above-mentioned proceeding; and
 - (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to its defence of the above-mentioned proceeding.
- (d) Other Proceedings (as defined in Schedule “A2” to this Proof of Claim):
- (i) unknown and unquantified damages in Canadian dollars;
 - (ii) unknown and unquantified damages in U.S. dollars;
 - (iii) any unknown amounts not yet pleaded or quantified (including interest and costs) against Ernst & Young LLP in the Other Proceedings; and
 - (iv) any amounts incurred or to be incurred by Ernst & Young LLP with respect to the Other Proceedings.
- (e) In respect of claims (a)-(d) above, to the date of this proof of claim, Ernst & Young LLP has incurred legal and related costs of approximately \$5,000,000 and will incur additional costs in the future.

SCHEDULE "A2"

CLAIM OF ERNST & YOUNG LLP AGAINST DIRECTORS AND OFFICERS

THE CLAIMANT AND BACKGROUND TO THE CLAIM

1. This proof of claim is to be read in conjunction with the proof of claim of Ernst & Young LLP ("E&Y") filed as against Sino-Forest Corporation ("SFC", the "Applicant" or the "Company"). E&Y repeats and relies upon, and incorporates by reference, the statements in its proof of claim against SFC and the SFC Subsidiaries, including all schedules thereto (the "E&Y SFC Proof of Claim"), into this proof of claim against the directors and officers. For ease of reference, defined terms referred to in this proof of claim are as defined in the E&Y SFC Proof of Claim.

2. E&Y claims against the directors and officers for:

a) Claims for damages relating to:

- i. Negligent misrepresentation;
- ii. Fraudulent misrepresentation;
- iii. Inducing breach of contract; and
- iv. Injury to Reputation; and

b) Contribution and indemnity under the *Negligence Act*, R.S.O 1990, c. N-1 and any other applicable legislation outside of Ontario (the "*Negligence Act*").

3. The claims in 2(a) above are not derivative of the claims in 2(b) above.

4. As more particularly set out in the E&Y SFC Proof of Claim, management of SFC was and is responsible for the preparation and fair presentation of SFC's consolidated financial statements which it prepared, issued and contracted with E&Y (on behalf of SFC and the SFC Subsidiaries) to independently audit. Management was responsible for the presentation of those consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"), and for such internal controls as management determined were necessary to enable the preparation of consolidated financial statements that were free from material misstatement, whether due to fraud or error. The Board of Directors of SFC approved the consolidated financial statements for each fiscal year ended December 31, 2007 to 2010. The consolidated financial statements were accompanied in all cases by representations from management.

5. The directors and officers of SFC are listed in the schedule attached at Schedule "B", including their Board and Committee memberships in the various years. The known directors and officers of the SFC Subsidiaries are listed in the schedule attached at Schedule "B". The Monitor may have additional information about the identities and roles of the directors and officers of the SFC Subsidiaries, which E&Y relies upon in asserting this Claim. E&Y reserves the right to amend this claim upon further and better information respecting officers and directors of SFC Subsidiaries. Together, they are referred to as the "directors and officers".

6. E&Y observes that the Claims Procedure Order of The Honourable Justice Morawetz, *Supervising Companies' Creditors Arrangement Act* Judge, dated May 14, 2012 does not call for claims against the directors and officers of the SFC Subsidiaries.

7. The directors and officers were the controlling minds of, and responsible for the oversight of, SFC and the SFC Subsidiaries. In particular, Allen Chan was a director of substantially all of the SFC companies. Attached at Schedule "C11" of the EY SFC Proof of Claim is a copy of publicly available corporate search results for the SFC Subsidiaries incorporated in the British Virgin Islands which shows Allen Chan as a director of substantially all of those SFC Subsidiaries.

E&Y'S CLAIMS

8. E&Y repeats and relies upon claims and the statements in E&Y SFC Proof of Claim. In addition to those claims, SFC also claims against the directors and officers listed on Schedule "B1", as follows:

- (a) Claims for:
 - (i) Negligent misrepresentation;
 - (ii) Fraudulent misrepresentation;
 - (iii) Inducing breach of contract; and
 - (iv) Injury to reputation; and
- (b) Contribution and indemnity under the *Negligence Act*.

(a) Claims for Damages

(I) and (II) Negligent and Fraudulent Misrepresentation

9. E&Y repeats and relies upon the statements in its E&Y SFC Proof of Claim with respect to the direct representations made to it by the directors and officers.

10. In performing its audit work in respect of the consolidated financial statements for the fiscal years ended December 31, 2007 to 2010 E&Y relied in good faith on (among other things)

representations, documents, information and reports provided by, *inter alia*, the directors and officers on behalf of SFC and the SFC Subsidiaries.

11. As expressly stated in the 2010 Auditors' Report and the Engagement Letters, management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. E&Y has relied on management of SFC and each of the SFC Subsidiaries, as well as management's representations and warranties and the consolidated financial statements of SFC themselves, in carrying out its work. E&Y relied on the Board of Directors' approval of the consolidated financial statements.

12. The representations made by the directors and/or officers of SFC and the SFC subsidiaries, upon which E&Y did (and was intended to) reasonably rely, included:

- a) The consolidated financial statements for the fiscal years ended December 31, 2007 to 2010;
- b) The Management Representation Letters. In each of the fiscal years ended December 31, 2007 to 2010 inclusive, management of SFC provided E&Y with a Management Representation Letter. In each of those years, the Management Representation Letters were signed by Chan, Horsley and Maradin. Alvin Lim also signed the Management Representation Letter for the 2007 fiscal year. The details of the representations contained therein are set out in the E&Y SFC Proof of Claim;

- c) The D&O Questionnaires. The details of the representations contained therein are set out in the E&Y SFC Proof of Claim;
- d) The Company's Code of Conduct and Whistleblower Policies. The directors and officers represented to E&Y that they and the employees of SFC and the SFC Subsidiaries were aware of and complied with these policies. The details of the representations contained therein are set out in the E&Y SFC Proof of Claim;
- e) Other direct representations were made by the directors and officers to E&Y. The details of those representations are set out in the E&Y SFC Proof of Claim; and
- f) Other applicable representations set out in the E&Y SFC Proof of Claim.

13. In a Statement of Allegations issued May 22, 2012, Staff of the Ontario Securities Commission (the "OSC") stated that the directors and officers knew or should have known that the documentation upon which E&Y relied was allegedly deceitful. In that regard, the OSC stated as follows:

"81. Sino-Forest, Overseas Management and Horsley knew or ought to have known that their auditors during the Material Time relied on the validity of the Purchase Contracts and their attached Confirmations as proof of ownership of Sino-Forest's Standing Timber assets."

14. Further particulars of the OSC's allegations are set out in the E&Y Proof of Claim.

15. If the allegations or some of them are proven, the alleged negligent, deceitful and misleading information provided by the directors and officers caused and continues to cause E&Y to incur losses, all as described in the SFC Proof of Claim.

(III) Inducing Breach of Contract

16. The directors and officers knew that SFC engaged E&Y as its auditors, having signed or otherwise been made variously privy to the audit relationship and, in certain instances, executed the audit and offering Engagement Letters. Moreover, the Board of Directors reviewed and approved the consolidated financial statements in each year and knew that the E&Y's Auditors' Reports were delivered in respect of them.

17. SFC's directors and officers knew or ought to have known that pursuant to the Engagement Letters, SFC undertook that it and its management would provide E&Y with accurate and complete financial information, maintain internal controls to prevent fraud and material misstatement in the unaudited financial information it provided to E&Y, and bear responsibility that prospectuses or offering memoranda in respect of which audited financial statements were relied upon by E&Y would contain no misrepresentations.

18. The details of the terms of the Engagement Letters are set out in the E&Y SFC Proof of Claim and the Engagement Letters themselves are attached as Schedules thereto.

19. As stated above, the OSC Statement of Allegations alleges that SFC's directors and officers orchestrated and engaged in a complex fraud meant to inflate the value of SFC's assets.

20. If proven true, those directors and officers induced SFC to breach its contractual obligations towards E&Y, thus entitling E&Y to recover damages from them.

21. If proven, the alleged negligent, deceitful and misleading information provided by those directors and officers caused and continues to cause E&Y to incur losses, all as described in the E&Y SFC Proof of Claim.

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(IV) Reputational Loss

22. Had E&Y been aware of the alleged misconduct of the directors and officers, E&Y would not have opined on, associated itself with or consented to any use of its opinions with respect to the financial statements of SFC and the SFC Subsidiaries. The continued proceedings and events arising out of the financial affairs of SFC have the potential to impact the good reputation of E&Y in its market place, to its detriment.

(b) Contribution and Indemnity Under the *Negligence Act*

23. E&Y asserts contribution and indemnity claims in the event that E&Y is found liable to the plaintiffs, the Interested Parties or any other party for any damages inclusive of interest and/or costs award E&Y may be ordered to pay, pursuant to ss. 1 and 2 of the *Negligence Act* and any other applicable legislation outside of Ontario against the directors and officers as joint and several tortfeasors.

24. The various proceedings against E&Y in respect of which E&Y claims contribution and indemnity from the directors and officers are set out in the E&Y SFC Proof of Claim.

E&Y's DAMAGES

25. E&Y has suffered the damages set out in the E&Y SFC Proof of Claim.

NATURE AND CLASS OF CLAIMS

26. E&Y asserts this claim as an unsecured creditor.

27. E&Y's claim is distinct from any and all potential and existing claims by the plaintiffs in the Class Actions against the directors and officers. E&Y's claim for contribution and indemnity is not based upon the claims against the directors and officers advanced in the Class Actions

advanced in the Class Actions or Other Proceedings, but rather, in part upon the claims against E&Y advanced in the Class Actions or Other Proceedings on behalf of the Interested Parties.

28. As any success of the plaintiffs in the Class Actions against E&Y on behalf of the Interested Parties would not necessarily lead to success against the directors and officers, and vice versa. E&Y has a separate and distinct claim against the directors and officers independent of that of the plaintiffs in the Class Actions on behalf of the Interested Parties. The success of E&Y's claims against the directors and officers, and the success of the claims advanced by the Class Action plaintiffs, are not co-dependent. Either could succeed if the other were to fail.

29. The relationship between E&Y on the one hand, and the directors and officers on the other, is arm's length. The nature of the relationship between a shareholder, who may be in a position to assert an equity claim, is fundamentally different from the relationship existing between a corporation, its directors and officers and its auditors.

30. The policy rationale for subordinating equity claims to the claims of creditors of the corporation, given the well-established corporate law recognizing the bargain that shareholders have struck and the inherent fact that their fortunes rise or fall with those of the company and the directors and officers, does not apply to auditors.

31. Shareholders, directors and officers accept both risk and reward, and benefit directly from any increase in the value of the equity in a company. An auditor is in a fundamentally different position, namely that of a professional service provider who entered into a contract with the debtor company and relied upon its directors and officers based with the expectation of receiving fees commensurate with the professional services delivered and not being exposed to risks associated with the Company's financial performance.

32. E&Y is prepared to provide to the Monitor, on a confidential basis, further submissions with respect to the nature and quality, as well as quantity, of its claims.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Ernst & Young LLP

Don Starnul

per Chief Legal Counsel.

June 20, 2012

SCHEDULE B1

**Proof of Claim of Claim Against
Directors or Officers of Sino-Forest Corporation**

<u>Director/Officer</u>	<u>Title</u>	<u>Board and Committee Membership</u>	<u>Years</u> *
Ardell, William (Bill)	Board Member	Board of Directors (Lead Director)	2010-present
		Audit Committee	2010-present
		Compensation and Nominating Committee	2010- present
		Corporate Governance Committee	2010- present
Bowland, James	Board Member	Board of Directors	2011
		Audit Committee	2011
		Compensation and Nominating Committee	2011
Chan, Allen T.Y.	Board Member	Board of Directors (Chairman)	2007-2011
	Chief Executive Officer		2007-2011
	Board Member, Sino-Wood Partners Limited	Board of Directors (Chairman), Sino-Wood Partners Limited	2007-2011
	Chief Executive Officer, Sino-Wood Partners Limited		2007-2011
Chan, Gary	Assistant Vice-President		2008
Chen, Hua	Senior Vice-President		2007-present
	Senior Vice President, Sino-Wood Partners Limited		2007-present
Ho, George	Vice-President		2008-2012
	Vice-President, Sino-Wood Partners Limited		2007-2012
Horsley, David	Senior Vice President and Chief Financial Officer		2007-2012
Hung, Alfred C.T.	Vice-President		2007-2012
	Vice-President, Sino-Wood Partners Limited		2007-2012

<u>Director/Officer</u>	<u>Title</u>	<u>Board and Committee Membership</u>	<u>Years</u>
Hyde, James (Jamie)	Board Member	Board of Directors Audit Committee (Chair) Compensation and Nominating Committee Corporate Governance Committee Corporate Governance Committee (Chair)	2007- present 2007- present 2007- present 2007 2008- present
Ip, Albert	Senior Vice-President Senior Vice-President, Sino-Panel (Asia) Inc.		2007-2012 2007-2012
Keung, Louis	Assistant Vice-President, Sino-Panel (Asia) Inc.		2007-present
Lau, James	Vice-President, Sino-Panel (Asia) Inc.		2007-present
Lim, Alvin	Vice-President and Group Financial Controller Vice-President, Sino-Wood Partners Limited		2007 2007, 2009-present
Mak, Edmund	Board Member	Board of Directors Audit Committee Corporate Governance Committee	2007- present 2007-2009 2007-present
Maradin, Thomas M.	Vice-President		2007-present
Martin, Judson W.	Board Member	Board of Directors (Lead Director) Board of Directors (Vice-Chairman) Audit Committee Corporate Governance Committee (Chair) Corporate Governance Committee Compensation and Nominating Committee (Chair)	2007-2009 2010- present 2007-2009 2007 2008-2009 2007-2009

<u>Director/Officer</u>	<u>Title</u>	<u>Board and Committee Membership</u>	<u>Years*</u>
	Chief Executive Officer		2011- present
	President and Chief Executive Officer, Greenheart Group		2010- present
Murray, Simon	Board Member	Board of Directors Compensation and Nominating Committee	2007- present 2007-2009
Ni, Xu	Vice-President Vice-President, Sino-Wood Partners Limited		2007-present 2007-present
Poon, Kai Kit (K.K.)	Board Member President President, Sino-Wood Partners Limited	Board of Directors	2007-2008 2007- present 2007-present
Wang, Peter	Board Member	Board of Directors	2007- present
West, Gary	Board Member	Board of Directors Audit Committee Corporate Governance Committee	2011- present 2011- present 2011- present
Wong, Tony	Vice-President, Sino Panel (Asia) Inc.		2007-present
Yau, Kit	Assistant Vice-President, Sino-Wood Partners Limited		2008
Yeung, Simon	Assistant Vice-President, Sino Panel (Asia) Inc.		2007- Jan 11, 2012
Zhao, Wei Mao	Senior Vice-President Senior Vice-President, Sino-Wood Partners Limited		2007-present 2007-present

* From 2007 to the present.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
2600 - 130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)

Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com

Peter J. Osborne (33420C)

Tel: (416) 865-3094
Fax: (416) 865-3974
Email: posborne@litigate.com

Shara N. Roy (49950H)

Tel: (416) 865-2942
Fax: (416) 865-3973
Email: sroy@litigate.com

Lawyers for the Respondent, Ernst & Young LLP

Court File No. CV-12-9667-00CL

Sino-Forest Corporation

FOURTH REPORT OF THE MONITOR

July 10, 2012

Court File No. CV-12-9667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
SINO-FOREST CORPORATION

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

INTRODUCTION

1. On March 30, 2012 (the "**Filing Date**"), Sino-Forest Corporation (the "**Company**") filed for and obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Pursuant to the Order of this Honourable Court dated March 30, 2012 (the "**Initial Order**"), FTI Consulting Canada Inc. was appointed as the Monitor of the Company (the "**Monitor**") in the CCAA proceedings. Pursuant to an Order of this Court made on May 31, 2012, this Court granted an Order extending the Stay Period (as defined in the Initial Order) to September 28, 2012. The proceedings commenced by the Company under the CCAA will be referred to herein as the "**CCAA Proceedings**".
2. On the Filing Date, the Court also issued an Order authorizing the Company to conduct a Sale Process (the "**Sale Process Order**"). A copy of the Sale Process Order is attached as Appendix A hereto.
3. The purpose of this Fourth Report of the Monitor (the "**Fourth Report**") is to provide this Honourable Court with an update as to the status of the Sale Process including the intended next steps of the Company as required by the endorsement

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of Justice Morawetz made on May 31, 2012.

4. In preparing this Fourth Report, the Monitor has relied upon unaudited financial information of the Company, the Company's books and records, certain financial information prepared by the Company, the Reports of the Independent Committee of the Company's Board of Directors dated August 10, 2011, November 13, 2011, and January 31, 2012, and discussions with the Company's management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this Fourth Report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this Fourth Report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.
5. Unless otherwise stated, all monetary amounts contained herein are expressed in US Dollars.
6. The term "**Sino-Forest**" refers to the global enterprise as a whole but does not include references to the Greenheart Group. "**Sino-Forest Subsidiaries**" refers to all of the direct and indirect subsidiaries of the Company, but does not include references to the Greenheart Group.
7. Other than with respect to the section labelled "UPDATE ON SALE PROCESS", capitalized terms not defined in this Fourth Report are as defined in the pre-filing report of the proposed monitor dated March 30, 2012 (the "**Pre-Filing Report**") and the affidavit of W. Judson Martin sworn March 30, 2012 (the "**Initial Order Affidavit**").

GENERAL BACKGROUND

Sino-Forest Business

8. Sino-Forest conducts business as a forest plantation operator in the People's



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Republic of China (“**PRC**”). Its principal businesses include ownership and management of forest plantation trees, the sale of standing timber and wood logs, and complementary manufacturing of downstream engineered-wood products.

9. The Company is a public holding company whose common shares are listed on the Toronto Stock Exchange (“**TSX**”). Prior to August 26, 2011 (the date of the Cease Trade Order, defined below), the Company had 246,095,926 common shares issued and outstanding and trading under the trading symbol “**TRE**” on the **TSX**.
10. On June 2, 2011, Muddy Waters, LLC (“**MW**”), which held a short position on the Company’s shares, issued a report (the “**MW Report**”) alleging, among other things, that Sino-Forest is a “ponzi-scheme” and a “near total fraud”. The **MW Report** was issued publicly and immediately caught the attention of the media on a world-wide basis.
11. Subsequent to the issuance of the **MW Report**, the Company devoted extensive time and resources to investigate and address the allegations in the **MW Report** as well as responding to additional inquiries from, among others, the Ontario Securities Commission, the Royal Canadian Mounted Police and the Hong Kong Securities and Futures Commission.
12. In view of the **MW Report**, the subsequent litigation and regulatory investigations and other issues continue to have a significant negative impact on the Company and have threatened the long term viability of Sino-Forest’s operations. For the reasons discussed in the Pre-Filing Report and the Initial Order Affidavit, the Company and the business was placed into a stalemate that could not be resolved without the Court supervised solution offered by the CCAA Proceedings.
13. The Pre-Filing Report and the Initial Order Affidavit provide a detailed outline of Sino-Forest’s corporate structure, business, reported assets and financial information as well as a detailed chronology of the Company and its actions since the issuance of the **MW Report** in June 2011.

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UPDATE ON SALE PROCESS

14. Capitalized terms used in this section and not otherwise defined have the meaning given to them in the sale process procedures (“SPP”) approved pursuant to the Sale Process Order.
15. As set out in the Initial Order Affidavit and the Pre-Filing Report, the Company and a group of ad hoc noteholders (the “**Initial Consenting Noteholders**”) negotiated and entered into a restructuring support agreement (the “**Support Agreement**”) that provided for a restructuring transaction (the “**Restructuring Transaction**”) for the Company and its assets.
16. In connection with the commencement of the Proceedings, and as contemplated by the Support Agreement, the Company sought and obtained the Sale Process Order which provided for the implementation of a solicitation process in accordance with Court-approved sale process procedures.
17. The purpose of the SPP was to determine whether any parties were willing to purchase substantially all of Sino-Forest’s business operations for an amount provided for under the SPP. Under the terms of the Sale Process Order, the Company’s financial advisor, Houlihan Lokey (“**HL**”), conducted the Sale Process which is described in the following paragraphs.
18. Throughout the conduct of the SPP, the Monitor was advised and, in some cases, directly involved, in the steps being taken.
19. Upon the granting of the Sale Process Order, the following steps were taken:
 - (a) On April 5, 2012, the Monitor caused notice of the SPP to be published in the Globe and Mail and the Wall Street Journal. A copy of the publication notices were attached as Appendices F & G to the Monitor’s First Report;
 - (b) On March 30, 2012, the Company issued a press release regarding the SPP;

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- (c) The Company, with the assistance of HL and the Monitor, prepared a “teaser” letter that was sent to potentially interested parties;
 - (d) HL, in consultation with the Company and the Monitor,
 - (i) Selected a group of eighty-five (85) of strategic and financial buyers (comprised of buyers who had either contacted HL or the Company or were otherwise chosen to be in the group) and provided those potentially interested parties with copies of the teaser letter;
 - (ii) Negotiated fourteen (14) confidentiality agreements (“CAs”) with those parties who indicated an interest in the business;
 - (e) Certain of these bidders were ultimately deemed to be “Phase I Qualified Bidders” in accordance with the SPP requirements;
 - (f) On or about June 28, 2012 (the “**Phase I Bid Deadline**”), a number of non binding letters of intent (the “**LOIs**”) were received by the Company.
20. Pursuant to the SPP, upon receipt of the LOIs the Company, in consultation with HL and the Monitor, was required to determine whether any such LOIs constituted “Qualified Letters of Intent” and to notify parties as to whether their LOI constituted a Qualified Letter of Intent within seven (7) business days of the Phase 1 Bid Deadline. If a Qualified Letter of Intent was received during Phase 1, the Company would continue to Phase 2 of the SPP.
21. The SPP provided that the Company would terminate the SPP at the end of Phase 1 if, *inter alia*, no Qualified Letters of Intent were received.
22. Upon receipt of the LOIs, the Company and HL, in consultation with the Monitor, reviewed the terms of the LOIs to determine whether any of them met the requirements of the SPP.
23. The Company has determined that none of the LOIs constitute a Qualified Letter

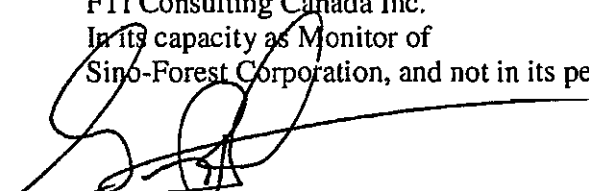
- 6 -

of Intent as provided for under the SPP. The Monitor understands that the advisors to the Ad Hoc Noteholders concur in this determination. As a result, on July 10, 2012, the Company issued a press release announcing the termination of the SPP. The Company also announced that it intends to proceed with the Restructuring Transaction as contemplated by the Support Agreement. As set out in the Support Agreement, the implementation of a Restructuring Transaction pursuant to a CCAA plan would be subject to all requisite Court approvals. A copy of the press release is attached as Appendix B hereto.

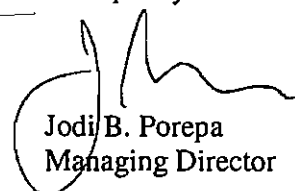
24. The Monitor has not included a summary of the LOIs due to the commercially sensitive nature of the contents of those LOIs. However, as set out above, the Monitor has independently reviewed the LOIs and is of the view, under the terms of the SPP, none of the LOIs constitute a Qualified Letter of Intent. In light of the fact that no Qualified Letters of Intent were received, the Monitor is of the view that the termination of the Sale Process is appropriate in the circumstances

Dated this 10th day of July, 2012.

FTI Consulting Canada Inc.
In its capacity as Monitor of
Sino-Forest Corporation, and not in its personal capacity



Greg Watson
Senior Managing Director



Jodi B. Porepa
Managing Director

APPENDIX A – SALE PROCESS ORDER

Attached.

Court File No. CV-12-9667-00-
CL



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

HONOURABLE MR.
JUSTICE MORAWETZ

)
)
)

FRIDAY, THE 30th
DAY OF MARCH, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF SINO-FOREST CORPORATION

SALE PROCESS ORDER

THIS APPLICATION, made by Sino-Forest Corporation (the "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of W. Judson Martin sworn March 30, 2012 and the Exhibits thereto and the Pre-Filing Report of the Proposed Monitor, FTI Consulting Canada Inc. ("FTI"), and on hearing the submissions of counsel for the Applicant, the Applicant's board of directors, FTI, the Ad Hoc Noteholders, and no one else appearing for any other party,

DEFINED TERMS

1. THIS COURT ORDERS that unless otherwise defined in this Order, all capitalized terms used in this Order shall have the meanings ascribed to such terms in the Initial Order granted in these proceedings on March 30, 2012.

SERVICE

2. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

SALE PROCESS

3. THIS COURT ORDERS AND DIRECTS that sale process procedures substantially in the form attached hereto as Schedule "A", together with all schedules, appendices and exhibits thereto (collectively, the "Sale Process Procedures"), are hereby approved and the Applicant, the Monitor and the Financial Advisor are authorized and directed to perform each of their obligations thereunder and to do all things reasonably necessary to perform their obligations thereunder.


4. THIS COURT ORDERS that each of the Monitor and the Financial Advisor, and their respective affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process Procedures, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor or the Financial Advisor, as applicable, in performing its obligations under the Sale Process Procedures (as determined by this Court).

GENERAL

5. THIS COURT ORDERS that the Applicant and the Monitor may from time to time apply to this Court for advice and directions with respect to any matter relating to this Order and the Sale Process Procedures and their powers and duties in relation thereto.

6. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.



 7. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 2 - 2012



Schedule "A"

SINO-FOREST CORPORATION

Sale Process Procedures

On March 30, 2012, Sino-Forest Corporation ("SFC") obtained an initial order (the "Initial Order") under the *Companies' Creditors Arrangement Act* ("CCAA") from the Ontario Superior Court of Justice (Commercial List) (the "Court").

On March 30, 2012, SFC also obtained a sale process order (the "Sale Process Order") under the CCAA from the Court approving the sale solicitation process (the "Sale Process") and the procedures to be followed with respect to the Sale Process set forth herein (the "Sale Process Procedures") to determine whether a Successful Bid (as defined herein) can be obtained.

Set forth below are the Sale Process Procedures to be followed with respect to the Sale Process to be undertaken to seek a Successful Bid, and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid.

All dollar amounts expressed herein, unless otherwise noted, are in United States currency. Unless otherwise indicated herein any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day. Capitalized terms used herein but not otherwise defined herein have the meanings ascribed thereto in Schedule "A".

Solicitation Process

- (1) The Sale Process Procedures set forth herein describe, among other things, (a) the Assets available for sale, (b) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning SFC, the Assets, and the SFC Business, (c) the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, (d) the receipt and negotiation of bids received, (e) the ultimate selection of a Successful Bidder, and (f) the approval thereof by the Court (collectively, the "Solicitation Process").
- (2) SFC, in consultation with the Financial Advisor, and with oversight by the Monitor, shall conduct the Sale Process Procedures and the Solicitation Process as outlined herein. Certain stages of the Sale Process Procedures may be conducted by SFC simultaneously to the preparation, solicitation or confirmation of a CCAA Plan by SFC. In addition, the closing of any sale may involve additional intermediate steps or transactions to facilitate consummation of such sale, including additional Court filings. If there is disagreement or clarification required as to the interpretation or application of these Sale Process Procedures, the Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor, SFC or the Initial Consenting Noteholders with a hearing on no less than three (3) Business Days notice.

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CCAA Plan

(3) The sale of the Assets to the Successful Bidder, if any, will be completed pursuant to a plan of compromise and arrangement pursuant to the CCAA, such plan to be in form and substance acceptable to SFC and the Initial Consenting Noteholders (the "CCAA Plan").

"As Is, Where Is"

(4) The sale of the Assets will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Financial Advisor, the Monitor, SFC or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a definitive purchase agreement with a Successful Bidder.

Free Of Any And All Claims And Interests

(5) The sale of the Assets to the Successful Bidder, if any, will result in all of the rights, title and interests of SFC in and to the Assets to be acquired being transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "Claims and Interests") pursuant to an approval and vesting order made by the Court. Contemporaneously with such approval and vesting order being made, all such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant definitive purchase agreement with a Successful Bidder.

Publication Notice

(6) Within seven (7) days of the date the Sale Process Order is granted, (i) the Monitor shall cause a notice of the Sale Process to be published in The Globe and Mail and The Wall Street Journal, which notice shall be in substantially similar form as attached hereto as Schedule "B"; and (ii) SFC shall issue a press release regarding the Sale Process through Canada Newswire, designating dissemination in Canada and major financial centers in the United States.

(7) [Intentionally deleted]

Solicitation of Interest

(8) As soon as reasonably practicable after the granting of the Sale Process Order, SFC, in consultation with the Financial Advisor and the Monitor, will prepare (if not already prepared) an initial offering summary (the "Teaser Letter") notifying prospective purchasers of the Assets (both strategic and financial parties (including existing shareholders and noteholders of SFC and parties proposed by the Noteholder Advisors)) of the existence of the Solicitation Process and inviting prospective purchasers to express their interest in making an offer for the Assets.

Participation Requirements

(9) Unless otherwise ordered by the Court, or otherwise determined by SFC (in consultation with the Monitor), in order to participate in the Solicitation Process, each interested person (a "**Potential Bidder**") must deliver to the Financial Advisor with a copy to the Monitor and the other parties listed on Schedule "C" at the addresses specified in Schedule "C" (by email), prior to the distribution of any confidential information by the Financial Advisor to a Potential Bidder, the following documents (the "**Participation Materials**"):

- (a) an executed Confidentiality Agreement;
- (b) a specific indication of anticipated sources of capital for the Potential Bidder and, if requested by SFC, in consultation with the Monitor and the Financial Advisor, preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow SFC, in consultation with the Monitor and the Financial Advisor, to make, in its reasonable business judgment, a determination as to the Potential Bidder's financial and other capabilities to consummate an acquisition of the Assets; and
- (c) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and, if requested by SFC, in consultation with the Monitor and the Financial Advisor, full disclosure of the direct and indirect owners of the Potential Bidder and their principals.

(10) If it is determined by SFC, after consultation with the Monitor and the Financial Advisor, that a Potential Bidder (i) has *bona fide* interest in an acquisition of the Assets; (ii) has the financial capability to consummate such a transaction based on such Potential Bidder's financial information; and (iii) has provided all of the Participation Materials, such Potential Bidder will be deemed a "**Phase 1 Qualified Bidder**". The Financial Advisor will promptly notify the Potential Bidder of such determination, and will inform the Noteholder Advisors of any such determination with respect to a Potential Bidder.

(11) The determination as to whether a Potential Bidder is a Phase 1 Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the Participation Materials.

(12) If there is no Phase 1 Qualified Bidder by the end of Phase 1, SFC shall, in consultation with the Monitor, the Financial Advisor and the Noteholder Advisors, (a) forthwith terminate the Sale Process; and (b) as soon as reasonably practicable take such steps (including bringing motions, holding meetings of creditors, etc.) as may be necessary to complete the Restructuring Transaction.

(13) If the Sale Process has been terminated as provided in section 12, the Financial Advisor shall notify each Potential Bidder that submitted Participation Materials that the Sale Process has been terminated.

Confidential Information Memorandum and Due Diligence for Phase 1 Qualified Bidders

(14) The Confidential Information Memorandum will be made available by the Financial Advisor to Phase 1 Qualified Bidders as soon as practicable after the determination that such party is a Phase 1 Qualified Bidder.

(15) During Phase 1, SFC shall afford each Phase 1 Qualified Bidder (including, for greater certainty, its potential lenders or financiers and its financial and legal advisors, provided however, that such persons have also signed a Confidentiality Agreement (or are representatives for whom the relevant Phase 1 Qualified Bidder is responsible under its Confidentiality Agreement)) access to such due diligence materials and information relating to the Assets and the SFC Business as SFC, in its reasonable business judgment, in consultation with the Monitor and the Financial Advisor, deems appropriate, and which may include discussions with the Financial Advisor and SFC's legal advisors. Unless otherwise determined by SFC, in consultation with the Monitor and the Financial Advisor, Phase 1 Qualified Bidders will not be provided access to the Data Room.

(16) The Monitor, the Financial Advisor and SFC make no representation or warranty as to the information in the materials provided, except, in the case of SFC, to the extent contemplated under any definitive purchase agreement with a Successful Bidder. A copy of the Confidential Information Memorandum shall be provided to the Noteholder Advisors pursuant to their confidentiality agreements with SFC.

Phase 1

Seeking Letters of Intent by the Phase 1 Qualified Bidders

(17) For the period following the date of the Sale Process Order until the Phase 1 Bid Deadline (as defined below) ("**Phase 1**"), SFC and the Financial Advisor, under the supervision of the Monitor, will solicit non-binding letters of intent from Phase 1 Qualified Bidder to acquire the Assets from SFC pursuant to a CCAA Plan (each, a "**Letter of Intent**").

(18) A Phase 1 Qualified Bidder that desires to continue to participate in the Solicitation Process shall deliver written copies of a Letter of Intent to SFC through the Financial Advisor with a copy to the Monitor and the other parties listed on Schedule "C" at the addresses specified in Schedule "C" (by email) so as to be received by all such parties not later than 5:00 p.m. (Toronto time) on June 28, 2012 (the "**Phase 1 Bid Deadline**").

Qualified Letters of Intent

(19) A Letter of Intent will be considered a Qualified Letter of Intent only if it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder and contains the following information (a "**Qualified Letter of Intent**"):

- (a) a statement that the Phase 1 Qualified Bidder is offering to acquire the Assets from SFC pursuant to a CCAA Plan for consideration not less than the Qualified Consideration (a "**Sale Proposal**");

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- (b) a specific indication of (i) the purchase price range expressed in United States dollars (including details of liabilities to be assumed by the Phase 1 Qualified Bidder and the projected net proceeds to be received by SFC on closing); (ii) the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and consummate the proposed transaction and any related contingencies, as applicable); (iii) an outline of the Phase 1 Qualified Bidder's plans for the SFC Business for the first 12 months after completion of the transaction; (iv) the Phase 1 Qualified Bidder's expectations regarding the continued employment of the employees of the direct and indirect subsidiaries of SFC; (v) the general terms of any new agreements or arrangements to be entered into with any current or former employees of SFC and its direct and indirect subsidiaries; (vi) any anticipated corporate, shareholder, internal, regulatory or other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals; (vii) a description of any additional due diligence required or desired to be conducted during Phase 2; (viii) any conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and (ix) any other terms or conditions of the Sale Proposal which the Phase 1 Qualified Bidder believes are material to the transaction; and
- (c) such other information reasonably requested by SFC, in consultation with the Monitor and the Financial Advisor.

(20) SFC, in consultation with the Monitor and the Financial Advisor, will assess each such Letter of Intent received by the Phase 1 Bid Deadline, if any, and determine whether it is a Qualified Letter of Intent. Such determination will be made as promptly as practicable but no later than seven (7) Business Days after the receipt of any such Letter of Intent. For the purpose of such consultations and assessments, SFC, the Financial Advisor and/or the Monitor may seek clarification from any Phase 1 Qualified Bidder with respect to the terms of such Letter of Intent.

(21) Notwithstanding section 19, in respect of any non-compliant Letter of Intent, SFC may, in consultation with the Monitor and the Financial Advisor, waive compliance with any one or more of the requirements specified herein and deem such non-compliant Letter of Intent to be a Qualified Letter of Intent; provided that, SFC shall not, without the consent of the Monitor and the Initial Consenting Noteholders, waive the requirement that the consideration offered by the Phase 1 Qualified Bidder must be not less than the Qualified Consideration. A Phase 1 Qualified Bidder shall only be deemed a "**Qualified Bidder**" if it submits a Qualified Letter of Intent.

(22) If SFC (a) has received one or more Qualified Letters of Intent prior to the Phase 1 Bid Deadline; and (b) in consultation with the Monitor and the Financial Advisor, determines that there is a reasonable prospect of obtaining a Qualified Bid, the Sale Process will continue until the Phase 2 Bid Deadline in accordance with these Sale Process Procedures ("**Phase 2**").

(23) Subject to the terms of the Sale Process Order, SFC shall, in consultation with the Monitor, the Financial Advisor and the Noteholder Advisors, terminate the Sale Process at the end of Phase 1 if:

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- (a) no Qualified Letter of Intent was received by SFC by the Phase 1 Bid Deadline;
- (b) SFC, in consultation with the Monitor and the Financial Advisor, determines that there is no reasonable prospect that any Qualified Letter of Intent received will result in a Qualified Bid that is likely to be consummated; or
- (c) SFC, in consultation with the Monitor and the Financial Advisor, determines that continuing with the Sale Process is not in the best interests of SFC.

(24) If the Sale Process is terminated by SFC in accordance with section 23, or pursuant to an order of the Court, SFC shall, as soon as reasonably practicable, take such steps (including bringing motions, holding meetings of creditors, etc.) as may be necessary to complete the Restructuring Transaction.

(25) If the Sale Process has been terminated as provided in section 23, the Financial Advisor shall notify each Phase 1 Qualified Bidder that submitted a Letter of Intent that the Sale Process has been terminated.

Phase 2

Seeking Qualified Bids by Qualified Bidders

(26) A Qualified Bidder wishing to continue to participate in the Solicitation Process must deliver written copies of a Qualified Bid to SFC through the Financial Advisor with a copy to the Monitor and the other parties listed on Schedule "C" at the addresses specified in Schedule "C" (by email) so as to be received by all such parties not later than 5:00 pm (Toronto time) on September 26, 2012 (the "**Phase 2 Bid Deadline**").

(27) During Phase 2, SFC shall afford each Qualified Bidder (including, for greater certainty, its potential lenders or financiers and its financial and legal advisors, provided, however, that such persons have also signed a Confidentiality Agreement (or are representatives for whom the relevant Qualified Bidder is responsible under its Confidentiality Agreement)) access to such due diligence materials and information relating to the Assets and the SFC Business as SFC, in its reasonable business judgment, in consultation with the Monitor and the Financial Advisor, deems appropriate, including, as appropriate, meetings with senior management of SFC, access to the Data Room and site tours.

(28) The Monitor, the Financial Advisor and SFC make no representation or warranty as to the information in the materials provided, except, in the case of SFC, to the extent contemplated under any definitive purchase agreement with a Successful Bidder.

Qualified Bids

(29) SFC shall make available to each Qualified Bidder a form of purchase agreement developed by SFC in consultation with the Monitor and the Financial Advisor (the "**Form of Purchase Agreement**") no later than 20 days after the Phase 1 Bid Deadline.

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(30) A bid submitted by a Qualified Bidder will be considered a Qualified Bid only if it complies with all of the following (a "Qualified Bid"):

- (a) it includes a letter stating that the Qualified Bidder's bid is irrevocable until the earlier of (x) the approval by the Court of the Successful Bid by the Successful Bidder and (y) the Outside Date, provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the sale of the Assets to the Successful Bidder and (ii) the Outside Date;
- (b) it includes a duly authorized and executed purchase agreement substantially in the form of the Form of Purchase Agreement, including the purchase price, expressed in United States dollars, the net proceeds to be paid to SFC on closing, together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto as well as copies of such materials marked to show those amendments and modifications to the Form of Purchase Agreement and such ancillary agreements;
- (c) it provides for the acquisition of the Assets from SFC pursuant to a CCAA Plan for consideration not less than the Qualified Consideration;
- (d) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing to consummate the proposed transaction, including the sources and uses of capital, or other evidence satisfactory to SFC, in consultation with the Monitor and the Financial Advisor that will allow SFC, in consultation with the Monitor and the Financial Advisor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the bid;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by or on behalf of the Qualified Bidder and/or (ii) obtaining any financing or capital;
- (f) it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (g) it provides a timeline to closing that is no later than the Outside Date, with critical milestones;
- (h) it fully discloses the identity of each entity that is bidding or that will be sponsoring, participating or beneficially interested in the bid, and the complete terms of any such sponsorship, participation or beneficial interest;
- (i) it includes an acknowledgement and representation that the Qualified Bidder (i) has relied solely upon its own independent review, investigation and/or inspection of the documents and/or the assets to be acquired and liabilities to be assumed in making its bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express

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or implied (by operation of law or otherwise), regarding the Assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement; (iii) is a sophisticated party capable of making its own assessments in respect of making its bid; and (iv) has had the benefit of independent legal advice in connection with its bid;

- (j) it includes evidence, in form and substance reasonably satisfactory to SFC, in consultation with the Monitor and the Financial Advisor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (k) it is accompanied by a deposit in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to SFC and the Monitor, payable to the order of the Monitor, in trust, of US\$10 million (or any other currency acceptable to the Monitor) to be held and dealt with in accordance with these Sale Process Procedures (the "**Deposit**");
- (l) if the Qualified Bidder is an entity newly formed for the purpose of the transaction or otherwise has limited net assets and/or operating history, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to SFC, in consultation with the Monitor and the Financial Advisor;
- (m) it contains any other information reasonably requested by SFC, in consultation with the Monitor and the Financial Advisor; and
- (n) it is received by the Phase 2 Bid Deadline and otherwise in accordance with section 26; provided, however, that SFC reserves the right following the Phase 2 Bid Deadline to conduct negotiations with each Qualified Bidder with respect to the terms and provisions of a bid and any qualifications or modifications that SFC, in consultation with the Monitor and the Financial Advisor, may seek in order for such bid to be classified as a Qualified Bid.

(31) Notwithstanding section 30, in respect of any non-compliant bid, SFC may, with the consent of the Monitor, waive compliance with any one or more of the requirements specified herein; provided, however, if such consent is not obtained, SFC may seek authority from the Court to waive compliance with any one or more of the requirements specified herein, provided that, in no circumstances shall the requirements in Sections (30)(a) (only with respect to the requirement that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the sale of the Assets to the Successful Bidder and (ii) the Outside Date), (30)(c), (30)(d), (30)(g), (30)(k) and (30)(n) be waived, without the consent of the Monitor and the Initial Consenting Noteholders.

(32) SFC will, in consultation with the Monitor, the Financial Advisor and the Noteholder Advisors, review each bid received by the Phase 2 Bid Deadline, if any, as set forth herein, and

determine whether it is a Qualified Bid. Such determination will be made as promptly as practicable but no later than seven (7) Business Days after the receipt of any such bid.

No Qualified Bids

(33) If at any point during the Sale Process, SFC determines, in consultation with the Monitor, the Financial Advisor and the Noteholder Advisors, that a Qualified Bid will not be obtained by the Phase 2 Bid Deadline, SFC shall (a) forthwith terminate the Sale Process; and (b) as soon as reasonably practicable take such steps (including bringing motions, holding meetings of creditors, etc.) as may be necessary to complete the Restructuring Transaction.

(34) If the Sale Process has been terminated as provided in section 33, the Financial Advisor shall notify each Qualified Bidder that the Sale Process has been terminated.

Evaluation and Selection of Successful Bid

(35) Evaluation criteria with respect to a Qualified Bid may include, but are not limited to items such as: (a) the purchase price (including assumed liabilities and other obligations to be performed or assumed by the bidder) and the net cash proceeds provided by such bid; (b) the claims likely to be created by such bid in relation to other bids; (c) the counterparties to, and the parties beneficially interested in, the transaction; (d) the proposed revisions to the Form of Purchase Agreement and the terms of the transaction documents (any such revisions to be acceptable to SFC in consultation with the Monitor and the Financial Advisor); (e) other factors affecting the speed, certainty and value of the transaction (including any regulatory or other approvals required to close the transaction); (f) the bidder's plans for the SFC Business for the first 12 months after completion of the transaction; (g) the bidder's expectations regarding the continued employment of the employees of the direct and indirect subsidiaries of SFC; (h) the terms of any new agreements or arrangements to be entered into with any current or former employees of the SFC and its direct and indirect subsidiaries; and (i) the likelihood and timing of consummating the transaction.

(36) If one or more Qualified Bids is received, SFC will, after consultation with the Monitor and the Financial Advisor, identify the highest or otherwise most favourable Qualified Bid (the "**Selected Superior Offer**") by October 5, 2012. SFC shall then finalize a definitive agreement in respect of the Selected Superior Offer by October 17, 2012, conditional upon approval of the Court, a vote of affected creditors (if not already obtained) and on the Selected Superior Offer closing on or before the Outside Date.

(37) Once a definitive agreement has been finalized and settled in respect of the Selected Superior Offer and approved by order of the Court in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the Qualified Bidder who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder.

(38) All Qualified Bids (other than the Successful Bid) shall be deemed rejected by SFC on and as of the date of approval of the Successful Bid by order of the Court.

(39) Notwithstanding anything contained herein, SFC, in consultation with the Monitor, the Financial Advisor and the Noteholder Advisors, may terminate the Sale Process at any time and

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may reject one or more Qualified Bids, if SFC, in consultation with the Monitor and the Financial Advisor, determines that the Sale Process or any such Qualified Bid is not in the best interests of SFC.

(40) If the Sale Process is terminated by SFC in accordance with section 39, SFC shall as soon as reasonably practicable take such steps (including bringing motions, holding meetings of creditors, etc.) as may be necessary to complete the Restructuring Transaction.

(41) If the Sale Process has been terminated as provided in section 39, the Financial Advisor shall notify each Qualified Bidder that the Sale Process has been terminated.

Approval Motion

(42) The hearing to, among other things, (a) approve the Successful Bid; (b) authorize SFC's entering into of agreements with respect to the Successful Bid; and (c) authorize SFC's completing the transaction contemplated thereby including, without limitation, seeking an order directing that a meeting of creditors of SFC be held to consider the CCAA Plan to implement the Successful Bid (the "**Approval Motion**") will be held on a date to be scheduled by the Court upon application by SFC. Subject to SFC's covenants under the Support Agreement, the Approval Motion may be adjourned or rescheduled by SFC with the consent of the Monitor, without further notice by an announcement of the adjourned date at the Approval Motion. If the Successful Bid is not, or, in the reasonable determination of SFC, in consultation with the Monitor and the Financial Advisor, is not likely to be, consummated on or before Outside Date, then SFC shall, and any other party in interest may, seek direction from the Court in regard to the Sale Process, after notice and a hearing, subject to the respective rights of SFC and all parties in interest, including the Initial Consenting Noteholders, to be heard regarding such relief.

(43) If following approval of the Successful Bid by the Court, the Successful Bidder fails to consummate the transaction for any reason, SFC shall as soon as reasonably practicable after such failure take such steps (including bringing motions, holding meetings of creditors, etc.) as may be necessary to complete the Restructuring Transaction.

Deposits

(44) All Deposits shall be retained by the Monitor and invested in an interest bearing (if available) trust account. If there is a Successful Bid, the Deposit (plus any accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion shall be non-refundable and applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction. The Deposits (plus any accrued interest) of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid, all Deposits (plus any accrued interest) shall be returned to the bidders within five (5) Business Days of the date upon which the Sale Process is terminated in accordance with these Sale Process Procedures.

(45) If a Successful Bidder breaches its obligations to close the transaction subsequent to the approval by the Court of the Successful Bid, it shall forfeit the Deposit, provided however, that

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the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that SFC has against such breaching entity.

Approvals

(46) For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement the Successful Bid.

Amendments/Extensions of Time

(47) There shall be no amendments to this Sale Process, including, for greater certainty the process and procedures set out herein, without the prior written consent of the Monitor and the Initial Consenting Noteholders unless otherwise ordered by the Court upon application and appropriate notice, including to the Initial Consenting Noteholders, the Noteholder Advisors and each of the parties listed in Schedule "C". Dates or deadlines set forth herein may be amended or extended by SFC with the prior written consent of the Monitor and the Initial Consenting Noteholders, unless otherwise ordered by the Court upon application and appropriate notice, including to the Initial Consenting Noteholders, the Noteholder Advisors and each of the parties listed in Schedule "C". Notwithstanding the foregoing, SFC may, in consultation with the Monitor and the Financial Advisor, decrease the length of time of Phase 1, and increase or decrease the length of time of Phase 2; provided that in no case shall the number of days in Phases 1 and 2 exceed 180 days in the aggregate.

Consultation

(48) SFC will keep the Noteholder Advisors generally informed regarding the status of the Sale Process and, if determined advisable by SFC in its discretion, may, in consultation with the Monitor and the Financial Advisor, provide the Noteholder Advisors with an opportunity for the Noteholder Advisors to participate in material discussions with interested parties in relation to the Sale Process.

Initial Consenting Noteholder Consent

(49) For the purposes of these Sale Process Procedures, any matter requiring agreement, waiver, consent or approval of the consent of the Initial Consenting Noteholders shall require the agreement, waiver, consent or approval, as the case may be, of Initial Consenting Noteholders representing at least 66 2/3% of the aggregate principal amount of Notes held by the Initial Consenting Noteholders. SFC shall be entitled to rely on written confirmation from the Noteholder Advisors that the Initial Consenting Noteholders representing at least the foregoing percentage of the aggregate principal amount of Notes held by the Initial Consenting Noteholders have agreed, waived, consented to or approved a particular matter.

Further Orders

(50) At any time during the Sales Process, SFC or the Monitor may, following consultation with the Financial Advisor and the Noteholder Advisors, and upon notice to the Initial Consenting Noteholders, the Noteholder Advisors and each of the parties listed in Schedule "C",

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apply to the Court for advice and directions with respect to the discharge of their respective powers and duties hereunder following a hearing. For greater certainty, nothing herein provides any Qualified Bidder with any rights other than as expressly set forth herein.

SCHEDULE "A"

DEFINED TERMS

In these Sale Process Procedures:

"Approval Motion" has the meaning ascribed thereto in section 42;

"Assets" means all of SFC's right, title and interest in and to its properties, assets and rights of every kind and description (including, without limitation, all restricted and unrestricted cash, contracts, real property, receivables or other debt owed to SFC, intellectual property, the SFC name and all related marks, all of its shares in its subsidiaries (including, without limitation, all of the shares of the Direct Subsidiaries) and all intercompany debt owed to SFC by any of its subsidiaries), other than the Excluded Assets;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are generally open for business in Toronto, Ontario and Hong Kong, Special Administrative Region of the People's Republic of China;

"CCAA" has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

"CCAA Plan" has the meaning ascribed thereto in section 3;

"Claims and Interest" has the meaning ascribed thereto in section 5;

"Confidential Information Memorandum" means the memorandum relating to the SFC Business and the opportunity to acquire the Assets to be distributed to Phase 1 Qualified Bidders as part of the Sale Process;

"Confidentiality Agreement" means an executed confidentiality agreement in favor of SFC, in form and substance satisfactory to the Monitor, the Financial Advisor and SFC, which shall inure to the benefit of SFC and any purchaser of the Assets (including a purchaser pursuant to the Restructuring Transaction);

"Consenting Noteholders" has the meaning ascribed thereto in the Support Agreement;

"Court" has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

"Data Room" means the virtual data room maintained by SFC through the facilities of Merrill Corporation.

"Deposit" has the meaning ascribed thereto in section 30(k);

"Direct Subsidiaries" means Sino-Panel Holdings Limited, Sino-Global Holdings Inc., Sino-Panel Corporation, Sino-Wood Partners, Sino-Capital Global Inc., Sino-Forest International (Barbados) Corporation and Sino-Forest Resources Inc. (BVI);

“Excluded Assets” means cash equal to \$20 million, the claims of SFC to be transferred to the Litigation Trust and any other assets and rights of SFC that are not transferred to the Successful Bidder pursuant to the Successful Bid as determined by SFC and the Successful Bidder and identified in the CCAA Plan;

“Financial Advisor” means Houlihan Lokey;

“Form of Purchase Agreement” has the meaning ascribed thereto in section 29;

“Initial Consenting Noteholders” has the meaning ascribed thereto in the Support Agreement;

“Initial Order” has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

“Letter of Intent” has the meaning ascribed thereto in section 17;

“Litigation Trust” means the litigation trust to be established pursuant to the CCAA Plan pursuant to which all claims of SFC and its subsidiaries against any Person shall be transferred on the implementation date of the CCAA Plan.

“Meeting Order” means the order of the Court establishing the procedures for voting on the CCAA Plan, which shall be in form and substance satisfactory to SFC and the Noteholder Advisors, each acting reasonably, as such order may be amended at any time prior to the time the sale transaction that forms part of a Successful Bid is implemented with the consent of SFC and the Noteholder Advisors.

“Monitor” means FTI Consulting Canada Inc., in its capacity as monitor pursuant to the Initial Order and not in its personal or corporate capacity;

“NI 51-102” has the meaning ascribed thereto in section **Error! Reference source not found.**;

“Noteholder Advisors” means Goodmans LLP, Hogan Lovells LLP, Moelis & Company LLC and Moelis & Company Asia Limited, in their capacity as advisors to the Initial Consenting Noteholders;

“Notes” means the 5% Convertible Senior Notes due 2013 issued by SFC, the 10.25% Guaranteed Senior Notes due 2014 issued by SFC, the 4.25% Convertible Senior Notes due 2016 issued by SFC and the 6.25% Guaranteed Senior Notes due 2017 issued by SFC;

“Outside Date” means November 30, 2012, as the same may be amended with the consent of the Initial Consenting Noteholders.

“Participation Materials” has the meaning ascribed thereto in section 9;

“Person” means any individual, sole proprietorship, limited or unlimited liability corporation, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, body corporate, joint venture, trust, pension fund, union, governmental entity, and a natural person including in such person’s capacity as trustee, heir, beneficiary, executor, administrator or other legal representative;

"Phase 1" has the meaning ascribed thereto in section 17;

"Phase 1 Bid Deadline" has the meaning ascribed thereto in section 18;

"Phase 1 Qualified Bidder" has the meaning ascribed thereto in section 10;

"Phase 2" has the meaning ascribed thereto in section 22;

"Phase 2 Bid Deadline" has the meaning ascribed thereto in section 26;

"Potential Bidder" has the meaning ascribed thereto in section 9;

"Qualified Bid" has the meaning ascribed thereto in section 30;

"Qualified Bidder" has the meaning ascribed thereto in section 21;

"Qualified Consideration" means cash consideration payable to SFC (or such other form of consideration as may be acceptable to SFC and the Initial Consenting Noteholders) in an amount equal to 85% of the aggregate principal amount of the Notes, plus all accrued and unpaid interest on Notes, at the regular rates provided therefor pursuant to the Note indentures, up to and including March 30, 2012;

"Qualified Letter of Intent" has the meaning ascribed thereto in section 19;

"Restructuring Transaction" means the restructuring transaction contemplated by the Support Agreement in the event a Successful Bid is not obtained and/or SFC does not consummate the sale transaction;

"Sale Process" has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

"Sale Process Order" has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

"Sale Process Procedures" has the meaning ascribed thereto the recitals to these Sale Process Procedures;

"Sale Proposal" has the meaning ascribed thereto in section 19(a);

"Selected Superior Offer" has the meaning ascribed thereto in section 36;

"SFC" has the meaning ascribed thereto in the recitals to these Sale Process Procedures;

"SFC Business" means the business carried on by SFC and its direct and indirect subsidiaries;

"Solicitation Process" has the meaning ascribed thereto in section 1;

"Successful Bid" has the meaning ascribed thereto in section 37;

"Successful Bidder" has the meaning ascribed thereto in section 37;

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“Support Agreement” means the support agreement dated March 30, 2012, between SFC and the Initial Consenting Noteholders and the other Consenting Noteholders, as amended from time to time;

“Teaser Letter” has the meaning ascribed thereto in section 8; and

“Voting Deadline” means the deadline for voting on the CCAA Plan, as established by the Meeting Order.

SCHEDULE "B"**FORM OF NOTICE OF SALE PROCESS**

TAKE NOTICE THAT pursuant to an order (the "Order") of the Ontario Superior Court of Justice (the "Court") issued on March 30, 2012 under the *Companies' Creditors Arrangement Act*, Sino-Forest Corporation obtained Court approval to conduct a sale solicitation process (the "Sale Process").

Pursuant to the Sale Process, Sino-Forest Corporation's financial advisor, Houlihan Lokey, is soliciting proposals from prospective strategic and financial parties to acquire substantially all of the property, assets and business of Sino-Forest Corporation and its subsidiaries, other than certain excluded assets. Sino-Forest Corporation is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of tree plantations, the sale of standing timber and wood logs, and the complementary manufacturing of downstream engineered-wood products.

Interested parties can obtain additional information by contacting Houlihan Lokey at:

Houlihan Lokey
Attention: David Putnam
Telephone: +852.3551.2300
Email: dputnam@hl.com

SCHEDULE "C"
NOTICE PARTIES

1.	<p>Sino-Forest Corporation Room 3815-29 38/F, Sun Hung Kai Centre 30 Harbour Road, Wanchai, Hong Kong</p> <p>Attention: Mr. Judson Martin, Chief Executive Officer Email: 1atson-martin@sinoforest.com</p>
2.	<p>Houlihan Lokey 2101 Two Exchange Square, 8 Connaught Place Central, Hong Kong</p> <p>Attention: David Putnam Email: dputnam@hl.com</p>
3.	<p>Bennett Jones LLP One First Canadian Place, Suite 3400, P.O. Box 130 Toronto, Ontario M5X 1A4</p> <p>Attention: Kevin J. Zych and Raj S. Sahni Email: zychk@bennettjones.com and sahnir@bennettjones.com</p>
4.	<p>FTI Consulting Canada Inc. TD Waterhouse Tower 79 Wellington Street West, Suite 2010, P.O. Box 104 Toronto, Ontario M5K 1G8</p> <p>Attention: Greg Watson Email: greg.watson@fticonsulting.com</p>

**IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE
MATTER OF A PLAN OR COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION**

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced in Toronto

SALES PROCESS ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Rob Staley (LSUC #27115J)
Kevin Zych (LSUC #33129I)
Derek Bell (LSUC #43420J)
Jonathan Bell (LSUC #55457P)
Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicant

APPENDIX B – PRESS RELEASE

Attached.



Sino-Forest Corporation

**Sino-Forest Proceeds to Implement Restructuring Transaction
Contemplated by the Restructuring Support Agreement and
Terminates Sale Solicitation Process**

TORONTO, CANADA– July 10, 2012 – Sino-Forest Corporation (“Sino-Forest” or the “Company”) announced today that it is proceeding to implement the previously announced restructuring transaction pursuant to which its creditors will acquire substantially all of the assets of the Company (the “Restructuring Transaction”) in accordance with the terms described in the Restructuring Support Agreement (the “Support Agreement”) entered into by certain noteholders (the “Ad Hoc Committee”) and the Company on March 30, 2012. Pursuant to the Restructuring Transaction, Sino-Forest will transfer substantially all of its assets, other than certain excluded assets, to a newly formed entity owned and controlled by its creditors in full and final settlement of all claims against the Company.

As announced on June 8, 2012, holders of more than 72% of the aggregate principal amount of the Company’s outstanding notes (with more than 66.67% of the principal amount of each of the four series of Notes) have agreed to be parties to the Support Agreement. Pursuant to certain revised deadlines under the Support Agreement, Sino-Forest is required to file a plan under the *Companies’ Creditors Arrangement Act* (“CCAA”) in respect of the Restructuring Transaction on or before August 7, 2012.

In accordance with the sale process procedures approved by the Ontario Superior Court of Justice on March 30, 2012 (the “SPP”), Sino-Forest’s financial advisor, Houlihan Lokey, had been soliciting offers to purchase substantially all of Sino-Forest’s assets. Following consultation with the court-appointed Monitor, FTI Consulting, the Company’s financial advisor and the Ad Hoc Committee and its advisors, the Company determined that none of the bids submitted pursuant to the SPP constituted Qualified Bids as defined in the SPP and the sale solicitation process has been terminated in accordance with the SPP.

Additional details regarding the Restructuring Transaction are contained in the Support Agreement, a copy of which is available at www.sedar.com and on the Monitor’s website at <http://cfcanada.fticonsulting.com/sfc>.

Inquiries

All inquiries regarding the Company’s proceedings under the CCAA should be directed to the Monitor, FTI Consulting, via email at: sfc@fticonsulting.com, or telephone: (416) 649-8094. Information about the CCAA proceedings, including copies of all court orders and the Monitor’s reports, are available at the Monitor’s website <http://cfcanada.fticonsulting.com/sfc>.

<p>FOR OTHER INQUIRIES PLEASE CONTACT: BRUNSWICK GROUP LIMITED Tel: + 1 646 625 7452</p>
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FOR MEDIA INQUIRIES PLEASE CONTACT:
 BRUNSWICK GROUP LIMITED
 Email: sinoforest@brunswickgroup.com

New York
 Stan Neve
 Tel: +1 212 333 3810

Hong Kong
 Tim Payne
 Cindy Leggett-Flynn
 Tel: +852 3512 5000

This news release contains forward-looking information within the meaning of applicable securities laws, including statements relating to the Company's expectations with respect to the implementation of the Restructuring Transaction and the expected terms of, and consideration to be received pursuant to, the Restructuring Transaction. The forward looking statements expressed or implied by this news release are subject to important risks and uncertainties. When used in this news release, the words "is proceeding", "will" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. The results or events predicted in these statements may differ materially from actual results or events and are not guarantees of future performance of Sino-Forest. Factors which could cause results or events to differ from current expectations include, among other things: actions taken against the Company by governmental agencies and securities and other regulators; actions taken by the Company's noteholders, lenders, creditors, shareholders, and other stakeholders to enforce their rights; the Company's ability to negotiate and finalize definitive documentation regarding the Restructuring Transaction on the terms contemplated, if at all; the Company's ability to complete the Restructuring Transaction in the timeframe contemplated, if at all, which is subject to the satisfaction or waiver of numerous conditions, some of which are beyond the control of the Company, including conditions in respect of the approval of the Court, the Company's creditors and other stakeholders and securities and other regulatory authorities; the outcome of examinations and proceedings currently underway by law enforcement and securities regulatory authorities; the outcome of class action or other proceedings which have been or may in future be initiated against the Company; the accuracy and outcome of the results of tree asset testing undertaken by the Company; the Company's reliance on key employees; the Company's ability to acquire rights to additional standing timber; the Company's ability to meet its expected plantation yields; the cyclical nature of the forest products industry and price fluctuation in and the demand and supply of logs; the Company's reliance on the relationship with local plantation land owners and/or plantation land use rights holders, authorized intermediaries, key customers, suppliers and third party service providers; the Company's ability to operate its production facilities on a profitable basis; changes in currency exchange rates and interest rates; the evaluation of the Company's provision for income and related taxes; economic, political and social conditions and government policy in China, the Republic of Suriname and New Zealand; and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forwarding-looking statements. Sino-Forest Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Court File No.: CV-12-9667-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

FOURTH REPORT OF THE MONITOR

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

Derrick Tay (LSUC No. 21152A)
Tel: (416) 369-7330 / Fax: (416) 862-7661
Email: derrick.tay@gowlings.com

Jennifer Stam (LSUC No. 46735J)
Tel: (416) 862-5697 / Fax: (416) 862-7661
Email: jennifer.stam@gowlings.com

Lawyers for the Monitor,
FTI Consulting Canada Inc.

Court of Appeal File No.: M41654
Superior Court File No. CV-12-9667-00-CL

COURT OF APPEAL FOR ONTARIO

**IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT IN THE MATTER OF SINO-FOREST CORPORATION**

Applicant

**APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

APPELLANT'S CERTIFICATE

The appellants certify that the following evidence is required for the appeal, in the appellants' opinion:

1. Affidavit of Christine Shiels, sworn June 21, 2012 and Exhibits.

October 26, 2012

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
130 Adelaide Street West, Suite 2600
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)
Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com

Peter J. Osborne (33420C)
Tel: (416) 865-3094
Fax (416) 865-3974
Email: posborne@litigate.com

Shara N. Roy (49950H)
Tel: (416) 865-2942
Fax (416) 865-3973
Email: sroy@litigate.com

Lawyers for the Appellant,
Ernst & Young LLP

TO: THE ATTACHED SERVICE LIST

SINO-FOREST CORPORATION
Applicant

-and- ERNST & YOUNG LLP
Respondent

Court File No. CV-12-9667-00-CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

IN THE MATTER OF

PROCEEDING COMMENCED AT TORONTO

APPELLANT'S CERTIFICATE

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Barristers

130 Adelaide Street West, Suite 2600
Toronto ON M5H 3P5

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Tel: (416) 865-2921

Fax: (416) 865-3558

Email: pgriffin@litigate.com

Peter J. Osborne (33420C)

Tel: (416) 865-3094

Fax (416) 865-3974

Email: posborne@litigate.com

Shara N. Roy (49950H)

Tel: (416) 865-2942

Fax (416) 865-3973

Email: sroy@litigate.com

Lawyers for the Appellant,
Ernst & Young LLP,
Ernst & Young LLP

Court of Appeal File No.: M41654
 Superior Court File No. CV-12-9667-00-CL

COURT OF APPEAL FOR ONTARIO

**IN THE MATTER OF THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

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Applicant

APPLICATION UNDER THE *COMPANIES CREDITORS'*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

CERTIFICATE OF COMPLETENESS

I, **SHARA ROY**, lawyer for the Appellant, Ernst & Young LLP, certify that the
 Appeal Book and Compendium in this Appeal is complete and legible.

October 26, 2012



Shara N. Roy

**LENCZNER SLAGHT ROYCE
 SMITH GRIFFIN LLP**

Barristers
 130 Adelaide Street West, Suite 2600
 Toronto ON M5H 3P5

Peter H. Griffin (19527Q)
 Tel: (416) 865-2921
 Fax: (416) 865-3558
 Email: pgriffin@litigate.com

Peter J. Osborne (33420C)
 Tel: (416) 865-3094
 Fax: (416) 865-3974
 Email: posborne@litigate.com

Shara N. Roy (49950H)
 Tel: (416) 865-2942
 Fax: (416) 865-3973
 Email: sroy@litigate.com

Lawyers for the Appellant,
 Ernst & Young LLP

TO: **THE SERVICE LIST**

IN THE MATTER OF THE COMPANIES CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN
THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SINO-FOREST CORPORATION
Court of Appeal File No. M41654 / Superior Court File No. CV-12-9667-00-CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

**APPEAL BOOK AND COMPENDIUM OF
ERNST & YOUNG LLP
VOLUME 1 OF 2**

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Barristers
Suite 2600
130 Adelaide Street West
Toronto ON M5H 3P5

Peter H. Griffin (19527Q)
Tel: (416) 865-2921
Fax: (416) 865-3558
Email: pgriffin@litigate.com

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Tel: (416) 865-3094
Fax: (416) 865-3974
Email: posborne@litigate.com

Shara N. Roy (49950H)
Tel: (416) 865-2942
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Email: sroy@litigate.com

Lawyers for the Appellant,
Ernst & Young LLP