


TAB I

This is Exhibit "I" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

**FINAL REPORT OF
THE INDEPENDENT COMMITTEE OF THE BOARD OF DIRECTORS
OF SINO-FOREST CORPORATION**

Privileged & Confidential

January 31, 2012

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GLOSSARY

SCHEDULES

SCHEDULE I: SECOND INTERIM REPORT – EXECUTIVE SUMMARY

Notes:

1. Capitalized terms used in this Final Report shall have the respective meanings ascribed to them in the Glossary.
2. The IC Advisors have conducted various investigative and review processes, all at the direction of, and subject to such scope limitations as the IC, in its judgment, deemed appropriate. This Final Report, while based on the work of such advisors, is the report of the IC and not the report of the IC Advisors.

INTRODUCTION

The IC was established by the Board on June 2, 2011 immediately following the release by Muddy Waters of the MW Report. The IC has issued two interim reports to the Board since that date, the first dated August 10, 2011 and the second dated November 13, 2011. The initial members of the IC were William Ardell (Chair), James Bowland and James Hyde. At the invitation of the IC, Mr. Garry West, an independent director of SF, has attended virtually all the IC meetings and participated in its process. Mr. Bowland resigned as a director and from the IC on November 3, 2011 following the delivery to the Board of the IC's draft Second Interim Report. The IC has formally met approximately 75 times, in most cases for several hours, and met informally and communicated by email almost daily, either as IC members or in another Board capacity.

As was noted in the Second Interim Report, the IC focused on the years 2006 and following and limited its process to the examination and review of the issues raised in three core areas: (i) timber asset verification; (ii) timber asset value; and (iii) revenue recognition. Overlaying or intertwined with the latter two areas were the issues raised by the MW allegations regarding related party transactions and relationships. These issues have proved to be very difficult to definitively resolve.

The Second Interim Report described the process undertaken by the IC in its examination and review of the allegations made in the MW Report, summarized the outcomes and findings resulting from such process and identified certain further steps which the IC intended to take. Attached as Schedule I to this report is the Executive Summary from the Second Interim Report which includes an overview of the IC's principal findings as to timber ownership, forestry bureau confirmations and Plantation Rights Certificates, book values of timber, revenue reconciliation, relationships, cash and the BVI structure. The Executive Summary also discusses the challenges encountered by the IC in conducting its process.

The Second Interim Report stated that, while the IC believed its work was substantially complete, there remained certain further steps which it intended to undertake as follows:

- review the information and analysis which had very recently been provided by Management and which was intended to respond to certain issues regarding relationships of the Company with AIs and Suppliers and between AIs and Suppliers as identified in Part IV of the Second Interim Report;
- work with management to engage an independent valuator; and
- such other steps as the IC, in its judgment, deemed advisable in the discharge of its mandate.

This Final Report of the IC sets out the activities undertaken by the IC since mid-November, the findings from such activities and the IC's conclusions regarding its examination and review. The IC's activities during this period have been limited as a result of Canadian and Chinese holidays (Christmas, New Year and Chinese New Year) and the extensive involvement of IC members in the Company's Restructuring and Audit Committees, both of which are advised by different advisors than those retained by the IC. The IC believes that, notwithstanding there remain issues which have not been fully answered, the work of the IC is now at the point of diminishing

returns because much of the information which it is seeking lies with non-compellable third parties, may not exist or is apparently not retrievable from the records of the Company.

In December 2011, the Company defaulted under the indentures relating to its outstanding bonds with the result that its resources are now more focused on dealing with its bondholders. This process is being overseen by the Restructuring Committee appointed by the Board. Pursuant to the Waiver Agreement dated January 18, 2012 between the Company and the holders of a majority of the principal amount of its 2014 Notes, the Company agreed, among other things, that the final report of the IC to the Board would be made public by January 31, 2012.

Given the circumstances described above, the IC understands that, with the delivery of this Final Report, its review and examination activities are terminated. The IC does not expect to undertake further work other than assisting with responses to regulators and the RCMP as required and engaging in such further specific activities as the IC may deem advisable or the Board may instruct. The IC has asked the IC Advisors to remain available to assist and advise the IC upon its instructions.

I. PROCESS SINCE NOVEMBER 13, 2011

The IC Advisors' privileged report on outstanding items as at the date of the Second Interim Report and limited processes conducted by the IC Advisors since November 13, 2011 (being the date of the IC's Second Interim Report) has been delivered to the Board. Many of those challenges, which are fully described in section C of the Executive Summary of the Second Interim Report, continued to affect the IC's process since November 13, 2011. See Schedule I.

The scope of review and the processes undertaken by the IC Advisors since November 13, 2011 were determined by the IC and have been subject to certain limitations. The IC, in its judgment, considers such limitations to be appropriate and in the best interest of the Company, having regard to the challenges referred to above, time constraints and cost/benefit considerations. This Final Report to the Board, while partially based on the work of the IC Advisors, is the report of the IC and not the work of the IC Advisors.

II. RELATIONSHIPS

The objectives of the IC's examination of the Company's relationships with its AIs and Suppliers were to determine, in light of the MW allegations, if such relationships are arm's length and to obtain, if possible, independent verification of the cash flows underlying the set-off transactions described in Section II.A of the Second Interim Report. That the Company's relationships with its AIs and Suppliers be arm's length is relevant to SF's ability under GAAP to:

- book its timber assets at cost in its 2011 and prior years' financial statements, both audited and unaudited
- recognize revenue from standing timber sales as currently reflected in its 2011 and prior years' financial statements, both audited and unaudited.

A. Yuda Wood

Yuda Wood was founded in April 2006 and was until 2010 a Supplier of SF. Its business with SF from 2007 to 2010 totalled approximately 152,164 Ha and RMB 4.94 billion. Section VI.A and Schedule VI.A.2(a) of the Second Interim Report described the MW allegations relating to Yuda Wood, the review conducted by the IC and its findings to date. The IC concluded that Huang Ran is not currently an employee, and that Yuda Wood is not a subsidiary, of the Company. However, there is evidence suggesting a close cooperation between SF and Yuda Wood which the IC had asked Management to explain. At the time the Second Interim Report was issued, the IC was continuing to review Management's explanations of a number of Yuda Wood-related emails and certain questions arising there-from.

Subsequent to the issuance of its Second Interim Report in mid-November, the IC, with the assistance of the IC Advisors, has reviewed the Management responses provided to date relating to Yuda Wood and has sought further explanations and documentary support for such explanations. This was supplementary to the activities of the Audit Committee of SF and its advisors who have had during this period primary carriage of examining Management's responses on the interactions of SF and Yuda Wood. While many answers and explanations have been obtained, the IC believes that they are not yet sufficient to allow it to fully understand the nature and scope of the relationship between SF and Yuda Wood. Accordingly, based on the information it has obtained, the IC is still unable to independently verify that the relationship of Yuda Wood is at arm's length to SF. It is to be noted that Management is of the view that Yuda Wood is unrelated to SF for accounting purposes. The IC remains satisfied that Yuda is not a subsidiary of SF. Management continues to undertake work related to Yuda Wood, including seeking documentation from third parties and responding to e-mails where the responses are not yet complete or prepared. Management has provided certain banking records to the Audit Committee that the Audit Committee advises support Management's position that SF did not capitalize Yuda Wood (but that review is not yet completed). The IC anticipates that Management will continue to work with the Audit Committee, Company counsel and E&Y on these issues.

B. Other Relationships

Section VI.B.1 of the Second Interim Report described certain other relationships which had been identified in the course of the IC's preparation for certain interviews with AIs and Suppliers. These relationships include (i) thirteen Suppliers where former SF employees, consultants or secondees are or have been directors, officers and/or shareholders (including Yuda Wood); (ii) an AI with a former SF employee in a senior position; (iii) potential relationships between AIs and Suppliers; (iv) set-off payments for BVI standing timber purchases being made by companies that are not AIs and other set-off arrangements involving non-AI entities; (v) payments by AIs to potentially connected Suppliers; and (vi) sale of standing timber to an AI potentially connected to a Supplier of that timber. Unless expressly addressed herein, the IC has no further update of a material nature on the items raised above.

On the instructions of the IC, the IC Advisors gave the details of these possible relationships to Management for further follow up and explanation. Just prior to the

Second Interim Report, Management provided information regarding AIs and Suppliers relationships among the Company and such parties.

This information was in the form of a report dated November 10, 2011, subsequently updated on November 21, 2011 and January 20, 2012 (the latest version being the "Kaitong Report") prepared by Kaitong Law Firm ("Kaitong"), a Chinese law firm which advises the Company. The Kaitong Report has been separately delivered to the Board. Kaitong has advised that much of the information in the Kaitong Report was provided by Management and has not been independently verified by such law firm or the IC. Kaitong's work on the information received from Management includes:

- Reconciling the annual transaction amount for each Supplier and AI with the purchase/sales detailed data, which were provided by Management;
- Checking registration documents filed with SAIC to verify the basic information (legal representative, shareholding structure and establishment date) of Suppliers and AIs; and
- Performing Internet searches on the backers including their current and past position, investment and news.

The Kaitong Report generally describes certain relationships amongst AIs and Suppliers and certain relationships between their personnel and Sino-Forest, either identified by Management or through SAIC and other searches. The Kaitong Report also specifically addresses certain relationships identified in the Second Interim Report. The four main areas of information in the Kaitong Report are as follows and are discussed in more detail below:

- (i) **Backers to Suppliers and AIs:** The Kaitong Report explains the concept of "backers" to both Suppliers and AIs. The Kaitong Report suggests that backers are individuals with considerable influence in political, social or business circles, or all three. The Kaitong Report also states that such backers or their identified main business entities do not generally appear in SAIC filings by the Suppliers or AIs as shareholders thereof and, in most instances, in any other capacity.
- (ii) **Suppliers and AIs with Former SF Personnel:** The appendices to the Kaitong Report list certain Suppliers that have former SF personnel as current shareholders.
- (iii) **Common Shareholders Between Suppliers and AIs:** The Kaitong Report states that there are 5 Suppliers and 3 AIs with current common shareholders but there is no cross majority ownership positions between Suppliers and AIs.
- (iv) **Transactions Involving Suppliers and AIs that have Shareholders in common:** The Kaitong Report states that, where SF has had transactions with Suppliers and AIs that have certain current shareholders in common as noted above, the subject timber in those transactions is not the same;

that is, the timber which SF buys from such Suppliers and the timber which SF sells to such AIs are located in different counties or provinces.

The IC Advisors have reviewed the Kaitong Report on behalf of the IC. The IC Advisors liaised with Kaitong and met with Kaitong and current and former Management. A description of the Kaitong Report and the IC's findings and comments are summarized below. By way of summary, the Kaitong Report provides considerable information regarding relationships among Suppliers and AIs, and between them and SF, but much of this information related to the relationship of each backer with the associated Suppliers and AIs is not supported by any documentary or other independent evidence. As such, some of the information provided is unverified and, particularly as it relates to the nature of the relationships with the backers, is viewed by the IC to be likely unverifiable by it.

1. **Backers to Suppliers and AIs**

As noted above, the Kaitong Report explains the concept of backers of certain Suppliers and AIs. The Kaitong Report in effect supersedes certain of the information previously provided by Management and reported in the Second Interim Report (Part V.C.18(b)) concerning AIs and their supporters (then referred to as AI Holdcos or conglomerate).

The Kaitong Report states that all backers to Suppliers and AIs have strong business networks and good relations with various levels of the identified Chinese governments but does not explain the nature of the connections. The Kaitong Report stresses the importance of "Guanxi" in Chinese business, but is not specific as to particular benefits and why these particular relationships are important. The Kaitong Report contains little information to validate the political or business connections of such backers, or the nature of the relationship between the backers and the Suppliers or AIs. There is no documentary evidence of the nature of their support for their respective Suppliers or AIs nor the consideration (if any) received by the backers for their support of the Suppliers or AIs. The Kaitong Report suggests that such backers may provide resources that are important in China such as introductions, endorsements and connections.

As described in Schedule II, the IC Advisors conducted a review of the emails of twenty-three custodians using keyword searches related to the backers.

The documents identified by the IC Advisors from such review as being of potential interest showed no direct communication between backers and SF personnel. No additional substantive information was obtained from such email review or the interactions between the IC Advisors and Kaitong and management either on the relationships between SF and the backers or the roles and involvement of the backers in the business dealings between SF and the AIs and Suppliers. Management has advised that, while they were aware of certain backers of the AIs and Suppliers, the backers were not directly involved in the interactions with the Company. This appears to be borne out by the key word searches.

The SAIC information reviewed by the IC Advisors indicated one connection between an identified backer and an associated Supplier and the Kaitong Report indicates another between a backer and one of his associated Suppliers.

As described below, certain of the persons identified as backers of AIs were interviewed prior to the Second Interim Report and, in some cases, acknowledged an association with the AI for which the Kaitong Report identified them as its backer.

Given the general lack of information on the backers or the nature and scope of the relationships between the Suppliers or AIs and their respective backers and the absence of any documentary support or independent evidence of such relationships, the IC has been unable to reach any conclusion as to the existence, nature or importance of such relationships. As a result, the IC is unable to assess the implications, if any, of these backers with respect to SF's relationships with its Suppliers or AIs. Based on its experience to date, including interviews with Suppliers and AIs involving persons who have now been identified as backers in the Kaitong Report, the IC believes that it would be very difficult for the IC Advisors to arrange interviews with either the AIs or Suppliers or their respective backers and, if arranged, that such interviews would yield very little, if any, verifiable information to such advisors. The IC understands Management is continuing to seek meetings with its AIs and Suppliers with the objective of obtaining information, to the extent such is available, that will provide further background to the relationships to the Audit Committee.

(a) New Suppliers

The Kaitong Report also addresses the observation in the Second Interim Report that several new Suppliers have appeared since 2009 and completed very large transactions with SF. The Kaitong Report states that Management advised that the main reason to have new Suppliers is that as the Company expands its business into new geographic regions, it needs Suppliers established in each such region. In addition, the Company would also like to balance the transactions among Suppliers so as to reduce dependency risk on certain Suppliers. Supplier #21. is named as one such Supplier. This Supplier has the same backer (Backer #24¹) and one similar shareholder (Shareholder #12 as to 70%) as the earlier supplier, Supplier #2, where Shareholder #12 is shown in SAIC filings as a 20% shareholder. This particular new Supplier is supplying in Sichuan Province, a relatively new area for SF.

(b) Backers to AIs

The Kaitong Report states that from 2006 to 2011 Sino-Forest sold timber to a total of 13 AIs and of these, 6 are supported by four backers. These backers are Backer #5, Backer #7, and Backer #3², Backer #2 and Backer #8. The Kaitong Report states that it is not known if the remaining 7 AIs have backers.

The IC Advisors have interviewed Backer #5, Backer #3 and Backer #2 prior to production of the Kaitong Report as former Management had identified them as associated with certain corporate entities then referred to as AI Holdcos or

¹ For the purposes of this report, certain persons or entities that were labelled as "Shareholder" in the Second Interim Report are referred to as "Backer" in this Final Report. The numeric portion of the assigned name of such persons or entities remains the same where previously referred to in the Second Interim Report.

² Formerly referred to as AI-Supplier Contact #3

conglomerates. All confirmed their associations with the relevant AIs , but did not produce any documentation verifying such association.

2. Suppliers and AIs with Former SF Personnel

The Appendices to the Kaitong Report list the Suppliers with former SF personnel as current shareholders. According to the information previously obtained by the IC Advisors, the identification of former SF personnel indicated in the Kaitong Report to be current shareholders of past or current Suppliers is correct.

(a) Suppliers with former SF personnel

The Kaitong Report, which is limited to examining Suppliers where ex-SF employees are current shareholders as shown in SAIC filings, does not provide material new information concerning Suppliers where former SF employees were identified by the IC in the Second Interim Report as having various past or present connections to current or former Suppliers except that the Kaitong Report provides an explanation of two transactions identified in the Second Interim Report. These involved purchases of standing timber by SF from Suppliers controlled by persons who were employees of SF at the time of these transactions. Neither of the Suppliers have been related to an identified backer in the Kaitong Report. The explanations are similar indicating that neither of the SF employees was an officer in charge of plantation purchases or one of SF's senior management at the time of the transactions. The employees in question were Shareholder #14 in relation to a RMB 49 million purchase from Supplier #18 in December 2007 (shown in SAIC filings to be 100% owned by him) and Shareholder #20 in relation to a RMB 3.3 million purchase from Supplier #23 (shown in SAIC filings to be 70% owned by him) in October 2007. The Kaitong Report indicates Shareholder #20 is a current employee of SF who then had responsibilities in SF's wood board production business.

The IC is not aware that the employees' ownership positions were brought to the attention of the Board at the time of the transactions or, subsequently, until the publication of the Second Interim Report and understands the Audit Committee will consider such information.

(b) AIs with former SF personnel

The Kaitong Report indicates that no SF employees are listed in SAIC filing reports as current shareholders of AIs. Except as noted herein, the IC agrees with this statement. The Kaitong Report does not address the apparent role of an ex-employee Officer #3 who was introduced to the IC as the person in charge of AI #2 by Backer #5 of AI Conglomerate #1. Backer #5 is identified in the Kaitong Report as a backer of two AIs, including AI#2. (The Kaitong Report properly does not include AI #14. as an AI for this purpose, whose 100% shareholder is former SF employee Officer #3. However, the IC is satisfied that the activities of this entity primarily relate to certain onshoring transactions that facilitated the transfer of SF BVI timber assets to SF WFOE subsidiaries.)

There was one other instance where a past shareholding relationship has been identified between an AI #10 and persons who were previously or are still shown on the SF human

resources records, Shareholder #26 and Shareholder #27. Management has explained that such entity sold wood board processing and other assets to SF and that the persons associated with that company consulted with SF after such sale in relation to the purchased wood board processing assets. Such entity subsequently also undertook material timber purchases as an AI of SF in 2007-2008 over a time period in which such persons are shown as shareholders of such AI in the SAIC filing reviewed (as to 47.5% for Shareholder #26 and as to 52.5% for Shareholder #27). That time period also intersects the time that Shareholder #26 is shown in such human resources records and partially intersects the time that Shareholder #27 is shown on such records. Management has also explained that Shareholder #26 subsequent to the time of such AI sales became an employee of a SF wood board processing subsidiary. Management has provided certain documentary evidence of its explanations. The IC understands that the Audit Committee will consider this matter.

3. Common Shareholders between Supplier and AIs

The Kaitong Report states that there are 5 Suppliers and 3 AIs that respectively have certain common current shareholders but also states that there is no cross control by those current shareholders of such Suppliers or AIs based on SAIC filings. The Kaitong Report correctly addresses current cross shareholdings in Suppliers and AIs based on SAIC filings but does not address certain other shareholdings. With the exception of one situation of cross control in the past, the IC has not identified a circumstance in the SAIC filings reviewed where the same person controlled a Supplier at the time it controlled a different AI. The one exception is that from April 2002 to February 2006, AI #13 is shown in SAIC filings as the 90% shareholder of Supplier/AI #14. AI #13 did business with SF BVIs from 2005 through 2007 and Supplier/AI #14 supplied SF BVIs from 2004 through 2006. However, the IC to date has only identified one contract involving timber bought from Supplier/AI #14 that was subsequently sold to AI #13. It involved a parcel of 2,379 Ha. timber sold to AI #13 in December 2005 that originated from a larger timber purchase contract with Supplier/AI #14 earlier that year. Management has provided an explanation for this transaction. The IC understands that the Audit Committee will consider this matter.

4. Transactions involving Suppliers and AIs with Current Shareholders in Common

The Kaitong Report states that where SF has had transactions with 5 Suppliers and 3 AIs that have current shareholders in common (but no one controlling shareholder) as shown in SAIC filings, the subject timber in the transactions they each undertook with SF is not the same; that is, the timber which SF buys from the Suppliers and the timber which SF sells to the AIs where the Supplier and AI have a current common shareholder were located in different areas and do not involve the same plots of timber. The Kaitong Report further states that where SF has had transactions with 5 Suppliers and 3 AIs with current shareholders in common as shown in SAIC filings, SF had transactions with those AIs prior to having transactions with those Suppliers, thus SF was not overstating its transactions by buying and selling to the same counterparties.

Other than the immaterial timber parcel transaction referred to in Section II.B.3 above, which is a 2005 transaction, the IC believes that the Kaitong Report is accurate in respect of the specific transactions cited by it, except that it could not independently confirm the

information reported for sales from Suppliers with cross minority interests to AI #3 of timber parcels in Jiangxi Province due to the absence of detailed location information in the sales contracts.

The Kaitong Report does not specifically address historical situations involving common shareholders and potential other interconnections between AIs and Suppliers that may appear as a result of the identification of backers. There is generally no ownership connection shown in SAIC filings between backers and the Suppliers and AIs associated with such backers in the Kaitong Report.

The Second Interim Report indicated some potential connections between shareholders of Supplier #3 and two AIs that Management then associated with an entity called AI Conglomerate #1. No direct ownership was indicated between such AIs and AI Conglomerate #1 based on the SAIC filings reviewed, although the Kaitong Report indicates that the current owner of AI Conglomerate #1 is a backer of such AIs. The IC is also now satisfied that based on various corporate filings, there is no current cross ownership between AI Conglomerate #1 and Supplier #3. Further, the IC believes, based on its review of the timber purchase contracts between Supplier #3 and SF and the timber sales contracts between SF and AIs backed by the owner of AI Conglomerate #1 that there were no purchases and sales of the same timber with those parties during any period for which the IC believe there may have been cross ownership between shareholders of Supplier #3 and shareholders of AI Conglomerate #1 (or the two AIs). Further, Management has also provided the IC information suggesting that no proceeds from any sales to those AIs were redeployed to purchase timber from Supplier #3 or entities known to be controlled by its shareholder, Shareholder #3.

The IC notes that there were significant set-off payments from such AIs to Supplier #3 (approximately RMB 1.04 billion). Given Supplier #3 is a major Supplier and such AIs are major AIs, this is consistent with the BVI business model.

III. TIMBER ASSET PROOF OF CONCEPT

A. **Background**

The Second Interim Report discussed the absence of maps in documentation for BVI timber purchase transactions. In response to these concerns, Management provided information regarding various issues regarding the due diligence conducted prior to entering into a BVI timber purchase contract, including maps which in the case of timber purchases were provided through forestry bureaus.

Management also provided copies of news articles regarding foreigners being subject to criminal sanctions in China for possessing maps and other geographical information that were deemed to be classified as state secrets. The IC has reviewed these responses from Management and was unable to verify all of Management's assertions regarding forestry maps or that forestry mapping information would be regarded as subject to such sanctions but recognizes that this is an area of the law in China where a conservative approach may be prudent.

In mid December 2011, Management provided a document entitled “Detailed Description of Locating Forestry Resources in China” which explains how the locations of BVI standing timber assets are determined. This document has been provided to the Board.

It indicates that although certain types of stand maps and these land descriptions are available as part of PRCs, maps are not readily available for continuing possession by persons trading in standing timber without a lease as is the case of the transactions by SF’s BVI model. Management indicates that such maps usually can be borrowed from forestry bureaus (but not retained) and are used by the survey companies as part of the Company’s due diligence. Management believes the ability of a foreign company to retain such maps is unclear and has adopted a cautious approach to this issue. The advice received by the IC from independent forestry experts is that this practice is not inconsistent with the practice of other parties in China who buy and sell standing timber without leasing the underlying land.

B. Independent Review by Forestry Experts

(i) Background

The IC requested that a sample proof of concept exercise be undertaken by an independent forestry expert to determine if the specified areas of forest in a particular BVI purchase contract could be located and quantified by such party.

The IC determined that it was appropriate to use two forestry companies that were also being retained by the Company in connection with its restructuring and the valuation process associated therewith. These two independent forestry experts were Indufor Asia Pacific Limited (“Indufor”) and Stewart Murray (Singapore) Pte. Ltd. (“Stewart Murray”). Members of the IC were involved in that retainer process. These entities had been retained through BJ for such valuation process and the report they provided was a report to BJ from Indufor on the work done by Indufor and Stewart Murray (collectively, the “Forestry Experts” and their report dated January 27, 2012, the “Forest Report”). The Forest Report has been delivered to the Board. The Forest Report describes the proof of concept asset verification process undertaken to determine if the net stocked area of two forest compartments purchased under two specific SF BVI timber purchase contracts could be verified.

The importance of such a “proof of concept” engagement is that it confirms the technology, methodology and reporting framework that can be used for the wider area verification of the SF estate, subject to access to maps meeting the standards described below.

(ii) Summary

As part of the proof of concept process and based upon information from SF, including maps that SF indicated were borrowed by SF’s contract survey company from the relevant forestry bureaus, the Forestry Experts were then able to locate the two compartments in question and to relate them to the specific contracts. They measured the net stocked area of forest cover in the two compartments compared to the net stocked area for those compartments described in the survey attached to the contracts. Indufor reported that the actual net stocked area of the two selected compartments fell within six percent of the net stocked area recorded for those within the contract documents.

The analysis and findings of the report are limited solely to the two compartments described therein. Indufor states that no extrapolation of findings to the wider SF estate is possible or is implied.

(iii) The Process and Detailed Findings

The IC selected two compartments from ten possible compartment options suggested by the Forestry Experts.

The Forest Report indicates that the ten forest compartment options put forward to the IC met criteria requiring that the compartments:

1. were impartially selected by Indufor and Stewart Murray for the IC and not selected by SF;
2. were part of the SF purchased timber plantations located in Yunnan province of China;
3. were listed as being held by BVI entities and not by WFOE entities, and;
4. should cover multiple county forestry bureaus. It was the IC's intention to select compartments that were in different county forestry bureau jurisdictions.

The IC selected the following two compartments for the area verification process:

1. Purchase Contract STP-SUW-0409 dated January 7, 2011 and Survey Report STP-SUW-0409 dated 27 December 2010. Compartment 11. Located in Jianchuan county, near the township of Ma-teng. Jurisdiction of the Jianchuan County Forestry Bureau, with a stated area of 1145 mu (being 76.3 hectares).
2. Purchase Contract STP-SUW-0411 dated January 14, 2011 and Survey Report STP-SUW-0411 dated 5 January 2011. Compartment 44. Located in Heqing county, near the township of Beiya. Jurisdiction of the Heqing County Forestry Bureau, with a stated area of 957 mu (being 63.8 hectares).

The Forest Report summarizes the results of the proof of concept process as follows:

1. maps of the two compartments were provided by SF to Indufor, which SF indicated were borrowed by the contracted survey company from forestry bureaus;
2. the two maps clearly showed the extent of each compartment's boundary that corresponded to those in Surveys related to the contracts;
3. each compartment's boundary was able to be spatially located (geo-referenced) for use within a Geographic Information System;
4. the Forestry Experts located and physically visited the two forest compartments;
5. the use of recent high resolution satellite images allowed the removal of gaps and areas of unstocked forest from the calculation of each compartment's net stocked area;
6. the net stocked area calculated by the verification process for the two compartments slightly exceeded that stated in the forest survey reports attached to the SF purchase contracts for the compartments; and

7. it is important to reemphasise that no extrapolation of the area verification findings to the wider SF estate is possible.

The Forestry Experts utilized the maps as described above but were not permitted to retain them. Indufor has advised the IC that did not present any material issues to its process or conclusions. They confirm that the compartments were forested, but did not undertake an assessment of standing timber volume.

The Forestry Experts used the combined results of the field observations and satellite imagery to assess the net stocked area for each of the two forest compartments. Net stocked area is forested area and excludes any unstocked forest gaps. The following table compares the SF purchase contract areas and the net stocked area mapped by the Forestry Experts using remote sensing processes.

Table 1: Net Stocked Area Comparison of Purchase Contract vs. Assessed Area

| Identification Reference | Purchase Contract Area (Ha.) | Assessed Area (Ha.) | Difference (Ha.) | Difference (%) |
|--------------------------|------------------------------|---------------------|------------------|----------------|
| Compartment 11 | 76.3 | 80.5 | 4.2 | +5.5% |
| Compartment 44 | 63.8 | 66.5 | 2.7 | +4.2% |

The exercise did prove the concept that was presented for testing – subject to the provision of adequate maps, it was possible to use a combination of remote sensing and ground inspection to assess the net stocked area. The Forestry Experts reported that it should indeed be possible for the Company to use the same technology, process and methodology as demonstrated in the Forest Report to verify the area and land cover status of its entire forest estate. The Forestry Experts observed and emphasised that the viability of such a large scale area verification exercise is critically dependent on having access to maps that meet certain standards, these being:

1. that the maps are provided in a format that is readily usable and reliable, be that in a high quality digital or paper format;
2. the maps are already geo-referenced, or can be readily and reliably geo-referenced; and
3. the maps clearly show the boundaries of each forest compartment or collection of forest compartments.

The Forestry Experts observed that the availability of maps meeting such specifications described above should enable an efficient area verification process of the wider SF estate to be undertaken. Forest compartment maps that did not meet such specifications would prevent their area from being verified.

The Forestry Experts therefore concluded that a large scale area verification exercise has to follow the sequence outlined below:

1. digital geo-referenced maps are combined with satellite images.
2. the locations of the necessary field sample sites are identified.
3. field sample sites are visited and the forest ground cover data are recorded.

4. the forest cover data are combined with the satellite images and the resulting net stocked area of each forest compartment can be measured.

The concept of testing a sample of BVI purchase contracts and survey information by forestry experts was discussed among the IC and counsel to the IC, although the design and testing of the proof of concept that was undertaken was a matter determined by the Forestry Experts within the parameters for selection of the two test areas determined by the IC.

The IC Advisors were not involved in the preparation of the Forest Report although such report was made available to them in order to assist counsel in advising the IC in the preparation of the Final Report.

IV. ASSET VERIFICATION

The Company's counsel has engaged Stewart Murray to assist the Company in compiling a full forest description and implementing a forest asset valuation framework as at December 31, 2011. This will enable Management to give its opinion and guidance as to the fair market value of the Company's forest assets to the Board. Stewart Murray will identify and report to the Board on the sources of data (and any assumptions therein) that are incorporated within the Company's forest description, including assigning and reporting the levels of confidence that surround key assumptions. This engagement is expected to expand to include a verification and validation process of the key components that underpin forest value involving both Stewart Murray and Indufor. The exercise will involve a highly structured process that will, over time, systematically assess the area of forest cover and merchantable volume across the SF estate. Members of the IC were involved in determining the scope and parameters of the engagement of Stewart Murray. The IC Advisors were not directly involved in the retainer process of such experts.

V. ONTARIO SECURITIES COMMISSION

The OSC sought extensive information from the IC in letters dated December 7, 2011 (7 pages) and December 22, 2011 (29 pages), much of which was information properly sought from the Company.

The IC advised the OSC on January 4, 2012 that it would respond to their extensive inquiries.

The IC has responded to the December 7th letter and a response to the December 22nd letter, which also requires input from the Company, is expected to be completed within a reasonable period of time after the completion of this report.

VI. OUTSTANDING MATTERS

As noted in Section I above, the IC understands that with the delivery of this report, its examination and review activities are terminated. The IC would expect its next steps may include only:

- (a) assisting in responses to regulators and RCMP as required; and
- (b) such other specific activities as it may deem advisable or the Board may instruct.

GLOSSARY

“\$” means, unless otherwise specified, U.S. dollars;

“**2010 AIF**” or “**b**” means the Company’s annual information form for the year ending December 31, 2010;

“**2010 Financial Statements**” means the Company’s audited consolidated financial statements and the notes thereto as at and for the year ended December 31, 2010;

“**2010 MD&A**” means the Company’s management discussion and analysis for the year ending December 31, 2010;

“**AI**” means an authorized intermediary, an entity through which a BVI conducts its sales;

“**AI HoldCo**” means AI Conglomerate #1;

“**Audit Committee**” means the Audit Committee of the Board;

“**BJ**” means Bennett Jones LLP, Canadian counsel to the Company;

“**Board**” means the Board of Directors of SF;

“**BVI**” means a subsidiary of the Company incorporated in the British Virgin Islands;

“**China**” means The People’s Republic of China;

“**Chop**” means the seal typically used in place of signatures in China;

“**Company**” or “**SF**” or “**Sino-Forest**” means Sino-Forest Corporation and, where the context requires, its consolidated subsidiaries;

“**CTO**” means the cease trade order of the OSC dated August 26, 2010;

“**E&Y**” means Ernst & Young LLP, the auditor of the Company;

“**Executive Summary**” means the executive summary of the Second Interim Report, attached hereto as Schedule II;

“**Final Report**” means the final report of the IC to the Board dated January 31, 2012;

“**Forest Report**” the report of the Forestry Experts dated January 27, 2012 referred to in Section III B(i);

“**forestry bureau confirmations**” or “**confirmations**” means documents issued to the WFOEs and BVIs on letterheads with forestry bureau names and featuring Chops (the seal typically used in place of signatures) that indicate that they had been issued by the corresponding forestry bureau, but does not include new confirmations;

“**Forestry Experts**” means, collectively, Indufor and Stewart Murray;

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- “**FTI**” means FTI Consulting, a consulting firm advising the Company;
- “**GAAP**” means the generally accepted accounting principles as set out in the Canadian Institute of Chartered Accountants Handbook – Accounting as applicable to public companies in Canada;
- “**Ha.**” means hectares, which is equivalent to 15 mu (statements of Ha. herein are approximate, given the rounding associated with the conversion of mu to Ha.);
- “**IC**” means the Independent Committee to the Board;
- “**IC Advisors**” means one or more of PwC, Osler, Malleons and JH;
- “**IMET**” means an Integrated Market Enforcement Team of the RCMP;
- “**Indufor**” means Indufor Asia Pacific Limited;
- “**JH**” or “**Chinese counsel**” means Jun He Law Offices, independent Chinese IC counsel;
- “**Kaitong**” means a Chinese law firm retained by the Company;
- “**Kaitong Report**” means the report of Kaitong dated January 20, 2012 regarding certain relationship issues;
- “**Malleons**” means Malleons Stephen Jaques, independent Hong Kong counsel to the IC;
- “**Management**” means, at any time, the management of SF at that time;
- “**Mandra**” means Mandra Forestry Holdings Limited, a wholly-owned subsidiary of SF;
- “**MD&A**” means management discussion and analysis;
- “**mu**” means a Chinese unit of measure for area, which is equivalent to 0.067 Ha.;
- “**Muddy Waters**” or “**MW**” means Muddy Waters, L.L.C.;
- “**MW Report**” means the initial “research report” issued by Muddy Waters dated June 2, 2011;
- “**OSC**” means Ontario Securities Commission;
- “**Osler**” means Osler, Hoskin & Harcourt LLP, independent Canadian counsel to the IC;
- “**Plantation Rights Certificate**” or “**PRC**” means a governmental registered certification of ownership issued by a forestry bureau in China to evidence certain forestry-related rights;
- “**PwC**” means PricewaterhouseCoopers LLP, forensic accounting advisors to the IC;
- “**RCMP**” means Royal Canadian Mounted Police;
- “**RMB**” means Renminbi, the official currency of China;

“**SAIC**” means China’s State Administration for Industry and Commerce, the national authority responsible for administering industry and commerce;

“**Second Interim Report**” means the second interim report of the IC to the Board dated November 13, 2011;

“**Stewart Murray**” means Stewart Murray (Singapore) Pte Ltd.;

“**Supplier**” means a supplier to the Company of plantation assets, either rights to standing timber or plantation/land use rights or both;

“**Survey Report**” means a Forest Resource Survey Report that accompanies BVI timber purchase contracts;

“**SW**” means Sino-Wood Partners, Limited, a Hong Kong incorporated subsidiary of SF;

“**WFOE**” means a subsidiary of the Company incorporated in China as a “Wholly Foreign Owned Enterprise”; and

“**Yuda Wood**” or “**Yuda**” means Huaihua City Yuda Wood Co. Ltd, a Supplier.

SCHEDULE I
SECOND INTERIM REPORT - EXECUTIVE SUMMARY

A. Introduction

The IC was established by the Board on June 2, 2011, immediately following the release by Muddy Waters of the MW Report regarding SF. The members of the IC are William Ardell (Chair), James Bowland, and James Hyde. At the invitation of the IC, Mr. Garry West, an independent director of SF, attends virtually all IC meetings and participates in its process. Following the delivery to the Board of the IC's draft of this Second Interim Report on November 3, 2011, Mr. James Bowland resigned as a director and therefore from the IC. The mandate of the IC, in general terms, is to independently examine and review the serious and wide-ranging allegations made in the MW Report and report back to and, if appropriate, make recommendations to the Board. To date, the IC has met approximately 48 times.

The IC Advisors' role is to support the IC in its mandate to review the allegations made in the MW Report and related matters. The IC Advisors have conducted various investigative and review processes, all at the direction of, and subject to such scope limitations as the IC, in its judgment, deemed appropriate. (See Part IV.) This Second Interim Report to the Board, while based on the work of such advisors, is the report of the IC and (other than Schedule IV) not the report of the IC Advisors.

The IC's First Interim Report to the Board dated August 10, 2011 outlined the nature and scope of the IC's activities (principally data collection) to that date and the planned next steps. The purpose of this Second Interim Report is to report to the Board on the activities undertaken by the IC since mid-August, the outcomes and findings from such activities and further next steps. The First Interim Report is attached as Schedule I.A.

While the MW Report took a scatter gun approach in its allegations, the IC determined to address the issues raised in three core areas: (i) timber asset verification; (ii) timber asset value; and (iii) revenue recognition. Overlaying the latter two areas are the issues raised by the MW allegations relating to related party transactions. The IC also determined to focus on the years 2006 to 2010. Using this framework for its review, the IC's focus since its last report has been principally on:

- the ownership structure of timber assets on SF's balance sheet;
- verifying the Company's holdings of standing timber ("purchased plantations" as referred to in the 2010 AIF) and plantation land use/lease rights ("planted plantations" as referred to in the 2010 AIF, though some plantation land use/lease rights, such as the Mandra holdings, are classified as "purchased plantations" in the 2010 AIF), held through BVIs and WFOEs and the nature of its interests in such assets (see Part V below);
- interviewing Suppliers and AIs with a view to verifying the existence and nature of SF's relationship with such third parties and seeking to obtain financial particulars about purchase and sale transactions between such third parties and SF (see Part VI below); and

- examining and assessing the relationship with Yuda Wood, historically one of the largest Suppliers of standing timber to SF supplying approximately 21.5% of BVI timber purchases from 2008 through 2011 (see Section VI.A below).

The IC's work has also included:

- examining a number of specific situations which are the subject of MW allegations or critical newspaper articles (see e.g. Sections IV.B.6, VI.B and VI.C and Part VII below);
- engaging with and assisting E&Y in its examination of various issues relevant to its reports on the Company's financial statements (see Schedule IV attached);
- responding to questions and requests for documents and information from the OSC, including enquiries made through the Hong Kong securities authorities, in connection with its publicly announced investigation (see Part IX);
- meeting with and responding to requests for information from BJ and FTI;
- conducting interviews of certain members of Management;
- inspecting original versions of documents issued to the WFOEs and BVIs on letterheads with forestry bureau names and featuring Chops (the seal typically used in place of signatures) that indicate that they had been issued by the corresponding forestry bureau (the "**forestry bureau confirmations**"), and attending meetings with forestry bureaus in an attempt to verify the Company's holdings of standing timber;
- attending interviews of AIs and Suppliers, examining SF employee and other relationships with AIs and Suppliers (see Schedule IV attached); and
- meeting with and responding to requests for information from the RCMP (see Part XI).

In addition to the IC review, the MW Report has spawned various actions by public and private parties. These actions, which have affected the IC's activities and processes, include:

- an OSC investigation of matters related to SF;
- a review by E&Y of various matters relating to its 2010 and prior years' audits;
- three class action lawsuits in Ontario (one of which has a companion action in Quebec) by securities holders against the Company, its officers, E&Y and others;
- a threatened derivative claim against E&Y and certain officers and employees of the Company;

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- extensive newspaper and analyst reporting of the Company, including several in-depth investigative reports; and
- an enquiry by the RCMP through IMET.

While the IC believes its work is substantially complete, there remain certain further steps which it intends to undertake as follows:

- review the information and analysis very recently provided by Management intended to respond to certain issues regarding relationships of the Company with AIs and Suppliers and between AIs and Suppliers identified in this Second Interim Report (see Part VI);
- engage an independent valuator (see Part VIII);
- such other steps as the IC, in its judgement, deems advisable in the discharge of its mandate; and
- submit its final report and recommendations to the Board.

The IC expects to be able to deliver its final report to the Board prior to the end of 2011.

Privileged & Confidential

B. Overview of Principal Findings

The following sets out a very high level overview of the IC's principal findings and should be read in conjunction with the balance of this report.

Timber Ownership

Based on its review and subject to its comments herein, the IC has confirmed to its satisfaction that the Company has:

- registered title to approximately 151,000 Ha. of SW and SP planted plantations and Mandra plantations. This constitutes approximately 17.9% of its timber holdings by area as at December 31, 2010;¹ and
- contractual or other rights to approximately 683,000 Ha. of plantations, being 81.3% of its timber holdings by area as at December 31, 2010 (of these, the Company holds original Plantation Rights Certificates, issued in the name of the Supplier, representing approximately 15,000 Ha., which the IC believes gives the Company a demonstrable chain of title). See Section III.B.

In connection with such confirmation, the IC has reviewed originals or copies of purchase contracts (and the corresponding set-off documentation confirming payment, in the case of the BVI purchased plantations) for the acquisition by the Company of:

- approximately 467,000 Ha. of BVIs purchased plantations;²
- approximately 237,000 Ha. of WFOE purchased plantations;³ and
- approximately 129,000 Ha. of planted plantations⁴

representing approximately 106%⁵ of SF's disclosed timber holdings of 788,700 Ha. as at December 31, 2010. With respect to these holdings, the IC has verified to its satisfaction that the Company has registered title:

¹ Timber holdings by area as at December 31, 2010 have been calculated by adding approximately 51,000 Ha. of planted plantation land for which the Company has contracts but has yet to classify as plantations under management for the purposes of its annual disclosure, to the Company's disclosed plantation of holdings of 788,700 Ha.

² BVI purchased plantations are comprised of standing timber without underlying leases of land use rights.

³ The Company classifies this as being comprised of all WFOE (SP) standing timber and all Mandra leased plantations. Mandra leased plantations are considered to be "purchased" plantations in the Company's public disclosure because they were acquired through the 2010 acquisition of Mandra.

⁴ The Company classifies this as being comprised of all WFOE (SW and SP) leased plantations.

⁵ The Company's explanation for this figure being approximately 106% of its disclosed timber holdings as at December 31, 2010 is that the IC reviewed leases for approximately 51,000 Ha. of plantation land which were not included in the disclosed total of planted plantations of 77,700 Ha. as of December 31, 2010, due to a number of reasons, primarily because these lands had not yet been planted.

- via original Plantation Rights Certificates in the Company's name, to approximately 86,000 Ha. of WFOE purchased plantations,⁶ and approximately 43,000 Ha. of WFOE planted plantations;⁷ and
- via copies of Plantation Rights Certificates in the Company's name, to approximately 9,000 Ha. of WFOE purchased plantations, and approximately 12,000 Ha. of WFOE planted plantations.

In addition, as at December 31, 2010, the IC has determined that the Company has original or copies of forestry bureau confirmations relating to the acquisition of:

- approximately 467,000 Ha. of BVIs purchased plantations;
- approximately 89,000 Ha. of WFOE (SP) purchased plantations; and
- approximately 50,000 Ha. of WFOE (SP only) planted plantations.

The Company does not obtain registered title to BVI purchased plantations. In the case of the BVIs' plantations, the IC has visited forestry bureaus, Suppliers and AIs to seek independent evidence to establish a chain of title or payment transactions to verify such acquisitions. The purchase contracts, set-off arrangement documentation and forestry bureau confirmations constitute the documentary evidence as to the Company's contractual or other rights. The IC has been advised that the Company's rights to such plantations could be open to challenge. However, Management has advised that, to date, it is unaware of any such challenges that have not been resolved with the Suppliers in a manner satisfactory to the Company.

Forestry Bureau Confirmations and Plantation Rights Certificates

Registered title, through Plantation Rights Certificates is not available in the jurisdictions (i.e. cities and counties) examined by the IC Advisors for standing timber that is held without land use/lease rights. Therefore the Company was not able to obtain Plantation Rights Certificates for its BVIs standing timber assets in those areas. In these circumstances, the Company sought confirmations from the relevant local forestry bureau acknowledging its rights to the standing timber.

The IC Advisors reviewed forestry bureau confirmations for virtually all BVIs assets and non-Mandra WFOE purchased plantations held as at December 31, 2010. The IC Advisors, in meetings organized by Management, met with a sample of forestry bureaus with a view to obtaining verification of the Company's rights to standing timber in those jurisdictions. The result of such meetings to date have concluded with the forestry bureaus or related entities having issued new confirmations as to the Company's contractual rights to the Company in respect of 111,177 Ha. as of December 31, 2010⁸ and 133,040 Ha. as of March 31, 2011,⁹ and

⁶ These 86,000 Ha. of WFOE purchased plantations are composed of approximately 84,000 Ha. of leases under Mandra and approximately 2,000 Ha. of standing timber under SP.

⁷ These 43,000 Ha. of WFOE planted plantations are composed approximately of 31,000 Ha. of leases under SW and approximately 12,000 Ha. of leases under SP.

⁸ Composed of 106,446 Ha. of BVI plantations and 4,731 Ha. of WFOE planted plantations, of which 60,707 Ha. were confirmed in the Hunan Forestry Entity Confirmation. This amount is, however, different from the total 60,696 Ha. shown on the confirmation, which appears to arise from an addition error.

have acknowledged the issuance of existing confirmations issued to the Company as to certain rights, among other things, in respect of 113,058 Ha. as of December 31, 2010.¹⁰

Forestry bureau confirmations are not officially recognized documents and are not issued pursuant to a legislative mandate or, to the knowledge of the IC, a published policy. It appears they were issued at the request of the Company or its Suppliers. The confirmations are not title documents, in the Western sense of that term, although the IC believes they should be viewed as comfort indicating the relevant forestry bureau does not dispute SF's claims to the standing timber to which they relate and might provide comfort in case of disputes. The purchase contracts are the primary evidence of the Company's interest in timber assets.

In the meetings with forestry bureaus, the IC Advisors did not obtain significant insight into the internal authorization or diligence processes undertaken by the forestry bureaus in issuing confirmations and, as reflected elsewhere in this report, the IC did not have visibility into or complete comfort regarding the methods by which those confirmations were obtained. It should be noted that several Suppliers observed that SF was more demanding than other buyers in requiring forestry bureau confirmations.

Book Value of Timber

Based on its review to date, the IC is satisfied that the book value of the BVIs timber assets of \$2.476 billion reflected on its 2010 Financial Statements and of SP WFOE standing timber assets of \$298.6 million reflected in its 2010 Financial Statements reflects the purchase prices for such assets as set out in the BVIs and WFOE standing timber purchase contracts reviewed by the IC Advisors. Further, the purchase prices for such BVIs timber assets have been reconciled to the Company's financial statements based on set-off documentation relating to such contracts that were reviewed by the IC. However, these comments are also subject to the conclusions set out above under "Timber Ownership" on title and other rights to plantation assets.

The IC Advisors reviewed documentation acknowledging the execution of the set-off arrangements between Suppliers, the Company and AIs for the 2006-2010 period. However, the IC Advisors were unable to review any documentation of AIs or Suppliers which independently verified movements of cash in connection with such set-off arrangements between Suppliers, the Company and the AIs used to settle purchase prices paid to Suppliers by AIs on behalf of SF. We note also that the independent valuation referred to in Part VIII below has not yet been completed.

Revenue Reconciliation

As reported in its First Interim Report, the IC has reconciled reported 2010 total revenue to the sales prices in BVIs timber sales contracts, together with macro customer level data from other businesses. However, the IC was unable to review any documentation of AIs or Suppliers which independently verified movements of cash in connection with set-off

⁹ Composed of 128,309 Ha. of BVI plantations and 4,731 Ha. of WFOE planted plantations, of which 60,707 Ha. were confirmed in the Hunan Forestry Entity Confirmation. This amount is however different from the total hectare of 60,696 shown on the confirmation, which appears to arise from an addition error.

¹⁰ Composed of 90,905 Ha. of BVI plantations and 22,153 Ha. of WFOE planted plantations.

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arrangements used to settle purchase prices paid, or sale proceeds received by, or on behalf of SF.

Relationships

- Yuda Wood: The IC is satisfied that Mr. Huang Ran is not currently an employee of the Company and that Yuda Wood is not a subsidiary of the Company. However, there is evidence suggesting close cooperation (including administrative assistance, possible payment of capital at the time of establishment, joint control of certain of Yuda Wood's RMB bank accounts and the numerous emails indicating coordination of funding and other business activities). Management has explained these arrangements were mechanisms that allowed the Company to monitor its interest in the timber transactions. Further, Huang Ran (a Yuda Wood employee) has an ownership and/or directorship in a number of Suppliers (See Section VI.B). The IC Advisors have been introduced to persons identified as influential backers of Yuda Wood but were unable to determine the relationships, if any, of such persons with Yuda Wood, the Company or other Suppliers or AIs. Management explanations of a number of Yuda Wood-related emails and answers to E&Y's questions are being reviewed by the IC and may not be capable of independent verification.
- Other: The IC's review has identified other situations which require further review. These situations suggest that the Company may have close relationships with certain Suppliers, and certain Suppliers and AIs may have cross-ownership and other relationships with each other. The IC notes that in the interviews conducted by the IC with selected AIs and Suppliers, all such parties represented that they were independent of SF. Management has very recently provided information and analysis intended to explain these situations. The IC is reviewing this material from Management and intends to report its findings in this regard in its final report to the Board. Some of such information and explanations may not be capable of independent verification.
- Accounting Considerations: To the extent that any of SF's purchase and sale transactions are with related parties for accounting purposes, the value of these transactions as recorded on the books and records of the Company may be impacted.

Cash

As reported in the IC's First Interim Report, as a precautionary measure, the IC requested that PwC confirm SF's cash balances. PwC did this as of June 13, 2011 for both China accounts and "offshore" accounts. A total of 293 accounts controlled by SF in Hong Kong were confirmed, representing 100% of the expected cash position. There are a very significant number of accounts held by SF in China (in excess of 260) and the logistics and requirements of in-person/in-branch verification in that country led the IC to confirm only a portion of the China accounts (28 accounts, representing approximately 81% of the expected China cash position). The IC was satisfied that SF's expected cash position existed as at the date of the confirmation. The Board should be aware that at the time of the cash confirmation process, SF only updated the details of its cash position quarterly, so the confirmation results must be considered in that context. The IC has instituted certain additional controls over cash

movements in excess of \$1 million held in SF Hong Kong bank accounts in order to provide the IC with some precautionary comfort during the examination process. Further, Management has advised that cash balances are now updated on a more frequent basis. See Part XII.

BVI Structure

The BVI structure used by SF to purchase and sell standing timber assets could be challenged by the relevant Chinese authorities as the undertaking of “business activities” within China by foreign companies, which may only be undertaken by entities established within China with the requisite approvals. However, there is no clear definition of what constitutes “business activities” under Chinese law and there are different views among the IC’s Chinese counsel and the Company’s Chinese counsel as to whether the purchase and sale of timber in China as undertaken by the BVIs could be considered to constitute “business activities” within China. In the event that the relevant Chinese authorities consider the BVIs to be undertaking “business activities” within China, they may be required to cease such activities and could be subject to other regulatory action. As regularization of foreign businesses in China is an ongoing process, the government has in the past tended to allow foreign companies time to restructure their operations in accordance with regulatory requirements (the cost of which is uncertain), rather than enforcing the laws strictly and imposing penalties without notice. See Section II.B.2.

C. Challenges

Throughout its process, the IC has encountered numerous challenges in its attempts to implement a robust independent process which would yield reliable results. Among those challenges are the following:

(a) Chinese Legal Regime for Forestry:

- national laws and policies appear not yet to be implemented at all local levels;
- in practice, none of the local jurisdictions tested in which BVIs hold standing timber appears to have instituted a government registry and documentation system for the ownership of standing timber as distinct from a government registry system for the ownership of plantation land use rights;
- the registration of plantation land use rights, the issue of Plantation Rights Certificates and the establishment of registries, is incomplete in some jurisdictions based on the information available to the IC;
- as a result, title to standing timber, when not held in conjunction with a land use right, cannot be definitively proven by reference to a government maintained register; and
- Sino-Forest has requested confirmations from forestry bureaus of its acquisition of timber holdings (excluding land leases) as additional evidence of ownership. Certain forestry bureaus and Suppliers have indicated the confirmation was beyond the typical diligence practice in China for acquisition of timber holdings.

(b) Obtaining Information from Third Parties: For a variety of reasons, all of them outside the control of the IC, it is very difficult to obtain information from third parties in China. These reasons include the following:

- many of the third parties from whom the IC wanted information (e.g., AIs, Suppliers and forestry bureaus) are not compellable by the Company or Canadian legal processes;
- third parties appeared to have concerns relating to disclosure of information regarding their operations that could become public or fall into the hands of Chinese government authorities: many third parties explained their reluctance to provide requested documentation and information as being “for tax reasons” but declined to elaborate; and
- awareness of MW allegations, investigations and information gathering by the OSC and other parties, and court proceedings; while not often explicitly articulated, third parties had an awareness of the controversy

surrounding SF and a reluctance to be associated with any of these allegations or drawn into any of these processes.

(c) Small Management Team: The Company has a very small executive management team and it is stretched by:

- demands from the IC, the OSC and E&Y;
- the placement on administrative leave in late August 2011 of certain members of Management by the Company, based upon the advice of BJ. These employees remained available to assist Management upon request on a supervised basis, which further stretched the remaining management;
- the appointment of a new Chief Executive Officer part way through the IC process; and
- the fact that Management is dispersed among Canada, Hong Kong and various parts of China.

(d) Cultural/Language/Geographic Issues:

- vast majority of operational documents are in Chinese;
- most Asia-based Management employees' first language is Chinese;
- business practices in China and the SF business model:
 - rely heavily on personal relationships; and
 - documentation of contractual arrangements is not as comprehensive as would be typical in Western jurisdictions, is often not done until after the transaction is agreed and is frequently incomplete;
- geographic and time distances for the North American-based teams;
- SF's operations in China are widely and remotely geographically dispersed, a number of plantations are close to sensitive border areas and some are accessible only by overland vehicle travel; and
- public records in China are more limited than in Western jurisdictions and are often not complete, accessible, up to date or accurate.

(e) Corporate Governance/Operational Weaknesses: Management has asserted that business in China is based upon relationships. The IC and the IC Advisors have observed this through their efforts to obtain meetings with forestry bureaus, Suppliers and AIs and their other experience in China. The importance of relationships appears to have resulted in dependence on a relatively small group of Management who are integral to maintaining customer relationships, negotiating and finalizing the purchase and sale of

plantation fibre contracts and the settlement of accounts receivable and accounts payable associated with plantation fibre contracts. This concentration of authority or lack of segregation of duties has been previously disclosed by the Company as a control weakness. As a result and as disclosed in the 2010 MD&A, senior Management in their ongoing evaluation of disclosure controls and procedures and internal controls over financial reporting, recognizing the disclosed weakness, determined that the design and controls were ineffective. The Chairman and Chief Financial Officer provided annual and quarterly certifications of their regulatory filings. Related to this weakness the following challenges presented themselves in the examination by the IC and the IC Advisors:

- operational and administration systems that are generally not sophisticated having regard to the size and complexity of the Company's business and in relation to North American practices; including:
 - incomplete or inadequate record creation and retention practices;
 - contracts not maintained in a central location;
 - significant volumes of data maintained across multiple locations on decentralized servers;
 - data on some servers in China appearing to have been deleted on an irregular basis, and there is no back-up system;
 - no integrated accounting system: accounting data is not maintained on a single, consolidated application, which can require extensive manual procedures to produce reports; and
 - a treasury function that was centralized for certain major financial accounts, but was not actively involved in the control or management of numerous local operations bank accounts;
- no internal audit function although there is evidence the Company has undertaken and continues to assess its disclosure controls and procedures and internal controls over financial reporting using senior Management and independent control consultants;
- SF employees conduct Company affairs from time to time using personal devices and non-corporate email addresses which have been observed to be shared across groups of staff and changed on a periodic and organized basis; this complicated and delayed the examination of email data by the IC Advisors; and
- lack of full cooperation/openness in the ICs examination from certain members of Management.

- (f) Complexity, Lack of Visibility into, and Limitations of BVIs Model: The use of AIs and Suppliers as an essential feature of the BVIs standing timber business model contributes to the lack of visibility into title documentation, cash movements and tax liability since cash settlement in respect of the BVIs standing timber transactions takes place outside of the Company's books.
- (g) Cooperation and openness of the Company's executives throughout the process: From the outset, the IC Advisors sought the full cooperation and support of Allen Chan and the executive management team. Initially, the executive management team appeared ill-prepared to address the IC's concerns in an organized fashion and there was perhaps a degree of culture shock as Management adjusted to the IC Advisors' examination. In any event, significant amounts of material information, particularly with respect to the relationship with Yuda Wood, interrelationships between AIs and/or Suppliers, were not provided to the IC Advisors as requested. In late August 2011 on the instructions of the IC, interviews of Management were conducted by the IC Advisors in which documents evidencing these connections were put to the Management for explanation. As a result of these interviews (which were also attended by BJ) the Company placed certain members of Management on administrative leave upon the advice of Company counsel. At the same time the OSC made allegations in the CTO of Management misconduct.

Following the implementation of these administrative leaves and the subsequent appointment of Judson Martin as the new Chief Executive Officer of the company on August 26, 2011, the cooperation received by the IC Advisors from the Company improved significantly. As a result of Mr. Martin's direction, meetings have been arranged and held with Suppliers, AI's and additional forestry bureaus. In addition, as noted above, very recently, Management presented information regarding AIs and Suppliers and relationships among the Company and such parties. The IC is reviewing this material from Management and intends to report its findings in this regard in its final report to the Board.

- (h) Independence of the IC Process: The cooperation and collaboration of the IC with Management (operating under the direction of the new Chief Executive Officer) and with Company counsel in completing certain aspects of the IC's mandate has been noted by the OSC and by E&Y. Both have questioned the degree of independence of the IC from Management as a result of this interaction. The IC has explained the practical impediments to its work in the context of the distinct business culture (and associated issues of privacy) in the forestry sector in China in which the Company operates. Cooperation of third parties in Hong Kong and China, including employees, depends heavily on relationships and trust. As noted above, the Company's placing certain members of Management on administrative leave, as well as the OSC's allegations in the CTO, further hampered the IC's ability to conduct its process. As a result, the work of the IC was frequently done with the assistance of, or in reliance on, the new Chief Executive Officer and his Management team and Company counsel. Given that Mr. Martin was, in effect, selected by the IC and BJ was appointed in late June 2011, the IC concluded that, while not ideal, this was a practical and appropriate way to proceed in the circumstances. As evidenced by the increased number of

scheduled meetings with forestry bureaus, Suppliers and AIs, and, very recently, the delivery to the IC of information regarding AIs and Suppliers and relationships among the Company and such parties, it is acknowledged that Mr. Martin's involvement in the process has been beneficial. It is also acknowledged that in executing his role and assisting the IC he has had to rely on certain of the members of Management who had been placed on administrative leave.

Privileged & Confidential

TAB J

This is Exhibit "J" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

BN Sino-Forest Truth May Never Be Known as Ardell Defends Founder
Feb 13 2012 19:11:00

By Christopher Donville and Steven Frank

Feb. 14 (Bloomberg) -- Sino-Forest Corp. Chairman William Ardell says he found no sign of major fraud while overseeing an eight-month probe of the company. He also says a full account of the Chinese timber producer's activities and business ties may never be known.

"There has been no material evidence provided that would indicate that there has been a major fraud," Ardell said in an interview. "I can't give you a 100 percent guarantee as to everything."

Ardell led an independent committee of company directors charged with investigating allegations made by research company Muddy Waters LLC that Sino-Forest exaggerated its timber assets and operated a Ponzi scheme. The committee, which said in a report last month it may not be able to disprove some of the allegations, hasn't conclusively demonstrated that "there is timber there, and there is value there," Ardell said in the interview.

Once the largest Chinese forestry company by market value, Sino-Forest has lost shareholders about C\$3.3 billion (\$3.3 billion) since Muddy Waters published its report on June 2. Ardell and his colleagues are trying to pull the company out of a death spiral after its shares were suspended amid investigations by Canadian regulators and police, and Chief Executive Officer and founder Allen Chan stepped down.

The plight of Hong Kong- and Mississauga, Ontario-based Sino-Forest and its shareholders also has thrown a spotlight on contrasting Chinese and North American business practices. Ardell, 68, who spoke at his lawyer's office in Toronto on Feb. 4 and in three separate phone interviews, says his challenge now is to convince investors, regulators and auditors that the company's lack of transparency doesn't diminish its underlying value.

'Life Imploded'

"I have a belief in the business," Ardell said. "I have a belief in Allen Chan."

The first inkling Ardell had that his belief might be put to the test came the day Muddy Waters issued its report.

"Have you heard?" Ardell recalls his wife, Sherry, asking him by phone just after he'd finished 18 holes at Lambton Golf & Country Club in Toronto. "Sino-Forest is a fraud."

"Life imploded at that point," Ardell said.

Sino-Forest shares slumped as much as 25 percent before being suspended on the Toronto Stock Exchange. They tumbled 64 percent the following day after trading resumed. Ardell, a Canadian who lives in Oakville, just outside Toronto, says he's spent four months in Hong Kong since then dealing with the fallout.

'Unjustifiable Black Hole'

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BN Sino-Forest Truth May Never Be Known as Ardell Defends Founder
Feb 13 2012 19:11:00

Ardell started his career in accountancy and rose to become CEO of Southam Inc., once Canada's largest newspaper publisher, which was acquired in 1996 by Hollinger International Inc., the media company whose chairman and CEO at the time was Conrad Black.

He joined Sino-Forest as a director in 2010 and was appointed chairman in August to replace Chan, who resigned after the Ontario Securities Commission halted the stock pending an investigation.

Sino-Forest's structure makes documenting its assets and revenues difficult, according to Ardell. About 80 percent of its timber assets measured by value are held by subsidiaries based in the British Virgin Islands. Those units use suppliers and what the company calls "authorized intermediaries" in China to buy and sell timber and plantation harvesting rights.

The so-called BVI model and its use of intermediaries is "an unjustifiable black hole" that's been used to fabricate sales, avoid taxes and overstate the company's timber holdings, Muddy Waters said in its report.

Cash Flow

Ardell says the structure was put in place in the late 1990s to deal with rules barring foreign companies from leasing timberland and repatriating forestry profits.

With its profits marooned in China, Sino-Forest reinvested the money in more timberland while using some proceeds from sales of bonds and shares to cover operating costs, according to Ardell.

While it was the only way to organize the company, it meant "you can't see the cash move," he said. Ardell also says that helps explain why Sino-Forest doesn't have positive free cash flow or pay a dividend, both factors cited by Muddy Waters as evidence the company is a Ponzi scheme.

Since 2004, the company has been able to structure its Chinese units as so-called Wholly Foreign Owned Enterprises, which allows them to lease timberland and repatriate money, Ardell says. While Sino-Forest plans eventually to switch to this model entirely instead of the BVI structure, the timing isn't certain, he says.

No Maps

One of the few ways Sino-Forest can prove its ownership of standing timber is through purchase contracts negotiated with Chinese villages, communes and other leaseholders, Ardell says. Because they don't infer title to land, the contracts aren't registered with local government forestry bureaus, he says.

"There just isn't a central registry for sales and purchases of standing timber, and there wouldn't be in North America either," Ardell said.

What's more, Sino-Forest doesn't retain complete maps of some of its timber holdings because "there is a sensitivity in

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the Chinese government about maps being held by foreign-controlled companies," Ardell said.

The independent committee, aided by PricewaterhouseCoopers LLP, spent \$50 million on its investigation and reviewed more than 1.5 million documents, according to Ardell. It was hindered by a lack of cooperation from many of the suppliers and intermediaries involved in the BVI transactions, Ardell says.

Cash Holdings

"All of a sudden a lot doors closed very quickly" following the Muddy Waters report, he said.

A lack of documentation relating to corporate relationships was due partly to a lack of adequate internal controls and also to Chinese business practices, he says.

"The Chinese generally aren't as meticulous at record-keeping as in the West because so much of the business is based on personal relationships," said John Evans, a retired senior partner at Osler Hoskin & Harcourt LLP in Toronto who has known Ardell for more than 20 years. "A lack of documentation is very common in China."

The committee said in its final report published Jan. 31 that it wasn't able to confirm the existence of all the company's timber and cash holdings in China, or the full scope of Sino-Forest's relationships with its suppliers.

Bondholder Accord

"You can't spend that much time, money and witness managements' interference with your investigation and reasonably conclude that the fraud charges had no merit," Carson Block, a short seller and Muddy Waters founder, said Feb. 4 in a telephone interview.

Ardell says management hasn't interfered in the investigation.

After missing an interest payment on its 2016 convertible bonds in December, Sino-Forest reached an accord last month with a group of bondholders, in return ceding them a degree of control over its affairs. A restructuring committee is working to write a new plan for the company and deliver its report to bondholders by March 31.

Ardell says he's sticking with the company and continues to assist the Ontario Securities Commission and Royal Canadian Mounted Police investigations. Sino-Forest has commissioned two consulting companies to independently evaluate its holdings, which according to its website cover about 894,200 hectares (3,452 square miles) in China, an area about three times the size of Rhode Island.

"If I can demonstrate ownership, existence and value, the rest of it all goes away," Ardell said. "That's basically what the business is: Ownership and value."

For Related News and Information:

Sino-Forest news: TRE CN <Equity> CN BN <GO>

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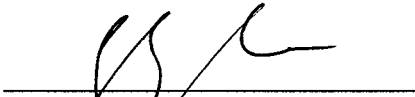
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TAB K

This is Exhibit "K" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



Sino-Forest Announces Resignation of Auditor

TORONTO, CANADA – April 5, 2012 - Sino-Forest Corporation ("Sino-Forest" or the "Company") (TSX:TRE) announced today that Ernst & Young LLP ("E&Y") has notified the Company that it has resigned as the Company's auditor effective April 4, 2012. In its resignation letter to the Company, E&Y noted that the Company had not prepared December 31, 2011 consolidated financial statements for audit and that, in the Company's March 30, 2012 filing under the *Companies' Creditors Arrangement Act*, Sino-Forest said that it remained unable to satisfactorily address outstanding issues in relation to its 2011 annual financial statements.

Sino-Forest intends to issue a press release containing the information required by National Instrument 51-102 ("NI-51-102") with respect to E&Y's resignation. Such press release will be issued within the time period prescribed by NI-51-102. Additional information with respect to the resignation of E&Y also will be available under the Company's profile on SEDAR at www.sedar.com in the form of reporting package required to be filed by the Company pursuant to NI -51-102.

About Sino-Forest Corporation

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. Sino-Forest also holds a majority interest in Greenheart Group Limited (HKSE:00094), a Hong-Kong listed investment holding company with assets in Suriname (South America) and New Zealand and involved in sustainable harvesting, processing and sales of its logs and lumber to China and other markets around the world. Sino-Forest's common shares have been listed on the Toronto Stock Exchange under the symbol TRE since 1995. Learn more at www.sinoforest.com.

No stock exchange or regulatory authority has approved or disapproved of information contained herein. This news release contains forward-looking information within the meaning of applicable securities laws. 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 "intends", "expects", and "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 by noteholders, other lenders, other creditors, shareholders, regulators, governmental agencies and other stakeholders to enforce their rights; the outcome of examinations currently underway by law enforcement, 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; our reliance on key employees; our ability to acquire rights to additional standing timber; our ability to meet our expected plantation yields; the cyclical nature of the forest products industry and price fluctuation in and the demand and supply of logs; our 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; our ability to operate our production facilities on a profitable basis; changes in currency exchange rates and interest rates; the evaluation of our provision for income and related taxes; economic, political and social conditions and government policy in China, the Republic of Suriname and New Zealand, and stock market volatility; and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forwarding-looking statements. For additional information with respect to certain of these and other factors, see the reports filed by Sino-Forest Corporation with applicable Canadian securities administrators. 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.

| | |
|--|--|
| <p>FOR INVESTOR INQUIRIES PLEASE CONTACT: BRUNSWICK GROUP LIMITED Tel: + 1 646 625 7452</p> | |
| <p>FOR MEDIA INQUIRIES PLEASE CONTACT: BRUNSWICK GROUP LIMITED Email: sinoforest@brunswickgroup.com</p> | |
| <p>New York Stan Neve Tel: +1 212 333 3810</p> | <p>Hong Kong Tim Payne Cindy Leggett-Flynn Tel: +852 3512 5000</p> |

TAB L

This is Exhibit "L" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



Sino-Forest Corporation

SINO-FOREST CONFIRMS ONTARIO SECURITIES COMMISSION INVESTIGATION

TORONTO, CANADA, June 8, 2011 – Sino-Forest Corporation (TSX: TRE) (“Sino-Forest” or the “Company”), a leading commercial forest plantation operator in China, today confirmed that the Ontario Securities Commission (“OSC”) has opened an investigation. The Company expected the OSC to take this step given its responsibility as the public regulator and the recent unusual trading activity and volatility in Sino-Forest’s stock price and the allegations contained in Muddy Waters’ report. The Company welcomes the OSC initiative and believes that the issues the OSC will seek to address will be consistent with the investigation commenced by an Independent Committee of the Board of Directors.

The Company has also formally requested that the Toronto Stock Exchange and the Investment Industry Regulatory Organization of Canada investigate the trading of the Company’s shares by Muddy Waters, LLC and its principal Carson Block and anyone associated with these persons in advance of the issuance of the Muddy Waters’ report.

The Company also intends to request an investigation by the Singapore Exchange Ltd in respect to the trading of the Company’s bonds.

About Sino-Forest Corporation

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. Sino-Forest also holds a majority interest in Greenheart Group Limited, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries around the world. Sino-Forest’s common shares have been listed on the Toronto Stock Exchange under the symbol TRE since 1995. Learn more at www.sinoforest.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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- Senior Vice President & Chief Financial Officer

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Email: davehorsley@sinoforest.com

Hong Kong

Louisa Wong

- Senior Manager, Investor Communications & Relations

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BRUNSWICK GROUP LIMITED

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Cindy Leggett-Flynn

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Tim Payne

Joseph Lo

Tel: +852 3512 5000

TAB M

This is Exhibit "M" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19^e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c.S.5, as amended**

- and -

**IN THE MATTER OF
SINO-FOREST CORPORATION, ALLEN CHAN, ALBERT IP, ALFRED C.T. HUNG,
GEORGE HO AND SIMON YEUNG**

TEMPORARY ORDER

(Section 127(1) & (5))

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Sino-Forest Corporation ("Sino-Forest") is a publicly traded Canadian company and a "reporting issuer" in Ontario and other provinces, as that term is defined in section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");
2. Allen Chan ("Chan") is Chairman and Chief Executive Officer ("CEO") of Sino-Forest;
3. Albert Ip ("Ip") is the Senior Vice President Development and Operations North-East and South-West China of Sino-Forest;
4. Alfred C.T. Hung ("Hung") is Vice-President Corporate Planning and Banking of Sino-Forest;
5. George Ho ("Ho") is Vice-President Finance of Sino-Forest;
6. Simon Yeung ("Yeung") is Vice President - Operation within the Operation / Project Management group of Sino-Panel (Asia) Inc., a subsidiary of Sino-Forest ("Yeung");
7. Since 2003, Sino-Forest has raised approximately \$2.986 billion from public investment and/or debt securities issues including four public offerings between 2004 and 2009 which approximately raised \$1.05 billion;
8. Sino-Forest has over 150 subsidiaries, the majority of which are registered in the British Virgin Islands and Peoples Republic of China ("PRC");

9. Sino-Forest's operations are predominately in the PRC and its management has offices in Hong Kong primarily and also in the PRC and Ontario;

10. Staff of the Commission is conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management;

11. The Independent Committee of Sino-Forest has also been conducting an investigation into the activities and business of Sino-Forest and its subsidiaries and their management. As a result, Sino-Forest has recently suspended Ho, Hung, and Yeung temporarily and curtailed Ip's duties and responsibilities.

12. Sino-Forest, through its subsidiaries, appears to have engaged in significant non-arm's length transactions which may have been contrary to Ontario securities laws and the public interest;

13. Sino-Forest and certain of its officers and directors appear to have misrepresented some of its revenue and/or exaggerated some of its timber holdings by providing information to the public in documents required to be filed or furnished under Ontario securities laws which may have been false or misleading in a material respect contrary to section 122 or 126.2 of the Act and contrary to the public interest;

14. Sino-Forest and certain of its officers and directors including Chan appear to be engaging or participating in acts, practices or a course of conduct related to its securities which it and/or they know or reasonably ought to know perpetuate a fraud on any person or company contrary to section 126.1 of the Act and contrary to the public interest;

AND WHEREAS, the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in section 127(5) of the Act;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by Authorization Order made July 14, 2011, pursuant to subsection 3.5(3) of the Act, each of Howard I. Wetston, James E. A. Turner, Kevin J. Kelly, James D. Carnwath, Mary G. Condon, Paulette L. Kennedy, Vern Krishna, Christopher Portner and Edward P. Kerwin, acting alone, is authorized, to exercise the powers of the Commission under the Act, subject to subsection 3.5(4) of the Act, to make orders under section 17 of the Act.

IT IS HEREBY ORDERED that, pursuant to clause 2 of section 127(1) of the Act that all trading in the securities of Sino-Forest shall cease;

IT IS FURTHER ORDERED that pursuant to clauses 7 and 8 of section 127(1) of the Act that Chan, Ip, Hung, Ho and Yeung resign any and all positions that they hold as a director or officer of Sino-Forest or any other registrant and that they are prohibited from becoming or acting as director or officer of an issuer;

IT IS FURTHER ORDERED that pursuant to clause 2 of section 127(1) of the Act that all trading by Chan, Ip, Hung, Ho and Yeung in securities shall cease;

IT IS FURTHER ORDERED that, pursuant to section 127(6) of the Act that this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.


DATED at Toronto this 26th day of August, 2011.

“Howard Wetston”

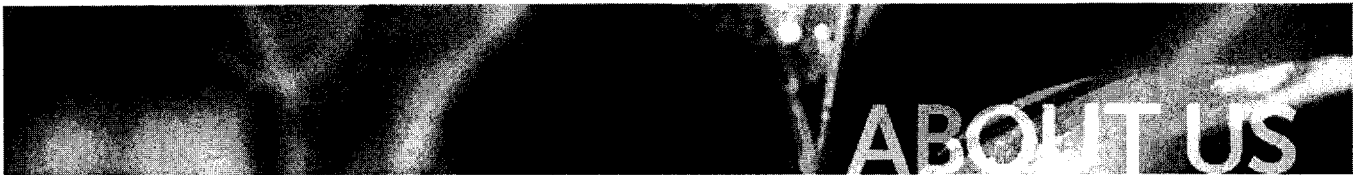
Howard Wetston, Chair

TAB N

This is Exhibit "N" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



MANAGEMENT

Sino-Forest's mission is to profitably supply quality, wood-based products, in a sustainable and socially responsible manner.

Sino-Forest is managed by a team of highly qualified executives with extensive experiences in the forestry sector and other industries.

Directors and Officers



William (Bill) E. Ardell
Chairman, Toronto

Appointed as Chairman on August 28, 2011; Lead Director from 2010; previously President & CEO and a director of Southam Inc. Bill was director for a number of public and private sectors, including not-for-profit organizations, serving in varying capacities as Chairman, Director, or member of the board committees. He began his career with Touche Ross in Montreal.



W. Judson Martin
Vice-Chairman and Chief Executive Officer, Hong Kong

Vice-chairman from 2010 and was appointed as CEO on August 28, 2011; prior to joining Sino-Forest's management team, Mr. Martin was Lead Director of the Board since 2007 and was Director since 2006; previously Senior Executive Vice President & Chief Financial Officer, Alliance Atlantis Communications Inc., Senior EVP, CFO & Chief Operating Officer, MDC Communications Corporation, President & CEO, Trilon Securities Corporation, EVP & CFO, Brookfield Development Corporation, Vice President Finance and Treasurer, Trizec Corporation Ltd.



Kai Kit (K.K.) Poon
President, Hong Kong

Director from 1994 to 2009; co-founder of Sino-Forest in 1992; previously worked fifteen years with Guangdong Forestry Bureau as engineer engaged in forest product trading and manufacturing.

Officers



David J. Horsley, CA, CBV, CF, C.Dir
Senior Vice President and Chief Financial Officer, Toronto

Senior Vice President and Chief Financial Officer since 2005; member of the Board from 2004 - 2006; former member of audit, compensation and corporate governance committees; Senior Vice President and CFO, Cygnal Technologies Corporation; previously Senior Vice President and Corporate Secretary, Canadian General Capital Limited.

Other Executives

Hua Chen, MBA
Senior Vice President, Administration & Finance, China

Joined Sino-Forest in 2002; previously board chair of Suzhou New-Development Area Economic Development Group, and managed large corporations and gained access to capital markets in China.



Wei Mao Zhao
Senior Vice President, Development & Operations, South & East China

Joined Sino-Forest in 2002; previously General Manager, Everbright Group Corp. with extensive experience in wood product manufacturing and knowledge of international wood material markets.



George Ho
Vice President, Finance (China), Hong Kong

Joined Sino-Forest in 2007; previously worked extensively in the auditing, accounting and consulting field for more than 13 years with several years of experience as CFO of a merchant bank's China operations.



Alfred C.T. Hung, CFA, FRM, MSc Finance
Vice President, Corporate Planning and Banking, Hong Kong

Joined Sino-Forest in 1999; previously gained nine years experience in investment research and management for several international firms.



Thomas M. Maradin
Vice-President, Finance (Corporate)

Joined Sino-Forest in 2005; previously worked five years for several multi-national corporations in financial reporting and internal control, regulatory compliance and system upgrading; previously worked fifteen years for Ernst & Young LLP, providing professional services in audit, taxation, risk management, strategic and business planning.

Independent Directors

James (Jamie) M.E. Hyde, CA, C.Dir
Toronto

Director since 2004; previously Vice President, Finance and Chief Financial Officer, GSW Inc., Executive Vice President and Chief Financial Officer, Resolve Business Outsourcing Income Fund, Former Partner, Ernst & Young LLP, where he provided for 24 years a board range of professional services to public and private companies.



Edmund Mak, MBA
Vancouver

Director since 1994; Associate Broker, Royal Pacific Realty Corporation; over thirty years with public, multi-national and private corporations in North America and Hong Kong, in the real estate, computer and high technology equipment, transportation, construction, oil & gas, textile and China trade industries.



Simon Murray, CBE
Hong Kong

Director since 1999; Chairman, GEMS (General Enterprise Management Services (International) Limited); thirty-five years in Asia; previously Executive Chairman, Asia Pacific, Deutsche Bank Group, Independent non-executive director of a number of listed companies in HKG including Cheung Kong (Holdings) Ltd., Orient Overseas (Int'l) Ltd., Wing Tai Properties Ltd., and non-executive director of Greenheart Group Ltd.



Peter Wang
Hong Kong

Director since 2007; Senior Commercial Consultant of Zijing Copper of Zijing Mining Group, a HKG-listed company; has over 30 years experience in Sino-foreign business affairs, predominantly related to petrochemical and mining industries, as well as wood-based panel industries.

Garry J. West

**Toronto**

Joined the Board in February 2011; former Partner at Ernst & Young; With 35 years of extensive financial experience including auditing, corporate restructuring, public financings and strategic planning initiatives for a number of major organizations; Director and Chair of the Audit Committee for two other TSX-listed companies; Fellow of the Ontario Institute Chartered Accountants.

Founding Chairman Emeritus**Allen T.Y. Chan**

Founding Chairman Emeritus, Hong Kong

Co-founded Sino-Forest in 1992, Chairman & CEO from 1994 to 2011; over twelve years experience in project management and financing in China; management consultant and project manager in China; previously worked for Hong Kong government in new town development and management programs.

Corporate citizenship roles

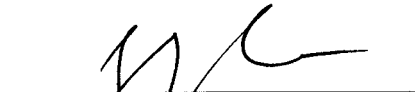
In 2008, Mr. Chan was appointed to join the Jiangxi Standing Committee of the Tenth Session of the Chinese People's Political Consultative Conference ("CPPCC"). CPPCC's government and non-government members discuss Chinese policies and principles. Its role and powers are somewhat analogous to an advisory legislative upper house. Also in 2008, Mr. Chan was appointed as Council Member of Renmin University of China ("RUC", also known as the People's University of China) for a three-year term.

[Legal Disclaimer](#)

Printer Friendly Page

TAB O

This is Exhibit "O" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

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Sino-Forest pitches debt-equity swap as last resort

Wed, Apr 4 2012

* Shareholders, court cases may pose more problems for scandal-hit Chinese company

By Jonathan Rogers

SINGAPORE, April 4 (IFR) - Scandal-ravaged Chinese timber company Sino-Forest is racing against time to convince bondholders to accept a debt-to-equity swap in a bid to salvage the remnants of its business.

The company said holders of 40% of its US\$1.8bn of outstanding notes had already signed up to a plan that will give them control of Sino-Forest's assets through a new holding company, pressuring the remaining holders to sign up by mid-May.

"The business in the PRC continues to deteriorate with every passing day," said Judson Martin, chief executive of Sino-Forest Corp (SFC), in a sworn affidavit submitted during the March 30 hearing.

"It has become clear (...) that the Sino-Forest business needs to be separated from the cloud that continues to hang over SFC if there is any future for that business (and thus value for SFC's stakeholders) to be preserved."

The Ontario Superior Court last Friday declared Toronto-listed Sino-Forest insolvent and granted it protection from its creditors while it thrashes out debt restructuring terms.

Court filings painted a tragic picture of a company that has lost access to the capital it needs to pay its suppliers in the wake of last June's allegations of fraud by research firm Muddy Waters.

Martin said the allegations have had a "catastrophic negative impact on Sino-Forest's business activities", stressing the urgent need for action.

But restructuring experts poured cold water on hopes of any swift resolution as unrealistic.

A Singapore debt restructuring expert described the debt restructuring proposal as a "pipedream" and suggested that any turnaround of the company was doomed to failure as it faces a barrage of class action suits from its equity and debt holders in the Canadian and US courts.

He predicted that Sino-Forest would struggle to get court approval to sell the assets. This is because the court must decide to "liquidate the claims" against Sino-Forest in the eight class action suits currently filed against the company.

Meanwhile, Richard Chandler Corporation, which owns 19.49% of the company, has hired its own team of advisers under Asian timber industry expert David Walker to prepare a radical corporate restructuring of Sino-Forest, potentially lining up a rival plan to protect the value of his equity stake.

Debt-for-equity swap

US-based restructuring adviser Houlihan Lokey has proposed a debt for equity swap in which the US\$1.8bn of outstanding debt will be swapped into the equity of a new holdco which will own Sino-Forest's assets. The equity in the new company will be paid out of asset sales. A 66.66% quorum of the noteholders is required for the plan to go through, with a May 15 early bird deadline set.

Those tendering consent before that date will receive a consideration of an additional 7.5% of the newco stock plus a further 3% in cash received from asset sales. Houlihan is also soliciting offers from third party buyers to purchase Sino-Forest's assets.

Tinding a buyer will be less than straightforward, at least if the lack of full disclosure from the company thus far is anything to go by. According to documents filed by FTI Consulting, which is monitoring Sino-Forest's operations, the company has cash of just US\$70.5m-equivalent, versus US\$899m as of June 30, 2011.

"Sino-Forest's operations are now operating on a significant burn as they are being pressured to continue to honour payables while collecting minimal receivables and failing to generate significant new sales" said FTI in a filing.

Should the proposed plan win approval, bondholders will own 92.5% of the newco's stock plus a new secured bond. Proceeds from asset sales will be distributed as follows: coupons plus accrued interest up to March 31, a cash payment on the outstanding paper involving an 18% haircut, cash paid to early bird tenderers and then the remainder to equity holders. Some US\$20m of the company's capital will be set aside in a litigation trust to fund a US\$4bn suit against the research firm that first accused Sino-Forest of fraud last year.

Sino-Forest claims that a research note put out by Muddy Waters last June was defamatory and is claiming damages and a share of the profits it claims Muddy Water's owner and self-styled "head of research" Carson Block made through short positions held in Sino-Forest stock prior to the publication of the report.

Sino-Forest stock was suspended on the Toronto exchange last August amid fraud allegations against Allen Chan, the company's founder, and other senior management. Following the Muddy Waters report publication Sino-Forest's stock collapsed, wiping out more than US\$3.3bn of shareholders' equity. The Ontario Securities Commission in January extended a "cease-trade" order on the stock to April 16.

Good money after bad?

Richard Chandler, the Singapore-based billionaire behind the eponymous fund, faces heavy dilution should the debt for equity swap go ahead. The company is rumoured to have been buying up Sino-Forest bonds over the past few weeks, but in order to retain a 19.5% shareholding in the newco the Richard Chandler Corporation would need to control note with a principal value totalling US\$351m.

Even at distressed prices, that would require a significant outlay. The due 2017 dollar bonds were offered at around 25 cents on the dollar last week, suggesting Richard Chandler would need to stump up another US\$85m.

"You're not going to be able to buy that kind of size in Sino-Forest's paper in the open market. Investors with big positions will be holding out for the restructuring rather than taking a big capital loss by selling at a deep discount. And from the Richard Chandler Corporation's point of view, investing more to retain your equity holding level looks like throwing good money after bad," said a regional syndicate banker.

Richard Chandler could not be reached for comment.

Whatever the case, market observers expect the saga to drag on, perhaps taking a couple of years to be formally resolved, despite the tight deadline aspirations of Houlihan Lokey's plan.

Sino-Forest's outstanding obligations include US\$399.2m of 10.25% senior notes due 2014, US\$600m of 6.25% senior notes due 2017 and two classes of convertible bonds. It has issued US\$345m of 5% CBs due 2013 and US\$460m of 4.25% CBs due 2016. (Reporting by Jonathan Rogers, editing by Steve Garton. IFR Asia)

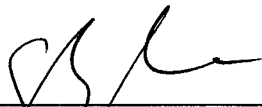
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TAB P

This is Exhibit "P" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

“Our 2011 financial year saw a strong performance in each of our four geographic Areas. All of our service lines showed growth, reflecting our focus on our core services.”

Our combined global revenues were US\$22.9 billion for the financial year ended 30 June 2011, compared with US\$21.3 billion in 2010, a 7.6% increase. In local currency, revenues grew 5.3%.

Our 2011 financial year saw a strong performance in each of our four geographic Areas. All of our service lines showed growth, reflecting our focus on our core services, a better economic environment and renewed activity in the capital markets. Assurance revenues were up 5.0%, Tax 6.0%, Advisory 17.5% and Transaction Advisory Services 7.7%. Growth in all of our service lines was almost entirely organic, with acquisitions accounting for less than half a percentage point.

Over the past five years, we have invested more than US\$1.5 billion, mainly in the emerging markets. This commitment meant that we achieved another year of strong revenue across the emerging markets in 2011, with combined revenue growth of 20%. Brazil achieved organic revenue growth of 26%, while India, Africa, China and the CIS increased revenues 22%, 19%, 18% and 16%, respectively. Based on the success of this program, we will maintain this investment at comparable levels for the foreseeable future.

As a result of the improvement in our business, we've grown our headcount to 152,000. This represents an increase of nearly 11,000 people over the course of the 2011 financial year. In today's increasingly complex and diverse world, we are focused on building lifelong relationships with our people. Our aim is to have outstanding talent to provide our clients the best service wherever they do business.

Looking ahead, the economic outlook remains uncertain with slow growth in many developed markets, sovereign debt issues in the eurozone, and inflationary pressures in many emerging markets. Given these headwinds, it is more important than ever that we continue to remain focused on the important role that we play in the world's capital markets, in our profession, with our clients and with our people.

TAB Q

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A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

What's next for Bank of America?

We are transforming our company —
making Bank of America simpler, more transparent,
easier to do business with and focused on
serving the needs of our customers and clients.

Bank of America Corporation — Financial Highlights

Bank of America Corporation (NYSE: BAC) is headquartered in Charlotte, N.C. As of December 31, 2011, we operated in all 50 states, the District of Columbia and more than 40 countries. Through our banking and various non-banking subsidiaries throughout the United States and in selected international markets, we provide a diversified range of banking and non-banking financial services and products through six business segments: Deposits, Card Services, Consumer Real Estate Services, Global Commercial Banking, Global Banking & Markets and Global Wealth & Investment Management. Bank of America is a member of the Dow Jones Industrial Average.

Financial Highlights (in millions, except per share information)

| For the year | 2011 | 2010 | 2009 |
|---|------------|------------|------------|
| Revenue, net of interest expense (FTE basis) ¹ | \$ 94,426 | \$ 111,390 | \$ 120,944 |
| Net income (loss) | 1,446 | (2,238) | 6,276 |
| Net income, excluding goodwill impairment charges ² | 4,630 | 10,162 | n/a |
| Earnings (loss) per common share | 0.01 | (0.37) | (0.29) |
| Diluted earnings (loss) per common share | 0.01 | (0.37) | (0.29) |
| Diluted earnings per common share, excluding goodwill impairment charges ² | 0.32 | 0.86 | n/a |
| Dividends paid per common share | 0.04 | 0.04 | 0.04 |
| Return on average assets | 0.06% | n/m | 0.26% |
| Return on average tangible shareholders' equity ⁴ | 0.96 | n/m | 4.18 |
| Efficiency ratio (FTE basis) ¹ | 85.01 | 74.61 | 55.16 |
| Average diluted common shares issued and outstanding | 10,255 | 9,790 | 7,729 |
| At year-end | 2011 | 2010 | 2009 |
| Total loans and leases | \$ 926,200 | \$ 940,440 | \$ 900,128 |
| Total assets | 2,129,046 | 2,264,909 | 2,230,232 |
| Total deposits | 1,033,041 | 1,010,430 | 991,611 |
| Total shareholders' equity | 230,101 | 228,248 | 231,444 |
| Book value per common share | 20.09 | 20.99 | 21.48 |
| Tangible book value per common share ³ | 12.95 | 12.98 | 11.94 |
| Market price per common share | 5.56 | 13.34 | 15.06 |
| Common shares issued and outstanding | 10,536 | 10,085 | 8,650 |
| Tier 1 common capital ratio | 9.86% | 8.60% | 7.81% |
| Tangible common equity ratio ³ | 6.64 | 5.99 | 5.56 |

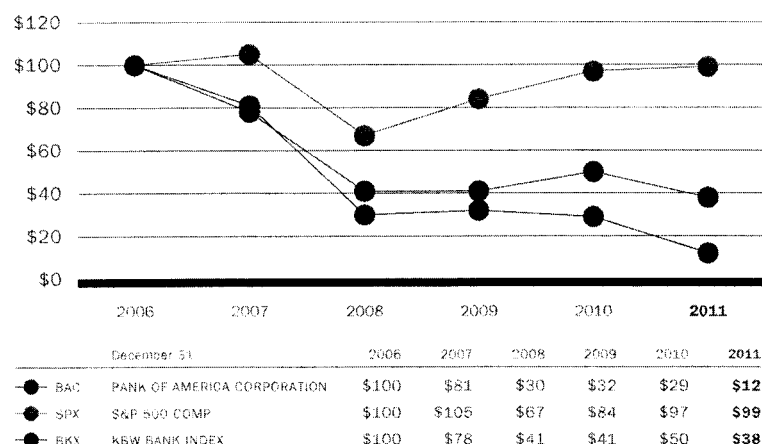
¹ Fully taxable-equivalent (FTE) basis. Return on average tangible shareholders' equity and the efficiency ratios are non-GAAP financial measures. For additional information on these measures and ratios and a corresponding reconciliation to GAAP financial measures, see Supplemental Financial Data on page 32 and Statistical Table XV in the 2011 Financial Review section.

² Net income (loss) and diluted earnings per common share ratios have been calculated excluding the impact of goodwill impairment charges of \$3.2 billion in 2011 and \$12.4 billion in 2010, and accordingly, these are non-GAAP financial measures. For additional information on these measures and ratios and a corresponding reconciliation to GAAP financial measures, see Supplemental Financial Data on page 32 and Statistical Table XV in the 2011 Financial Review section.

³ Tangible book value per share of common stock and tangible common equity ratio are non-GAAP financial measures. For additional information on these measures and ratios and a corresponding reconciliation to GAAP financial measures, see Supplemental Financial Data on page 32 and Statistical Table XV in the 2011 Financial Review section.

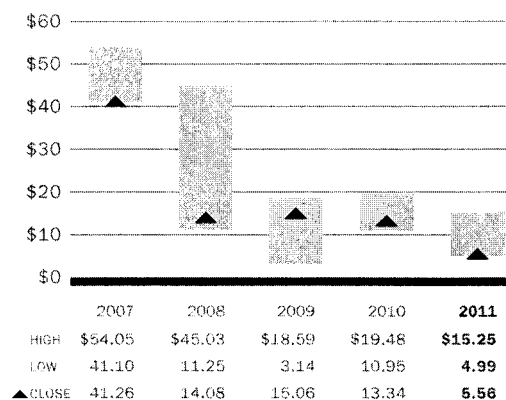
n/a=not applicable; n/m=not meaningful

Total Cumulative Shareholder Return⁴



⁴ This graph compares the yearly change in the Corporation's total cumulative shareholder return on its common stock with (i) the Standard & Poor's 500 Index and (ii) the KBW Bank Index for the years ended December 31, 2007 through 2011. The graph assumes an initial investment of \$100 at the end of 2006 and the reinvestment of all dividends during the years indicated.

BAC Five-Year Stock Performance

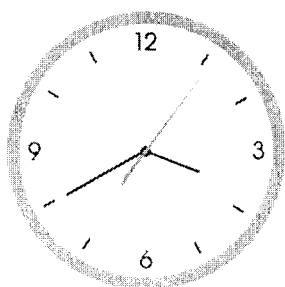


TAB R

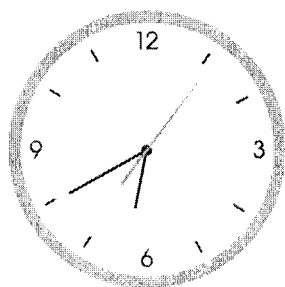
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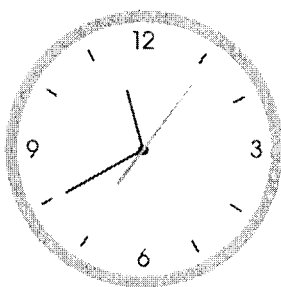
A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



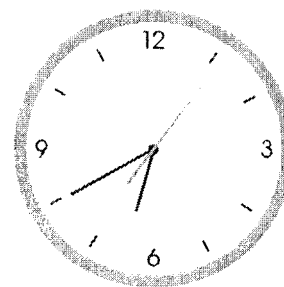
VANCOUVER
SAN FRANCISCO



NEW YORK
TORONTO



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SHANGHAI

A WORLD OF OPPORTUNITY

CANACCORD FINANCIAL INC. 2011 ANNUAL REPORT

Financial Highlights

SELECTED FINANCIAL INFORMATION⁽¹⁾⁽²⁾

| (C\$ thousands, except per share and % amounts, and number of employees) | For the years ended March 31 | | | |
|--|------------------------------|-------------------|-------------------|------------------|
| | 2011 | 2010 | | 2011/2010 Change |
| CANACCORD FINANCIAL INC. | | | | |
| Revenue | | | | |
| Commission | \$ 294,650 | \$ 235,606 | \$ 59,044 | 25.1% |
| Investment banking | 327,499 | 215,237 | 112,262 | 52.2% |
| Advisory fees | 84,914 | 39,200 | 45,714 | 116.6% |
| Principal trading | 43,644 | 45,982 | (2,338) | (5.1)% |
| Interest | 24,040 | 12,965 | 11,075 | 85.4% |
| Other | 28,884 | 28,547 | 337 | 1.2% |
| Total revenue | \$ 803,631 | \$ 577,537 | \$ 226,094 | 39.1% |
| Expenses | | | | |
| Incentive compensation | 391,050 | 299,084 | 91,966 | 30.7% |
| Salaries and benefits | 64,420 | 59,415 | 5,005 | 8.4% |
| Other overhead expenses ⁽³⁾ | 194,975 | 162,397 | 32,578 | 20.1% |
| Acquisition-related costs | 12,740 | 5,000 | 7,740 | 154.8% |
| Total expenses | \$ 663,185 | \$ 525,896 | \$ 137,289 | 26.1% |
| Income before income taxes | 140,446 | 51,641 | 88,805 | 172.0% |
| Net income | \$ 98,234 | \$ 38,497 | \$ 59,737 | 155.2% |
| Basic earnings per share | \$ 1.35 | \$ 0.79 | \$ 0.56 | 70.9% |
| Diluted earnings per share | \$ 1.20 | \$ 0.69 | \$ 0.51 | 73.9% |
| Return on average common equity (ROE) | 14.0% | 9.8% | 4.2 p.p. | |
| Dividends per share | \$ 0.275 | \$ 0.15 | \$ 0.125 | 83.3% |
| Book value per diluted common share – period end | 8.79 | 6.96 | 1.83 | 26.3% |
| EXCLUDING ACQUISITION-RELATED ITEMS⁽⁴⁾ | | | | |
| Total expenses | \$ 645,319 | \$ 520,896 | \$ 124,423 | 23.9% |
| Net income | 112,617 | 42,043 | 70,574 | 167.9% |
| Basic earnings per share | \$ 1.54 | \$ 0.86 | \$ 0.68 | 79.1% |
| Diluted earnings per share | \$ 1.38 | \$ 0.76 | \$ 0.62 | 81.6% |
| BALANCE SHEET DATA | | | | |
| Total assets | \$ 5,110,372 | \$ 3,123,848 | \$ 1,986,524 | 63.6% |
| Total liabilities | 4,353,849 | 2,722,103 | 1,631,746 | 59.9% |
| Total shareholders' equity | 756,523 | 401,745 | 354,778 | 88.3% |
| Number of employees | 1,684 | 1,549 | 135 | 8.7% |

⁽¹⁾ Data is considered to be GAAP except for ROE, book value per diluted common share, figures excluding acquisition-related items and number of employees.

⁽²⁾ Data includes the results of Genully since the closing date of April 23, 2010. Results of TBG since the closing date of January 17, 2011 are also included.

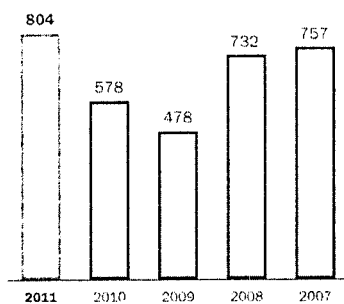
⁽³⁾ Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible and intangible assets, and development costs.

⁽⁴⁾ Figures excluding acquisition-related items are non-GAAP measures. See non-GAAP measures on page 23 and Selected Financial Information Excluding Significant and Acquisition-Related Items on page 32.

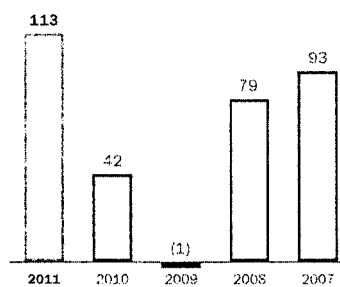
p.p.: percentage points

n.m.: not meaningful

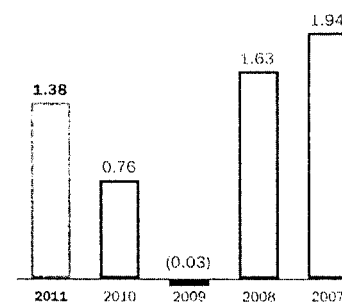
REVENUE FOR FISCAL 2011
(C\$ millions)



NET INCOME FOR FISCAL 2011
(C\$ millions, excluding acquisition-related and significant items)




DILUTED EPS FOR FISCAL 2011
(C\$, excluding acquisition-related and significant items)



TAB S

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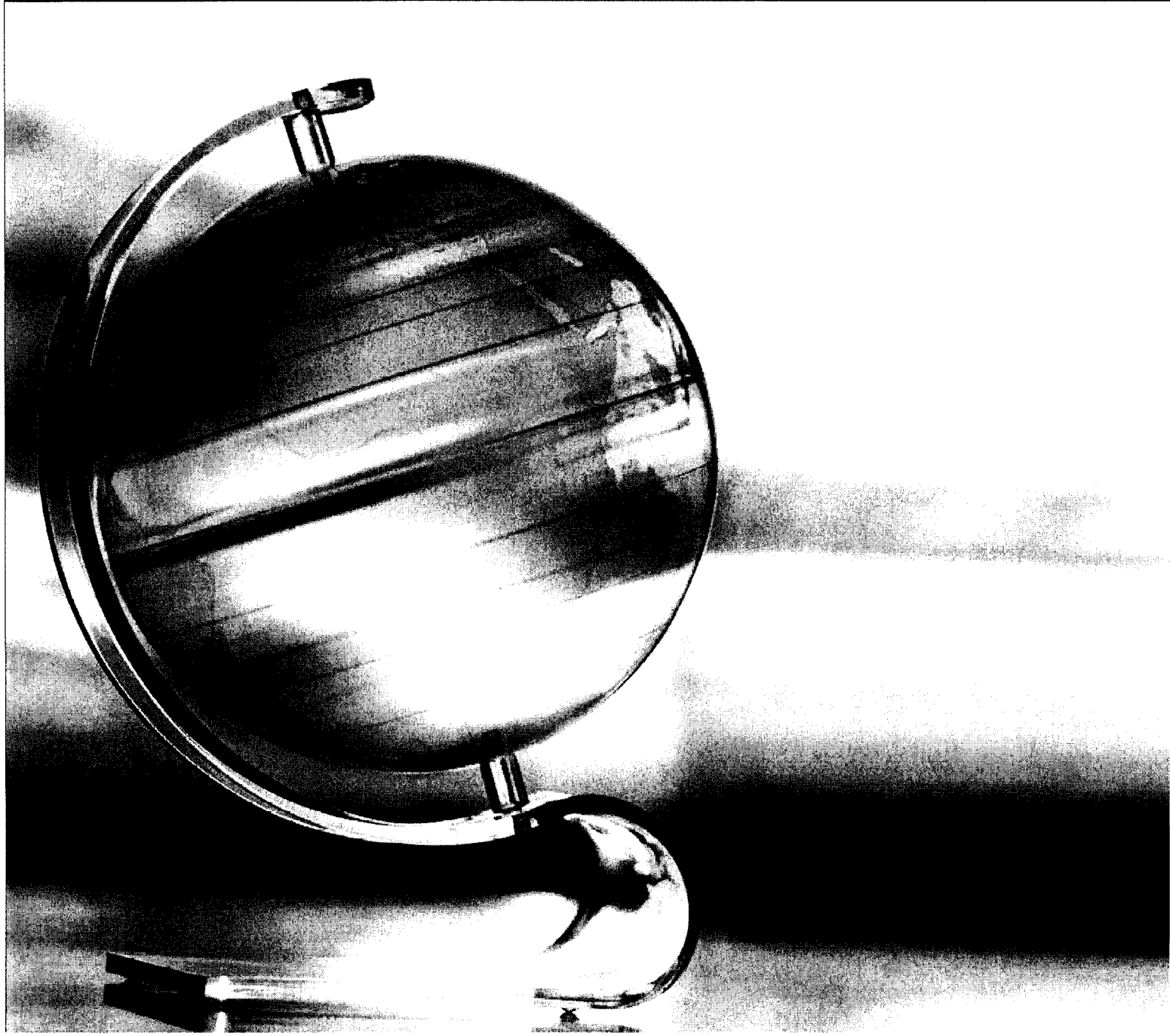


A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



2011 Annual Report

Strong fundamentals in a changing world



Consolidated financial statements

Consolidated statement of operations

| \$ millions, except as noted, for the year ended October 31 | 2011 | 2010 | 2009 |
|---|-----------------|-----------------|-----------------|
| Interest income | | | |
| Loans | \$ 7,708 | \$ 7,288 | \$ 7,183 |
| Securities | 1,963 | 1,562 | 1,705 |
| Securities borrowed or purchased under resale agreements | 365 | 193 | 324 |
| Deposits with banks | 63 | 52 | 85 |
| | 10,099 | 9,095 | 9,297 |
| Interest expense | | | |
| Deposits | 2,787 | 2,192 | 2,879 |
| Other liabilities | 747 | 476 | 785 |
| Subordinated indebtedness | 215 | 188 | 208 |
| Preferred share liabilities (Note 17) | – | 35 | 31 |
| | 3,749 | 2,891 | 3,903 |
| Net interest income | 6,350 | 6,204 | 5,394 |
| Non-interest income | | | |
| Underwriting and advisory fees | 514 | 426 | 478 |
| Deposit and payment fees | 756 | 756 | 773 |
| Credit fees | 381 | 341 | 304 |
| Card fees | 99 | 304 | 328 |
| Investment management and custodial fees | 486 | 459 | 419 |
| Mutual fund fees | 849 | 751 | 658 |
| Insurance fees, net of claims | 320 | 277 | 258 |
| Commissions on securities transactions | 496 | 474 | 472 |
| Trading (loss) income (Note 12) | (74) | 603 | (531) |
| AFS securities gains, net (Note 4) | 407 | 400 | 275 |
| FVO losses, net (Note 13) | (134) | (623) | (33) |
| Income from securitized assets | 1,063 | 631 | 518 |
| Foreign exchange other than trading | 237 | 683 | 496 |
| Other | 499 | 399 | 119 |
| | 5,899 | 5,881 | 4,534 |
| Total revenue | 12,249 | 12,085 | 9,928 |
| Provision for credit losses (Note 5) | 841 | 1,046 | 1,649 |
| Non-interest expenses | | | |
| Employee compensation and benefits | 4,163 | 3,871 | 3,610 |
| Occupancy costs | 664 | 648 | 597 |
| Computer, software and office equipment | 994 | 1,003 | 1,010 |
| Communications | 297 | 290 | 288 |
| Advertising and business development | 214 | 197 | 173 |
| Professional fees | 179 | 210 | 189 |
| Business and capital taxes | 38 | 88 | 117 |
| Other | 801 | 720 | 676 |
| | 7,350 | 7,027 | 6,660 |
| Income before income taxes and non-controlling interests | 4,058 | 4,012 | 1,619 |
| Income tax expense (Note 22) | 969 | 1,533 | 424 |
| | 3,089 | 2,479 | 1,195 |
| Non-controlling interests | 10 | 27 | 21 |
| Net income | \$ 3,079 | \$ 2,452 | \$ 1,174 |
| Preferred share dividends and premiums (Note 17) | (177) | (169) | (162) |
| Net income applicable to common shares | \$ 2,902 | \$ 2,283 | \$ 1,012 |
| Weighted-average common shares outstanding (thousands) | | | |
| – Basic | 396,233 | 387,802 | 381,677 |
| – Diluted | 397,097 | 388,807 | 382,442 |
| Earnings per share (in dollars) (Note 23) | | | |
| – Basic | \$ 7.32 | \$ 5.89 | \$ 2.65 |
| – Diluted | \$ 7.31 | \$ 5.87 | \$ 2.65 |
| Dividends per common share (in dollars) (Note 17) | \$ 3.51 | \$ 3.48 | \$ 3.48 |

The accompanying notes and shaded sections in “MD&A – Management of risk” are an integral part of these consolidated financial statements.

Consolidated financial statements

Consolidated statement of comprehensive income

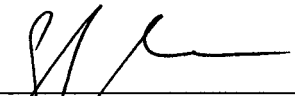
| \$ millions, for the year ended October 31 | 2011 | 2010 | 2009 |
|---|-----------------|-----------------|-----------------|
| Net income | \$ 3,079 | \$ 2,452 | \$ 1,174 |
| Other comprehensive income (OCI), net of tax | | | |
| Net foreign currency translation adjustments | | | |
| Net gains (losses) on investment in self-sustaining foreign operations | (92) | (290) | (523) |
| Net (gains) losses on investment in self-sustaining foreign operations reclassified to net income | 41 | 1,079 | 135 |
| Net gains (losses) on hedges of investment in self-sustaining foreign operations | 13 | 88 | 392 |
| Net (gains) losses on hedges of investment in self-sustaining foreign operations reclassified to net income | (37) | (957) | (142) |
| | (75) | (80) | (138) |
| Net change in AFS securities | | | |
| Net unrealized gains (losses) on AFS securities | 110 | 303 | 462 |
| Net (gains) losses on AFS securities reclassified to net income | (140) | (230) | (236) |
| | (30) | 73 | 226 |
| Net change in cash flow hedges | | | |
| Net gains (losses) on derivatives designated as cash flow hedges | (37) | (9) | (26) |
| Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income | 16 | 25 | 10 |
| | (21) | 16 | (16) |
| Total OCI | (126) | 9 | 72 |
| Comprehensive income | \$ 2,953 | \$ 2,461 | \$ 1,246 |

| \$ millions, for the year ended October 31 | 2011 | 2010 | 2009 |
|---|--------|--------|---------|
| Income tax (expense) benefit | | | |
| Net foreign currency translation adjustments | | | |
| Net gains (losses) on investment in self-sustaining foreign operations | \$ (1) | \$ (1) | \$ 34 |
| Net (gains) losses on hedges of investment in self-sustaining foreign operations | (2) | (18) | (120) |
| Net (gains) losses on hedges of investment in self-sustaining foreign operations reclassified to net income | 21 | 536 | 104 |
| Net change in AFS securities | | | |
| Net unrealized gains (losses) on AFS securities | (29) | (100) | (151) |
| Net (gains) losses on AFS securities reclassified to net income | 30 | 68 | 111 |
| Net change in cash flow hedges | | | |
| Net gains (losses) on derivatives designated as cash flow hedges | 13 | 3 | 13 |
| Net (gains) losses on derivatives designated as cash flow hedges reclassified to net income | (4) | (3) | (9) |
| | \$ 28 | \$ 485 | \$ (18) |

The accompanying notes and shaded sections in "MD&A – Management of risk" are an integral part of these consolidated financial statements.

TAB T

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A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



CREDIT SUISSE

Annual Report 2011

Credit Suisse Group AG

Consolidated financial statements


Consolidated statements of operations

| | Reference to notes | in | | |
|--|-----------------------|---------------|---------------|---------------|
| | | 2011 | 2010 | 2009 |
| Consolidated statements of operations (CHF million) | | | | |
| Interest and dividend income | 6 | 23,002 | 25,533 | 25,288 |
| Interest expense | 6 | (16,569) | (18,992) | (18,397) |
| Net interest income | 6 | 6,433 | 6,541 | 6,891 |
| Commissions and fees | 7 | 12,952 | 14,078 | 13,750 |
| Trading revenues | 8 | 5,020 | 9,338 | 12,151 |
| Other revenues | 9 | 1,820 | 1,429 | 502 |
| Net revenues | | 26,225 | 31,386 | 33,294 |
| Provision for credit losses | 10 | 187 | (79) | 506 |
| Compensation and benefits | 11 | 13,213 | 14,599 | 15,013 |
| General and administrative expenses | 12 | 7,372 | 7,231 | 7,701 |
| Commission expenses | | 1,992 | 2,148 | 1,997 |
| Total other operating expenses | | 9,364 | 9,379 | 9,698 |
| Total operating expenses | | 22,577 | 23,978 | 24,711 |
| Income from continuing operations before taxes | | 3,461 | 7,487 | 8,077 |
| Income tax expense | 26 | 671 | 1,548 | 1,835 |
| Income from continuing operations | | 2,790 | 5,939 | 6,242 |
| Income/(loss) from discontinued operations, net of tax | 4 | 0 | (19) | 169 |
| Net income | | 2,790 | 5,920 | 6,411 |
| Net income/(loss) attributable to noncontrolling interests | | 837 | 822 | (313) |
| Net income attributable to shareholders | | 1,953 | 5,098 | 6,724 |
| of which from continuing operations | | 1,953 | 5,117 | 6,555 |
| of which from discontinued operations | | 0 | (19) | 169 |
| Basic earnings per share (CHF) | | | | |
| Basic earnings per share from continuing operations | 13 | 1.37 | 3.93 | 5.14 |
| Basic earnings/(loss) per share from discontinued operations | 13 | 0.00 | (0.02) | 0.14 |
| Basic earnings per share | 13 | 1.37 | 3.91 | 5.28 |
| Diluted earnings per share (CHF) | | | | |
| Diluted earnings per share from continuing operations | 13 | 1.36 | 3.91 | 5.01 |
| Diluted earnings/(loss) per share from discontinued operations | 13 | 0.00 | (0.02) | 0.13 |
| Diluted earnings per share | 13 | 1.36 | 3.89 | 5.14 |

The accompanying notes to the consolidated financial statements are an integral part of these statements.

TAB U

This is Exhibit "U" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



DUNDEEWEALTH INC.

CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2010

DUNDEEWALTH INC.
CONSOLIDATED STATEMENTS OF OPERATIONS


*For the years ended December 31, 2010 and 2009
(expressed in thousands of Canadian dollars, except per share amounts)*

| | 2010 | 2009 |
|---|-------------------|------------------|
| REVENUES | | |
| Management fees | \$ 665,119 | \$ 462,376 |
| Redemption fees | 16,456 | 13,978 |
| Financial services | 320,423 | 295,344 |
| | 1,001,998 | 771,698 |
| Investment income | 43,080 | 7,773 |
| | 1,045,078 | 779,471 |
| EXPENSES | | |
| Selling, general and administrative | 340,468 | 284,818 |
| Variable compensation | 195,538 | 180,825 |
| Trailer service fees | 176,853 | 127,513 |
| Distribution fees | 2,059 | 1,595 |
| | 714,918 | 594,751 |
| EARNINGS BEFORE INTEREST, INCOME TAXES, AND OTHER NON-CASH ITEMS | 330,160 | 184,720 |
| Amortization of deferred sales commissions | 97,892 | 88,689 |
| Depreciation and amortization | 11,001 | 12,404 |
| Adjustments to fair value of investments (notes 5, 6 and 19) | (17,122) | (14,125) |
| Foreign exchange loss (gain) | 835 | (9,691) |
| Interest expense | 11,367 | 10,350 |
| Dividends on preference shares | 10,665 | 10,665 |
| EARNINGS BEFORE INCOME TAXES | 215,522 | 86,428 |
| Income taxes (note 17) | | |
| Current | 46,500 | 29,173 |
| Future | 50,312 | 5,697 |
| | 96,812 | 34,870 |
| NET EARNINGS FOR THE YEAR | \$ 118,710 | \$ 51,558 |
| NET EARNINGS PER SHARE (note 18) | | |
| Basic | \$ 0.82 | \$ 0.36 |
| Diluted | \$ 0.79 | \$ 0.35 |

The accompanying notes are an integral part of these consolidated financial statements.

TAB V

This is Exhibit "V" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)



Royal Bank of Canada

2011 Annual Report



Overview and outlook

Selected financial and other highlights

Table 1

| (C\$ millions, except per share, number of and percentage amounts) | 2011 | 2010 | 2009 | 2011 vs. 2010 Increase (decrease) | |
|---|-----------------|-----------------|-----------------|--------------------------------------|---------------|
| Continuing operations | | | | | |
| Total revenue | \$ 27,430 | \$ 26,082 | \$ 26,441 | \$ 1,348 | 5.2% |
| Provision for credit losses (PCL) | 975 | 1,240 | 2,167 | (265) | (21.4)% |
| Insurance policyholder benefits, claims and acquisition expense (PBCAE) | 3,360 | 3,546 | 3,042 | (186) | (5.2)% |
| Non-interest expense | 14,453 | 13,469 | 13,436 | 984 | 7.3% |
| Net income before income taxes and non-controlling interest (NCI) in subsidiaries | 8,642 | 7,827 | 7,796 | 815 | 10.4% |
| Net income from continuing operations | 6,650 | 5,732 | 5,681 | 918 | 16.0% |
| Net loss from discontinued operations | (1,798) | (509) | (1,823) | (1,289) | n.m. |
| Net income | \$ 4,852 | \$ 5,223 | \$ 3,858 | \$ (371) | (7.1)% |
| Segments – net income (loss) from continuing operations | | | | | |
| Canadian Banking | \$ 3,492 | \$ 3,044 | \$ 2,663 | \$ 448 | 14.7% |
| Wealth Management | 809 | 669 | 583 | 140 | 20.9% |
| Insurance | 601 | 491 | 527 | 110 | 22.4% |
| International Banking | 173 | 92 | 123 | 81 | 88.0% |
| Capital Markets | 1,575 | 1,647 | 1,768 | (72) | (4.4)% |
| Corporate Support | – | (211) | 17 | 211 | n.m. |
| Net income from continuing operations | \$ 6,650 | \$ 5,732 | \$ 5,681 | \$ 918 | 16.0% |
| Selected information | | | | | |
| Earnings (loss) per share (EPS) – basic | \$ 3.21 | \$ 3.49 | \$ 2.59 | \$ (.28) | (8.0)% |
| – diluted | \$ 3.19 | \$ 3.46 | \$ 2.57 | \$ (.27) | (7.8)% |
| Return on common equity (ROE) (1) | 12.9% | 14.9% | 11.9% | n.m. | (200) bps |
| Return on risk capital (RORC) (1) | 19.0% | 25.4% | 19.5% | n.m. | (640) bps |
| Selected information from continuing operations | | | | | |
| Earnings per share (EPS) – basic | \$ 4.47 | \$ 3.85 | \$ 3.90 | \$.62 | 16.1% |
| – diluted | \$ 4.45 | \$ 3.82 | \$ 3.86 | \$.63 | 16.5% |
| Return on common equity (ROE) (1) | 18.0% | 16.5% | 17.9% | n.m. | 150 bps |
| Return on risk capital (RORC) (1) | 28.9% | 31.5% | 33.2% | n.m. | (260) bps |
| Specific PCL as a % of average net loans and acceptances | .34% | .45% | .72% | n.m. | (11) bps |
| Gross impaired loans (GIL) as a % of loans and acceptances | .78% | .95% | 1.02% | n.m. | (17) bps |
| Capital ratios and multiple | | | | | |
| Tier 1 capital ratio | 13.3% | 13.0% | 13.0% | n.m. | 30 bps |
| Total capital ratio | 15.3% | 14.4% | 14.2% | n.m. | 90 bps |
| Assets-to-capital multiple | 16.1X | 16.5X | 16.3X | n.m. | n.m. |
| Tier 1 common ratio (2) | 10.6% | 9.8% | 9.2% | n.m. | 80 bps |
| Selected balance sheet and other information | | | | | |
| Total assets | \$ 751,702 | \$ 726,206 | \$ 654,989 | \$ 25,496 | 3.5% |
| Securities | 179,558 | 183,519 | 177,298 | (3,961) | (2.2)% |
| Loans (net of allowance for loan losses) | 296,284 | 273,006 | 258,395 | 23,278 | 8.5% |
| Derivative related assets | 100,013 | 106,155 | 92,095 | (6,142) | (5.8)% |
| Deposits | 444,181 | 414,561 | 378,457 | 29,620 | 7.1% |
| Average common equity (1) | 35,550 | 33,250 | 30,450 | 2,300 | 6.9% |
| Average risk capital (1) | 24,150 | 19,500 | 18,600 | 4,650 | 23.8% |
| Risk-weighted assets (RWA) | 267,780 | 260,456 | 244,837 | 7,324 | 2.8% |
| Assets under management (AUM) | 308,700 | 264,700 | 249,700 | 44,000 | 16.6% |
| Assets under administration (AUA) – RBC | 699,800 | 683,800 | 648,800 | 16,000 | 2.3% |
| – RBC Dexia IS (3) | 2,744,400 | 2,779,500 | 2,484,400 | (35,100) | (1.3)% |
| Common share information | | | | | |
| Shares outstanding (000s) – average basic | 1,430,722 | 1,420,719 | 1,398,675 | 10,003 | 0.7% |
| – average diluted | 1,437,904 | 1,433,754 | 1,412,126 | 4,150 | 0.3% |
| – end of period | 1,438,376 | 1,424,922 | 1,417,610 | 13,454 | 0.9% |
| Dividends declared per share | \$ 2.08 | \$ 2.00 | \$ 2.00 | \$.08 | 4.0% |
| Dividend yield (4) | 3.9% | 3.6% | 4.8% | n.m. | 30 bps |
| Common share price (RY on TSX) – close, end of period | \$ 48.62 | \$ 54.39 | \$ 54.80 | \$ (5.77) | (10.6)% |
| Market capitalization (TSX) | 69,934 | 77,502 | 77,685 | (7,568) | (9.8)% |
| Business information from continuing operations (number of) | | | | | |
| Employees (full-time equivalent) (FTE) | 68,480 | 67,147 | 65,980 | 1,333 | 2.0% |
| Banking branches | 1,338 | 1,336 | 1,323 | 2 | 0.1% |
| Automated teller machines (ATM) | 4,626 | 4,557 | 4,544 | 69 | 1.5% |
| Period average US\$ equivalent of C\$1.00 (5) | \$ 1.015 | \$.959 | \$.858 | \$.056 | 5.8% |
| Period-end US\$ equivalent of C\$1.00 | \$ 1.003 | \$.980 | \$.924 | \$.023 | 2.3% |

(1) Average amounts are calculated using methods intended to approximate the average of the daily balances for the period. This includes ROE, RORC, Average common equity, and Average risk capital. For further discussion on Average risk capital, ROE and RORC, refer to the Key performance and non-GAAP measures section.

(2) For further discussion, refer to the Key performance and non-GAAP measures section.

(3) Represents the total AUA of the joint venture, of which we have a 50% ownership interest, reported on a one-month lag.

(4) Defined as dividends per common share divided by the average of the high and low share price in the relevant period.

(5) Average amounts are calculated using month-end spot rates for the period.

n.m. not meaningful

TAB W

This is Exhibit "W" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

Strategy in action

2011 SCOTIABANK ANNUAL REPORT



Scotiabank's framework for success

Five-point strategy

- | | | | | |
|---|--|--|--|---|
| <p>1 Sustainable and profitable revenue growth</p> <p>p.14</p> | <p>2 Capital and balance sheet management</p> <p>p.17</p> | <p>3 Leadership</p> <p>p.17</p> | <p>4 Prudent risk management and appetite</p> <p>p.18</p> | <p>5 Efficiency and expense management</p> <p>p.20</p> |
|---|--|--|--|---|

One Team One Goal

Culture of collaboration

Taking full advantage of business opportunities, synergies, best practices and our global talent pool.

Values

Integrity We interact with others ethically and honourably. **Respect** We empathize and fully consider the diverse needs of others. **Commitment** We are committed to helping customers succeed. **Insight** We use a high level of knowledge to proactively respond with the right solutions. **Spirit** We enrich our work environment with teamwork, contagious enthusiasm and a "can-do" attitude.

Core purpose

To be the best at

helping customers
become financially better off
by providing practical advice and relevant solutions.



Business platforms

Canadian Banking

Net income*

\$1,862

32% of Scotiabank's total net income**

Providing a full suite of financial advice and solutions, supported by an excellent customer experience, to retail, small business and commercial markets in Canada.

*2011 (\$ millions)

** % of 2011 net income, excluding other

International Banking

Net income*

\$1,485

26% of Scotiabank's total net income**

Providing a full range of personal and commercial financial services across the Caribbean and Central America, Latin America and Asia.

Global Wealth Management

Net income*

\$1,218

21% of Scotiabank's total net income**

Combines Scotiabank's wealth management and insurance business in Canada and internationally, along with the Global Transaction Banking group.

Scotia Capital

Net income*

\$1,184

21% of Scotiabank's total net income**

Scotiabank's wholesale banking arm offers a wide variety of products and services to corporate, government and institutional investor clients globally.



Throughout this Annual Report, you will find QR codes like the one to the left. Download a QR code scanning app to your smartphone and by scanning the QR code with your phone's camera, you can see more information on scotiabank.com.

MANAGEMENT'S DISCUSSION AND ANALYSIS

T1 Financial Highlights

| As at and for the years ended October 31 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|---------|---------|---------|---------|---------|
| Operating results (\$ millions) | | | | | |
| Net interest income | 9,270 | 8,621 | 8,328 | 7,574 | 7,098 |
| Net interest income (TEB ⁽¹⁾) | 9,557 | 8,907 | 8,616 | 7,990 | 7,629 |
| Total revenue | 17,288 | 15,505 | 14,457 | 11,876 | 12,490 |
| Total revenue (TEB ⁽¹⁾) | 17,575 | 15,791 | 14,745 | 12,292 | 13,021 |
| Provision for credit losses | 1,046 | 1,239 | 1,744 | 630 | 270 |
| Non-interest expenses | 9,564 | 8,182 | 7,919 | 7,296 | 6,994 |
| Provision for income taxes | 1,410 | 1,745 | 1,133 | 691 | 1,063 |
| Provision for income taxes (TEB ⁽¹⁾) | 1,697 | 2,031 | 1,421 | 1,107 | 1,594 |
| Net income ⁽²⁾ | 5,268 | 4,339 | 3,661 | 3,259 | 4,163 |
| Net income attributable to common shareholders | 4,959 | 4,038 | 3,361 | 3,033 | 3,994 |
| Operating performance | | | | | |
| Basic earnings per share (\$) | 4.62 | 3.91 | 3.32 | 3.07 | 4.04 |
| Diluted earnings per share (\$) | 4.62 | 3.91 | 3.31 | 3.05 | 4.01 |
| Diluted cash earnings per share ⁽¹⁾ (\$) | 4.71 | 3.97 | 3.37 | 3.11 | 4.05 |
| Return on equity ⁽¹⁾ (%) | 18.8 | 18.3 | 16.7 | 16.7 | 22.0 |
| Productivity ratio (%) (TEB ⁽¹⁾) | 54.4 | 51.8 | 53.7 | 59.4 | 53.7 |
| Net interest margin on total average assets (%) (TEB ⁽¹⁾) | 1.68 | 1.73 | 1.68 | 1.75 | 1.89 |
| Balance sheet information (\$ millions) | | | | | |
| Cash resources and securities | 174,344 | 162,590 | 160,572 | 125,353 | 118,030 |
| Loans and acceptances | 306,874 | 291,840 | 275,885 | 300,649 | 238,685 |
| Total assets | 575,256 | 526,657 | 496,516 | 507,625 | 411,510 |
| Deposits | 396,376 | 361,650 | 350,419 | 346,580 | 288,458 |
| Preferred shares | 4,384 | 3,975 | 3,710 | 2,860 | 1,635 |
| Common shareholders' equity | 28,376 | 23,656 | 21,062 | 18,782 | 17,169 |
| Assets under administration ⁽¹⁾ | 325,334 | 243,817 | 215,097 | 203,147 | 195,095 |
| Assets under management ⁽¹⁾⁽³⁾ | 103,020 | 53,532 | 46,304 | 40,460 | 36,092 |
| Capital measures ⁽⁴⁾ | | | | | |
| Tier 1 capital ratio (%) | 12.2 | 11.8 | 10.7 | 9.3 | 9.3 |
| Total capital ratio (%) | 13.9 | 13.8 | 12.9 | 11.1 | 10.5 |
| Tangible common equity to risk-weighted assets ⁽¹⁾⁽⁵⁾ (%) | 9.6 | 9.7 | 8.3 | 6.6 | 7.4 |
| Assets-to-capital multiple | 16.6 | 17.0 | 16.6 | 18.0 | 18.2 |
| Risk-weighted assets (\$ millions) | 233,970 | 215,034 | 221,656 | 250,591 | 218,337 |
| Credit quality | | | | | |
| Net impaired loans ⁽⁶⁾ (\$ millions) | 2,623 | 3,044 | 2,563 | 1,191 | 601 |
| General allowance for credit losses (\$ millions) | 1,352 | 1,410 | 1,450 | 1,323 | 1,298 |
| Sectoral allowance (\$ millions) | - | - | 44 | - | - |
| Net impaired loans as a % of loans and acceptances ⁽⁶⁾ | 0.85 | 1.04 | 0.93 | 0.40 | 0.25 |
| Specific provision for credit losses as a % of average loans and acceptances | 0.38 | 0.48 | 0.54 | 0.24 | 0.13 |
| Common share information | | | | | |
| Share price (\$) | | | | | |
| High | 61.28 | 55.76 | 49.19 | 54.00 | 54.73 |
| Low | 49.00 | 44.12 | 23.99 | 35.25 | 46.70 |
| Close | 52.53 | 54.67 | 45.25 | 40.19 | 53.48 |
| Shares outstanding (millions) | | | | | |
| Average – Basic | 1,072 | 1,032 | 1,013 | 987 | 989 |
| Average – Diluted | 1,074 | 1,034 | 1,016 | 993 | 997 |
| End of period | 1,089 | 1,043 | 1,025 | 992 | 984 |
| Dividends per share (\$) | 2.05 | 1.96 | 1.96 | 1.92 | 1.74 |
| Dividend yield (%) ⁽⁷⁾ | 3.7 | 3.9 | 5.4 | 4.3 | 3.4 |
| Market capitalization (\$ millions) | 57,204 | 57,016 | 46,379 | 39,865 | 52,612 |
| Book value per common share (\$) | 26.06 | 22.68 | 20.55 | 18.94 | 17.45 |
| Market value to book value multiple | 2.0 | 2.4 | 2.2 | 2.1 | 3.1 |
| Price to earnings multiple | 11.3 | 14.0 | 13.6 | 13.1 | 13.2 |
| Other information | | | | | |
| Employees | 75,362 | 70,772 | 67,802 | 69,049 | 58,113 |
| Branches and offices | 2,926 | 2,784 | 2,686 | 2,672 | 2,331 |

(1) Non-GAAP measure. Refer to the non-GAAP measures on page 29.

(2) Refer to Note 1 of the Consolidated Financial Statements for the impact of the new accounting standards adopted effective November 1, 2010. Prior period information has been reclassified to conform with current period presentation.

(3) Prior period amounts have been restated to reflect the updated definition of assets under management. Refer to page 29 for a discussion on non-GAAP measures.

(4) Effective November 1, 2007, regulatory capital, risk-weighted assets and capital ratios are determined in accordance with Basel II rules. Comparative amounts for 2007 were determined in accordance with Basel I rules.

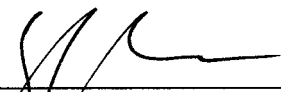
(5) Amounts have been restated to reflect the revised definition of tangible common equity to risk-weighted assets. Refer to page 29 for a discussion of non-GAAP measures.

(6) Net impaired loans are impaired loans less the specific allowance for credit losses.

(7) Based on the average of the high and low common share price for the year.

TAB X

This is Exhibit "X" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)

FINANCIAL RESULTS

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The management of The Toronto-Dominion Bank and its subsidiaries (the "Bank") is responsible for the integrity, consistency, objectivity and reliability of the Consolidated Financial Statements of the Bank and related financial information as presented. Canadian generally accepted accounting principles as well as the requirements of the Bank Act and related regulations have been applied and management has exercised its judgment and made best estimates where appropriate.

The Bank's accounting system and related internal controls are designed, and supporting procedures maintained, to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. These supporting procedures include the careful selection and training of qualified staff, the establishment of organizational structures providing a well-defined division of responsibilities and accountability for performance, and the communication of policies and guidelines of business conduct throughout the Bank.

Management has assessed the effectiveness of the Bank's internal control over financial reporting as at October 31, 2011 using the framework found in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, management has concluded that as at October 31, 2011, the Bank's internal control over financial reporting is effective.

The Bank's Board of Directors, acting through the Audit Committee which is composed entirely of independent directors, oversees management's responsibilities for financial reporting. The Audit Committee reviews the Consolidated Financial Statements and recommends them to the Board for approval. Other responsibilities of the Audit Committee include monitoring the Bank's system of internal controls over the financial reporting process and making recommendations to the Board and shareholders regarding the appointment of the external auditor.

The Bank's Chief Auditor, who has full and free access to the Audit Committee, conducts an extensive program of audits. This program supports the system of internal control and is carried out by a professional staff of auditors.

The Office of the Superintendent of Financial Institutions, Canada, makes such examination and enquiry into the affairs of the Bank as deemed necessary to ensure that the provisions of the *Bank Act*, having reference to the safety of the depositors, are being duly observed and that the Bank is in sound financial condition.

Ernst & Young LLP, the independent auditors appointed by the shareholders of the Bank, have audited the effectiveness of the Bank's internal control over financial reporting as at October 31, 2011 in addition to auditing the Bank's Consolidated Financial Statements as of the same date. Their reports, which expressed an unqualified opinion, can be found on the following pages of the Consolidated Financial Statements. Ernst & Young have full and free access to, and meet periodically with, the Audit Committee to discuss their audit and matters arising there from, such as, comments they may have on the fairness of financial reporting and the adequacy of internal controls.



W. Edmund Clark
Group President and
Chief Executive Officer



Colleen M. Johnston
Group Head Finance and
Chief Financial Officer

Toronto, Canada
November 30, 2011

Consolidated Statement of Income

For the years ended October 31

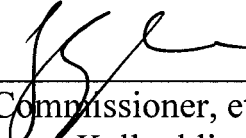
(millions of Canadian dollars, except as noted)

| | 2011 | 2010 | 2009 |
|---|-----------------|-----------------|-----------------|
| Interest income | | | |
| Loans | \$ 13,941 | \$ 12,939 | \$ 13,691 |
| Securities | | | |
| Dividends | 810 | 737 | 868 |
| Interest | 3,354 | 3,043 | 3,886 |
| Deposits with banks | 354 | 668 | 442 |
| | 18,459 | 17,387 | 18,887 |
| Interest expense | | | |
| Deposits | 4,289 | 4,578 | 5,818 |
| Subordinated notes and debentures | 659 | 667 | 671 |
| Preferred shares and capital trust securities (Notes 15, 16) | 38 | 37 | 94 |
| Other | 642 | 562 | 978 |
| | 5,628 | 5,844 | 7,561 |
| Net interest income | 12,831 | 11,543 | 11,326 |
| Non-interest income | | | |
| Investment and securities services | 2,624 | 2,424 | 2,212 |
| Credit fees | 687 | 634 | 622 |
| Net securities gains (losses) (Note 3) | 393 | 75 | (437) |
| Trading income (loss) (Note 20) | 43 | 484 | 685 |
| Service charges | 1,602 | 1,651 | 1,507 |
| Loan securitizations (Note 5) | 450 | 489 | 468 |
| Card services | 961 | 820 | 733 |
| Insurance, net of claims (Note 21) | 1,173 | 1,028 | 913 |
| Trust fees | 154 | 153 | 141 |
| Other income (loss) | 676 | 264 | (310) |
| | 8,763 | 8,022 | 6,534 |
| Total revenue | 21,594 | 19,565 | 17,860 |
| Provision for credit losses (Note 4) | 1,465 | 1,625 | 2,480 |
| Non-interest expenses | | | |
| Salaries and employee benefits (Note 23) | 6,723 | 5,960 | 5,839 |
| Occupancy, including depreciation | 1,285 | 1,236 | 1,213 |
| Equipment, including depreciation | 800 | 880 | 897 |
| Amortization of other intangibles (Note 9) | 715 | 592 | 653 |
| Restructuring costs (Note 24) | - | 17 | 36 |
| Marketing and business development | 593 | 595 | 566 |
| Brokerage-related fees | 320 | 297 | 274 |
| Professional and advisory services | 932 | 804 | 740 |
| Communications | 271 | 251 | 239 |
| Other | 1,444 | 1,531 | 1,754 |
| | 13,083 | 12,163 | 12,211 |
| Income before income taxes, non-controlling interests in subsidiaries, and equity in net income of an associated company | 7,046 | 5,777 | 3,169 |
| Provision for (recovery of) income taxes (Note 25) | 1,299 | 1,262 | 241 |
| Non-controlling interests in subsidiaries, net of income taxes | 104 | 106 | 111 |
| Equity in net income of an associated company, net of income taxes (Note 8) | 246 | 235 | 303 |
| Net income | 5,889 | 4,644 | 3,120 |
| Preferred dividends | 180 | 194 | 167 |
| Net income available to common shareholders | \$ 5,709 | \$ 4,450 | \$ 2,953 |
| Average number of common shares outstanding (millions) (Note 26) | | | |
| Basic | 885.7 | 867.1 | 847.1 |
| Diluted | 890.1 | 872.1 | 850.1 |
| Earnings per share (dollars) (Note 26) | | | |
| Basic | \$ 6.45 | \$ 5.13 | \$ 3.49 |
| Diluted | 6.41 | 5.10 | 3.47 |
| Dividends per share (dollars) | 2.61 | 2.44 | 2.44 |

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current year.
The accompanying Notes are an integral part of these Consolidated Financial Statements.

TAB Y

This is Exhibit "Y" mentioned and referred to in the Affidavit of Daniel E. H. Bach, sworn before me at the City of Toronto, in the Province of Ontario, this 11th day of April, 2012.



A Commissioner, etc.
Serge Kalloghlian
(LSUC #55557F)