

SINO-FOREST CORPORATION

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular is furnished in connection with the solicitation of proxies by the management of Sino-Forest Corporation (the “**Corporation**”) for use at the annual meeting (the “**Meeting**”) of holders of common shares of the Corporation (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual Meeting of Shareholders (the “**Notice**”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The cost of solicitation will be borne by the Corporation.

The Corporation has distributed or made available for distribution, copies of the Notice, the management information circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Shareholders (the “**Non-registered Shareholders**”) whose shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-registered Shareholders unless a Non-registered Holder has waived the right to receive them. The solicitation of proxies from Non-registered Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Non-registered Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of these materials.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation, 90 Burnhamthorpe Road West, Suite 1208, Mississauga, Ontario, L5B 3C3, or its transfer agent and registrar, CIBC Mellon Trust Company, Attention: Proxy Department, 200 Queens Quay East, Unit #6, Toronto Ontario M5K 4A9 not later than the close of business on Friday, May 13, 2005 or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) at the registered office, 90 Burnhamthorpe Road West, Suite 1208, Mississauga, Ontario, L5B 3C3, at any time up to and including the last business day preceding the day of the Meeting, being Friday, May 13, 2005, or any adjournment thereof at which the proxy is to be used; or

- (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

Unless otherwise disclosed in this management information circular, no person who has been a director or an officer of the Corporation at any time since the beginning of its last completed financial year, or who is a proposed management nominee for election as a director of the Corporation or any associate of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this management information circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to a substantial number of Shareholders who do not hold their shares in their own name (referred to in this section as “**Beneficial Shareholders**”). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in such Shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Inc., which company acts as a nominee of many Canadian brokerage firms. Shares held by brokers or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications Corporation (“ADP”). ADP typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to ADP. ADP then tabulates the

results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with an ADP sticker on it cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to ADP well in advance of the Meeting in order to have the shares voted. All references to shareholders in this management information circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation has fixed the close of business on Friday, April 8, 2005 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 136,589,548 common shares of the Corporation (the “**Common Shares**”), carrying the right to one vote per share at the Meeting, were issued and outstanding.

In accordance with the provisions of the *Canada Business Corporations Act*, the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of such shares named on the list will be entitled to vote the shares shown opposite its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at March 31, 2005, the only persons who beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to the Common Shares are as follows:

Name	Number of Shares Owned (Percentage of Class and Type of Ownership)	
	Common Shares	Percentage of Voting Rights
Fidelity Management & Research Company, Fidelity Management Trust Company and Fidelity International Limited ⁽¹⁾	14,048,340 shares	10.3%

Note:

- (1) The shareholdings of Fidelity Management & Research Company, Fidelity Management Trust Company and Fidelity International Limited are based solely on information available on the public record.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following sets forth the compensation paid or awarded to the following officers of the Corporation: (i) the Chairman and Chief Executive Officer; (ii) the President; (iii) the Executive Vice-President and Chief Financial Officer; (iv) the Senior Vice President, Corporate Development; and (v) the Vice President, Sino-Panel (Asia) (collectively, the “**Named Executive Officers**”) for the Corporation’s financial years ended December 31, 2004, 2003 and 2002. The Corporation has five “executive officers” within the meaning of the *Securities Act* (Ontario) whose compensation must be disclosed for the financial year ended December 31, 2004 and three executive officers whose compensation must be disclosed for each of the financial years ended December 31, 2003 and 2002.

Name and Principal Position	Financial Year Ended December 31	Annual Compensation			Long-term Compensation			All other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation ⁽¹⁾ (\$)	Awards		Payouts	
					Securities Under Option/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Allen T.Y. Chan, Chairman and Chief Executive Officer ⁽²⁾	2004	US\$61,700	-	US\$130,000 ⁽³⁾	-	-	-	-
	2003	US\$61,700	-	-	-	-	-	-
	2002	\$97,220	-	-	-	-	-	-
Kai Kit Poon President ⁽⁴⁾	2004	US\$46,154	-	-	-	-	-	-
	2003	US\$46,154	-	-	-	-	-	-
	2002	\$72,700	-	-	-	-	-	-
Kee Y. Wong, Executive Vice-President and Chief Financial Officer ⁽⁵⁾	2004	US\$500,000	US\$600,000	US\$150,600 ⁽⁶⁾	-	-	-	-
	2003	US\$445,000	US\$400,000	-	-	-	-	US\$300,000 ⁽⁷⁾
	2002	\$240,000	\$215,000	-	-	-	-	-
Samuel T.W. Hui Senior Vice President, Corporate Development	2004	US\$250,000	-	-	450,000	-	-	-
James A.C. Lau Vice President, Sino-Panel (Asia)	2004	US\$216,750	-	-	90,000	-	-	-

Notes:

- (1) Unless otherwise disclosed, the aggregate amount of perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the salary and the bonus of each Named Executive Officer for the financial years ended December 31, 2004, 2003 and 2002.
- (2) Mr. Allen T.Y. Chan is a director of a company which provided Sino-Wood Partners, Limited, a subsidiary of the Corporation (“Sino-Wood”), with certain corporate services which included cash management, risk management, sales and marketing, governmental relations and investor relations during the financial years ended December 31, 2004, 2003 and 2002, at a cost of approximately US\$1,107,700, US\$823,000 and US\$520,600, respectively.
- (3) The amounts included for Mr. Chan under “Other Annual Compensation” include perquisites and personal benefits for housing, life insurance and car benefits.
- (4) Mr. Kai Kit Poon is a director of a company which provided Sino-Wood with certain corporate services which included cash management, risk management, sales and marketing, governmental relations and investor relations during the financial years ended December 31, 2004, 2003 and 2002, at a cost of approximately US\$423,100, US\$523,000 and US\$371,200, respectively.
- (5) Effective March 1, 2003, Kee Y. Wong was transferred to the Corporation’s Hong Kong office and, effective such date, Mr. Wong’s employment compensation is paid by Sino-Wood.
- (6) The amounts included for Mr. Wong under “Other Annual Compensation” include perquisites and personal benefits for housing, school fees for Mr. Wong’s children, life insurance, club memberships and car benefits. The Corporation commenced providing such benefits (other than the life insurance) in 2004 as a result of Mr. Wong’s previous relocation to Hong Kong.
- (7) This amount represents a relocation payment as a result of Mr. Wong’s relocation from Toronto, Ontario to Hong Kong in March 2003.

Long-term Incentive Plan (“LTIP”) Awards During the Most Recently Completed Financial Year

No LTIP awards were made to the Named Executive Officers during the financial year ended December 31, 2004.

Option / Stock Appreciation Rights (“SARs”) Grants During the Most Recently Completed Financial Year

During the year ended December 31, 2004, the following incentive stock options were granted to the Named Executive Officers:

Name and Position	Securities Under Options Granted (#) ⁽¹⁾	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Samuel T.W. Hui Senior Vice President, Corporate Development	450,000	20.5%	\$2.72	\$2.72	May 11, 2009
James A.C. Lau Vice President, Sino-Panel (Asia)	90,000	4.1%	\$2.72	\$2.72	May 11, 2009

Note:

(1) These options will vest annually over a three year period.

Aggregated Option and SAR Exercises During the Most Recently Completed Financial Year and Financial Year-end Option/SAR Values

The following table sets out (i) the number of Common Shares issued to the Named Executive Officers upon the exercise of options during the year ended December 31, 2004 and the aggregate value realized upon such exercises; and (ii) the number and value of unexercised options held by the Named Executive Officers as at December 31, 2004:

Name and Position	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at FY-End (#) Exercisable/Unexercisable	Value of Unexercised in-the-money Options at FY-End (\$) Exercisable/Unexercisable ⁽³⁾
Samuel T.W. Hui Senior Vice President, Corporate Development	-	-	450,000 ⁽¹⁾ -/450,000 ⁽²⁾	-\$319,500
James A.C. Lau Vice President, Sino-Panel (Asia)	-	-	90,000 ⁽¹⁾ -/90,000 ⁽²⁾	-\$63,900

Notes:

- (1) These options will vest annually over a three year period.
- (2) As of December 31, 2004, these options had not yet vested.
- (3) Based upon a closing price of \$3.43 for the Common Shares on the Toronto Stock Exchange on December 31, 2004.

Option and SAR Repricings

The Corporation did not make any downward repricing of stock options or SARs during the financial year ended December 31, 2004.

Employment Agreement

Kee Y. Wong entered into an employment agreement dated March 1, 2003 with Sino-Wood Partners, Limited (“**Sino-Wood**”), a subsidiary of the Corporation. If Mr. Wong’s employment is terminated or Mr. Wong gives notice of termination for “good reason”, Sino-Wood is required to pay Mr. Wong a pro-rata annual bonus (which will be calculated based on the target annual bonus for the relevant financial year) and a severance payment (which comprises two times his annual base salary and two times his target annual bonus) and other compensation and benefits payable up to the date of termination. The Corporation is then required to cause all stock options granted to Mr. Wong to become immediately exercisable within 12 months from the termination of his employment. “Good reason” is defined in the employment agreement to include an assignment to Mr. Wong of duties materially inconsistent with his position and duties or any material diminution of his authority, responsibilities and reporting requirements, provided that Mr. Wong gives a prior written notice of 30 days and Sino-Wood fails to rectify these events within the 30-day period.

Compensation of Directors

The non-executive directors of the Corporation receive an annual retainer of \$5,000, as well as payments of \$1,000 for each meeting of the Board held in Canada (\$2,000 for each meeting held outside of Canada) and payments of \$250-\$500 for telephonic meetings. In addition, the Chair of each committee of the Board of Directors receives \$2,500 and each member of a committee of the Board of Directors receives an additional annual payment of \$1,500. For the financial year ended December 31, 2004, the Corporation paid an aggregate of \$40,000 to members of the Board of Directors. The directors are also reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors in addition to the aforementioned compensation. During the financial year ended December 31, 2004, options to purchase an aggregate of 930,000 Common Shares were granted to non-executive directors.

Compensation Committee and Report on Executive Compensation

The Compensation Committee of the Corporation is currently made up of Mr. Jack Lawrence, Mr. Simon Murray and Mr. David Horsley, all of whom are independent directors. The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Corporation’s other senior officers is determined with regard to the Corporation’s business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Board (exclusive of the officers of the Corporation who are also members of the Board) reviews such recommendations and is responsible for ultimately determining executive compensation.

Generally, compensation is provided by the Corporation to its executive officers by way of salary, cash bonuses and the granting of stock options. The Compensation Committee adopts an annual executive compensation strategy in terms of the setting of salaries and bonuses and considers the individual performance of each executive officer and comparisons of executive compensation for other companies of similar size and in similar industries. The executive compensation strategy also contemplates an annual incentive bonus plan which is based upon a number of factors including certain pre-determined profit

targets. Bonuses have been awarded after a review of overall performance of both the Corporation and the individual senior executive during the course of each calendar year.

The Compensation Committee is of the view that the granting of stock options is an appropriate method of providing long-term incentives to senior executives of the Corporation and, in general, aligns the interests of the executives with those of the shareholders.

In setting the compensation awarded to the Allen T.Y. Chan, the Chief Executive Officer of the Corporation, the Compensation Committee reviews the achievements of Mr. Chan measured against established objectives and the executive compensation strategy for each year and gives consideration to the overall performance of the Corporation as well as the total compensation awarded to the industry comparison group. Also included in such overall assessment are specific initiatives undertaken in the year by the Corporation that have advanced the growth and progress of the Corporation and the enhancement of shareholder value during the year.

In the opinion of the Corporation and the Compensation Committee, the Named Executive Officers and the Corporation's senior officers are paid fairly and commensurably with their contributions to furthering the Corporation's strategic direction and objectives.

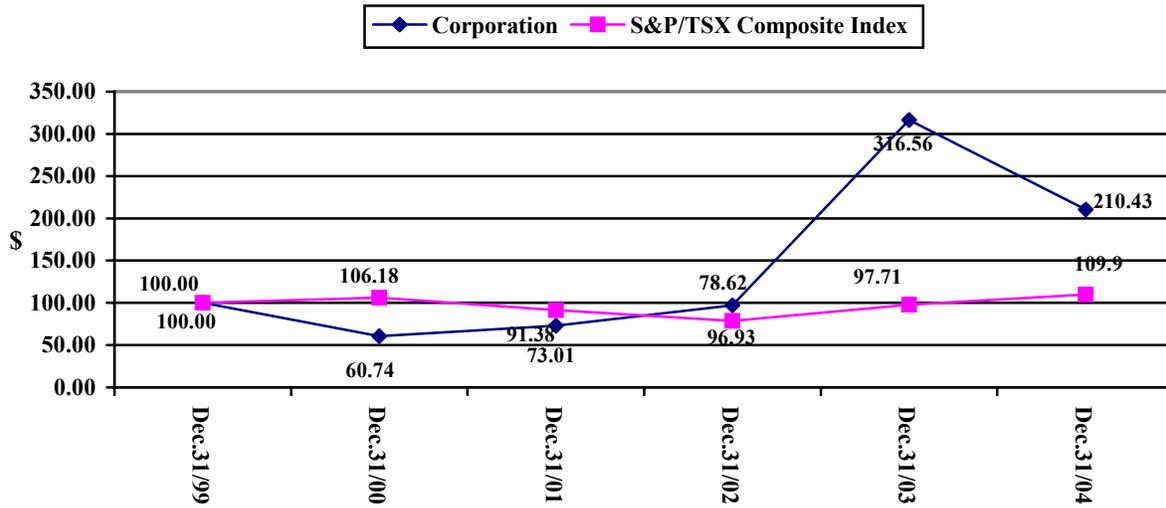
Insurance

The Corporation has purchased, at its expense, directors' and officers' liability insurance in the aggregate amount of \$15,000,000 for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Corporation and its subsidiaries. For the financial year ended December 31, 2004, the Corporation paid a premium of \$88,936 plus provincial sales tax in respect of such insurance.

Shareholder Return Performance Graph

The Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX"). The following graph shows the percentage change in the cumulative shareholder return on the Common Shares compared to the cumulative total return of the S&P/TSX Composite Index for the period from December 31, 1999 to December 31, 2004 assuming \$100 initial investments:

Comparison of Five Year Cumulative Total Return between Sino-Forest Corporation and the S&P/TSX Composite Index



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of March 31, 2005 regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Corporation's stock option plan. The Corporation does not have any equity compensation plans that have not been approved by shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Stock Option Plan	3,245,000	\$2.79	5,955,000
Equity compensation plans not approved by security holders	-	-	-
Total	3,245,000	\$2.79	5,955,000

Incentive Stock Option Plan

The Corporation has adopted and maintains an incentive stock option plan (the “**Plan**”) in order to provide effective incentives to directors, officers, employees and consultants of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation’s shareholders. Options under the Plan are typically granted in such numbers as reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of the Corporation.

The Plan provides that the exercise price at which shares may be issued upon the exercise of options granted under the Plan cannot be less than the closing market price of the Common Shares on the TSX on the day immediately prior to the date of grant.

The maximum exercise period for options granted under the Plan is 10 years although options are typically granted with a five year term. Options are typically subject to a vesting period whereby the options shall vest and become exercisable in equal instalments over a three year period commencing on the date of grant.

The maximum number of Common Shares which may be reserved for issuance to all Insiders of the Corporation (as such term is defined in the Plan) under the Plan is limited to not more than 10% of the issued and outstanding Common Shares at the time of grant. In addition, the maximum number of Common Shares which may be issued to Insiders in any 12-month period may not exceed 10% of the issued and outstanding Common Shares at the time of grant and the maximum number of Common Shares which may be issued to any one Insider of the Corporation and such Insider’s Associates (as such term is defined in the TSX Company Manual) under the Plan in any 12-month period may not exceed 5% of the issued and outstanding Common Shares at the time of grant.

Unless the Corporation otherwise agrees and subject to the pre-clearance of the TSX, options terminate (i) immediately upon an optionee’s employment with the Corporation being terminated for cause; (ii) 30 days from the date of termination in the case of termination without cause; (iii) three months from the date of termination if such termination is a result of disability or early retirement; and (iv) 12 months from the date of termination if such termination is a result of death. Each of the preceding time periods are subject to earlier expiry in the normal course based upon the original exercise period.

The Plan further permits the Corporation to make loans to, or provide guarantees for loans by financial institutions to, participants in the Plan for purposes of funding the exercise of options or pay any income tax payable upon exercise of options.

Options are not assignable except to a participant’s legal representatives in the event of death.

The Plan may be amended by the Corporation subject to the pre-clearance of the TSX and subject to such approvals as may be required by the rules of the TSX or applicable securities legislation.

The maximum number of Common Shares issuable pursuant to exercises of options granted under the Plan is 10,000,000. As at March 31, 2005, 3,245,000 Common Shares, being approximately 2.4% of the currently issued Common Shares, were issuable pursuant to unexercised options granted to such date under the Plan and options to purchase a further 5,955,000 Common Shares, being 4.4% of the currently issued Common Shares, remained available for grant under the Plan as at such date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at March 31, 2005, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2004 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate of any such director, executive officer or proposed nominee, was indebted to the Corporation or any of its subsidiaries during the financial year ended December 31, 2004 or as at March 31, 2005 in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a top priority for the Board of Directors and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. The Board of Directors has carefully considered the corporate governance guidelines adopted by the TSX and believes that the Corporation's governance is well aligned with such guidelines. The TSX published proposed amendments to its current corporate governance guidelines in the spring of 2002 and again in November 2002. The Corporation has set out its corporate governance practices in Schedule "A" with reference to the TSX guidelines.

The Board of Directors has also reviewed its corporate governance practices in light of Multilateral Instrument 52-108 - *Auditor Oversight*, Multilateral Instrument 52-109 - *Certification of Disclosure In Companies Annual and Interim Filings* and Multilateral Instrument 52-110 - *Audit Committees* (collectively, the "**Investor Confidence Rules**").

Mandate of the Board of Directors

The Board of Directors is elected by and is accountable to the shareholders of the Corporation. The mandate of the Board of Directors is to continually govern the Corporation and to protect and enhance the assets of the Corporation in the long-term best interest of all shareholders.

Committees

The Board of Directors currently has three committees: the Audit Committee, the Corporate Governance Committee and the Compensation Committee. The committees, their mandates and memberships are discussed below.

Audit Committee

The Audit Committee's primary purpose is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Corporation's principal risks impacting financial reporting. The committee also assists the Board of Directors with the oversight of financial strategies and overall risk management.

The Audit Committee is composed of Mr. James Hyde, Mr. David Horsley and Mr. Edmund Mak, each of whom is a director of the Corporation. Each of the members of the Audit Committee is "independent" and "financially literate" as such terms are defined in Multilateral Instrument 52-110 – *Audit Committees*.

A copy of the charter of the Audit Committee is attached as an appendix to the Annual Information Form of the Corporation for the year ended December 31, 2004, a copy of which is available electronically at www.sedar.com. The section of the Annual Information Form entitled "Audit Committee" contains disclosure required by Multilateral Instrument 52-110 - *Audit Committees*.

Compensation Committee

The composition and description of the duties and responsibilities of the Compensation Committee as they relate to compensation matters is set out above under the heading "Executive Compensation - Compensation Committee and Report on Executive Compensation".

The Compensation Committee is composed of Mr. Simon Murray, Mr. Jack Lawrence and Mr. David Horsley.

Corporate Governance

The role of the Corporate Governance Committee is to develop and recommend standards of performance for the Board of Directors, its committees and individual directors. The Corporate Governance Committee is composed of Mr. James Hyde and Mr. David Horsley. The committee also co-ordinates and manages the process of recruiting, interviewing and recommending candidates to the Board of Directors.

Investor Feedback

The Corporation has put in place measures to facilitate communications with Shareholders and the public in general. Feedback and concerns from Shareholders and the general public are received by the Corporation by facsimile, telephone or e-mail. The Corporation intends to keep its Shareholders informed through shareholder meetings as well as by press releases, quarterly financial statements, financial reports and other documentation, as well as by the Corporation's website.

In the normal course, Shareholder queries and comments should be directed in Canada to Jacques Charbin, Sino-Forest Investor Relations at 416.200.5513 or by email at jacquescharbin@sinoforest.com, or to Mr. Allen T.Y. Chan or to Mr. Kee Y. Wong at the Corporation's office in Hong Kong.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, no "informed person" (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) or proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Corporation has participated since January 1, 2004 or in any proposed transaction which has materially affected or will materially affect the Corporation.

Exchangeable Notes

In 1999, Sino-Wood issued an aggregate of US\$20.0 million of exchangeable notes (the "**Exchangeable Notes**") to Ruby Worldwide Limited, a wholly owned subsidiary of General Enterprise Management Services Oriental and General Fund Limited, a Cayman Islands company ("**GEMS Fund**"). Mr. Simon Murray, a director of the Corporation, is a shareholder and the Chairman of General Enterprise Management Services Limited, a British Virgin Islands company ("**GEMS Management Company**"), which has an agreement to provide certain advisory, management and general administrative services to GEMS Fund. The Corporation has guaranteed the obligations of Sino-Wood under the Exchangeable Notes. As of December 31, 2003, approximately US\$156,000 in principal value of Exchangeable Notes

remained outstanding. In 2004, the remaining Exchangeable Notes were repaid in full together with accrued interest.

Convertible Instruments

In connection with the issuance on February 7, 2003 by Sino-Wood of US\$14.0 million of convertible instruments (“**Convertible Instruments**”) comprising of convertible notes and convertible preference, Sino-Wood issued on March 10, 2003 approximately US\$15.5 million of convertible notes (the “**Convertible Notes**”) in exchange for approximately US\$9.8 million (having an accrued value of US\$15.5 million) of Exchangeable Notes. In 2004, the US\$15.5 million of Convertible Notes were redeemed together with the payment of accrued interest and applicable redemption premium. As Sino-Wood did not complete an initial public offering prior to the maturity date of the Convertible Notes, in 2004, Ruby Worldwide Limited received an additional redemption premium of approximately US\$2.5 million under the Convertible Notes.

As part of the above transaction, Sino-Wood also issued to Ruby Worldwide Limited 66,325 class B shares of Sino-Wood which are convertible into ordinary shares of Sino-Wood on a one-for-one basis. In 2004, the Corporation purchased all of the outstanding class B shares held by Ruby Worldwide Limited at a price of HK\$1.00 per class B share.

Purchase of Rights from Management

In connection with the Corporation’s intention to effect an initial public offering and listing of Sino-Wood on the Hong Kong Stock Exchange, in March 2003, the Corporation granted rights to Allen T.Y. Chan, Kai Kit Poon and Kee Y. Wong, conditional upon completion of the initial public offering and Hong Kong Stock Exchange listing, to acquire 5% of the equity of Sino-Wood for nominal consideration (the “**Rights**”). In May 2004, although Sino-Wood had not yet completed an initial public offering and the listing of its shares on the Hong Kong Stock Exchange, the Corporation’s independent directors determined, in view of the public offering (the “**Offering**”) of Common Shares by the Corporation completed in May 2004, that it was appropriate to restructure the Rights.

Accordingly, on May 7, 2004, the Corporation agreed to purchase the Rights for an aggregate purchase price not to exceed approximately CDN\$12 million (US\$9.4 million) to be paid by the future issuance of an aggregate of 2.4 million Common Shares. Of such Common Shares, 50% were issued on August 14, 2004 with the remaining Common Shares to be issued on May 14, 2005 provided that Messrs. Chan, Poon and Wong have been continuously employed by, and/or have been an officer of, the Corporation or any of its subsidiaries until such date.

In consideration of the Corporation’s intention to purchase the Rights, and in recognition of the Offering, Messrs. Chan, Poon and Wong agreed to the cancellation of existing options originally granted to them in November 1997, to acquire up to approximately 8.1% of the equity of a predecessor to Sino-Panel Holdings, Limited, a subsidiary of the Corporation (which was subsequently changed to approximately 8.1% of the equity of Sino-Panel Holdings, Limited) for nominal consideration, including any shares issuable as a result of a public offering of Sino-Panel Holdings, Limited.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

Management of the Corporation proposes that the persons named in the following table be nominated for election as directors of the Corporation. All of the nominees for director are now directors of the Corporation and have been since the dates set opposite their names. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors. Each of the directors elected will hold office from the beginning of their respective terms until the close of the next annual meeting of Shareholders or until such director's successor is duly elected or appointed.

In the event a nominee is unable to serve or will not serve, an event that management of the Corporation has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that these shares are to be withheld from voting for the election of directors.

The following table sets forth the name of each person to be nominated by the management of the Corporation for election as a director, such person's present position with the Corporation, the period or periods of his service as a director of the Corporation, and the approximate number of Common Shares of the Corporation beneficially owned, directly or indirectly, or subject to control or direction, by such person as at March 31, 2005:

Name and Place of Residence	Principal Occupation	Director Since	Number and Class of Shares Beneficially Owned or Controlled
Allen T.Y. Chan Hong Kong	Chairman, Chief Executive Officer and Director of the Corporation and of Sino-Wood Partners, Limited	1994	5,642,753 Common Shares ⁽⁴⁾
Kai Kit Poon Hong Kong	President and Director of the Corporation and of Sino-Wood Partners, Limited	1994	2,553,105 Common Shares ⁽⁵⁾
Edmund Mak ⁽¹⁾⁽²⁾ British Columbia, Canada	Real estate marketing agent, Re/Max Select Properties	1994	80,000 Common Shares
Kee Y. Wong Hong Kong	Executive Vice-President, Chief Financial Officer and Director of the Corporation	1997	750,000 Common Shares
R. John (Jack) Lawrence ⁽²⁾ Ontario, Canada	Chairman of Lawrence & Company Inc., a private investment company	1997	1,050,000 Common Shares ⁽⁶⁾
Simon Murray ⁽²⁾ Hong Kong	Chairman, General Enterprises Management Services Limited, a private equity fund management company	1999	200,000 Common Shares
David J. Horsley ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Senior Vice-President and Chief Financial Officer, Cygnal Technologies Corporation, a network solutions provider	2004	Nil
James M.E. Hyde ⁽¹⁾⁽³⁾ Ontario, Canada	Vice President Finance and Chief Financial Officer, GSW Inc., a manufacturer and distributor of consumer durable products	2004	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Included in Mr. Chan's shareholdings are (i) 2,842,753 Common Shares owned by ADS Holdings (BVI) Limited, a company owned by three family trusts under which family members and associates of Mr. Chan are beneficiaries; and (ii) 2,250,000 Common Shares held by Forest Investment Partners, Ltd. on behalf of ADS Holdings (BVI) Limited.
- (5) The 2,353,105 Common Shares are owned by Natural Forest Limited, a corporation controlled by Mr. Poon.
- (6) These shares are beneficially owned by Lawrence & Company Inc., a corporation controlled by Mr. R. John (Jack) Lawrence.

The following are biographies of the nominated directors whose biographies have not previously been provided to the Shareholders:

David J. Horsley, C.A., C.B.V., is Senior Vice President and Chief Financial Officer of Cygnal Technologies Corporation (TSX: CYN). He joined Cygnal in September 2003 after an 11 year career with Canadian General Capital Limited, a private equity investment vehicle owned by two major Canadian pension funds, where, most recently, he served as Senior Vice President and Corporate Secretary. Mr. Horsley had served as a member of the Board of Directors of Cygnal, Chairman of the Audit Committee, a member of the Compensation and Corporate Governance Committee and Corporate Secretary. He also served on a number of private and public Boards including Unico Foods, EDM, Site Oil Tools, FuelMaker and Chapters where he also served as Chairman of the Audit Committee. Prior to joining Canadian General Capital, he served as Senior Manager, Corporate Finance Group, at KPMG. He began his career at a predecessor firm in the accounting and auditing group.

Mr. Horsley holds a Bachelor of Arts degree from the University of Toronto. He is a member of the Canadian Institute of Chartered Accountants as well as the Institute of Chartered Accountants of Ontario. He is also a member of the Canadian Institute of Chartered Business Valuators.

James M.E. Hyde, C.A., B.A., is Vice President, Finance and Chief Financial Officer of GSW Inc. (TSX: GSW.a, GSW.sv.b), a leading North American manufacturer and marketer of building products and water heaters. Prior to joining GSW Inc. in 2002, Mr. Hyde was with Ernst & Young LLP for 24 years, including twelve years as a Partner. Mr. Hyde holds a Bachelor of Business Administration degree from the University of New Brunswick and a Canadian Chartered Accountancy designation. He is a past Director of the Canadian Venture Capital Association.

2. Appointment of Auditor

On March 7, 2004, Ernst & Young LLP ("**E&Y**") informed the Corporation that it will be declining to stand for reappointment as auditor of the Corporation. E&Y had been the auditor of the Corporation since November 23, 2000. In replacement thereof and in accordance with the provisions of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), the Board of Directors of the Corporation and its Audit Committee approved the appointment of BDO McCabe Lo & Company ("**BDO**"), an affiliate of BDO Dunwoody LLP and member of BDO International, as successor auditor in their place. In accordance with the requirements of NI 51-102, attached hereto as Schedule "B" is a copy of the "reporting package" (as such term is defined in NI 51-102) previously filed with the applicable Canadian securities commissions. The reporting package includes (i) a Notice of Change of Auditor delivered by the Corporation to E&Y in connection with its resignation and a letter of E&Y addressed to the various Canadian securities regulators and the TSX in response to such notice; and (ii) a Notice of Change of Auditor delivered by the Corporation to BDO and E&Y in connection with BDO's appointment as successor auditor and a letter of BDO addressed to the various Canadian securities regulators and the TSX in response to such notice.

Management proposes to nominate BDO, which firm has been auditor of the Corporation since its appointment by the Board of Directors of the Corporation effective March 21, 2005 as auditor of the Corporation to hold office until the next annual meeting of Shareholders. It is intended that the shares represented by proxies in favour of management nominees will be voted in favour of the appointment of BDO as auditor of the Corporation and the authorizing of the directors to fix its remuneration. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the appointment of the auditor.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended December 31, 2004 was, a director or executive officer of the Corporation, a proposed management nominee for election as a director of the Corporation, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website at www.sinoforest.com. Financial information is provided in the Corporation's comparative financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2004.

In addition, copies of the Corporation's most recent annual information form, together with any document incorporated therein by reference, the annual report, the annual financial statements and MD&A and this management information circular may be obtained upon request to the Secretary of the Corporation at 90 Burnhamthorpe Road West, Suite 1208, Mississauga, Ontario, L5B 3C3 or by telephone at 905.281.8889. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

APPROVAL OF BOARD OF DIRECTORS

The contents of this management information circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

Dated: April 15, 2005.

(signed) Allen T. Y. Chan
Chairman and Chief Executive Officer

SCHEDULE “A”

SINO-FOREST CORPORATION

ALIGNMENT WITH CORPORATE GOVERNANCE GUIDELINES

Corporate Governance Guidelines

1. *The board of directors should explicitly assume responsibility for stewardship of the corporation, and specifically for:*

(a) *adoption of a strategic planning process*

The board of directors of the Corporation (the “**Board**”) provides input and guidance on, and reviews and approves the strategic planning and business objectives developed by, senior management of the Corporation and oversees management’s implementation of the strategic plan.

(b) *identification of principal risks, and implementing risk-management systems*

The Board considers on an ongoing basis the principal risks of the Corporation’s business based on regular reports by the Corporation’s senior management. In addition, the Audit Committee, through reviewing the activities and findings of the Corporation’s external auditor, is aware of many of the principal financially-oriented risks to the Corporation’s business and reports thereon to the Board on a regular basis.

(c) *succession planning and monitoring senior management*

The Board is responsible for the assessment of the performance of, and the development of a succession plan for, the Chairman and Chief Executive Officer (the “**CEO**”) of the Corporation, who is in turn charged with those same responsibilities for the balance of the Corporation’s senior management team.

(d) *communications policy*

The Board is committed to maintaining an effective communications policy for the benefit of all shareholders. In addition to its timely and continuous disclosure obligations under applicable law, the Corporation ensures that a Canadian member of senior management is available to respond to questions and comments from shareholders. Such designee is available to respond to shareholder questions and comments, and endeavours to respond promptly and appropriately to all requests and/or inquiries. If material business issues result from communications between shareholders and senior management, it is the policy of the Corporation that such matters be reported to the Board.

(e) *integrity of internal control and management information systems*

The Audit Committee reviews with management and the Corporation’s external auditor the sufficiency and integrity of the Corporation’s internal control, financial reporting and management information systems.

2. ***The board of directors of every corporation should be constituted with a majority of individuals who qualify as “unrelated” directors. For the purposes of the TSX Report, an “unrelated” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding.***

The current Board consists of five unrelated directors and three related directors (all of which related directors are management directors).

The Corporate Governance Committee will consider further changes to the composition of the Board from time to time in order to serve the Corporation as it evolves.

3. ***Disclose for each director whether he or she is related to the corporation or any significant shareholder of the corporation, and how that conclusion was reached.***

The Board, in conjunction with the Corporate Governance Committee, is responsible for the review of the factual circumstances and relevant relationships of each of the directors. Three of the directors, Mr. Allen T.Y. Chan, Chairman and Chief Executive Officer of the Corporation, Mr. Kai Kit Poon, President of the Corporation, and Mr. Kee Y. Wong, Executive Vice-President and Chief Financial Officer of the Corporation, are members of management of the Corporation and are therefore considered to be “related”. The remaining current members of the Board, Messrs. Horsley, Hyde, Lawrence, Mak and Murray are considered “unrelated” to the Corporation.

The Corporation does not have a “significant shareholder”, which the TSX Report defines as a “shareholder with the ability to exercise a majority of the votes for the election of the board of directors”.

4. ***Appoint a committee comprised exclusively of non-management directors, a majority of whom are unrelated directors, responsible for proposing new nominees to the Board and for assessing directors on an ongoing basis.***

The mandate of the Corporate Governance Committee includes reviewing the performance of the Board and each of its committees and recruitment and nomination of new directors to the Board.

5. ***Implement a process for assessing the effectiveness of the board as a whole, the committees of the board and the contribution of individual directors.***

The Corporate Governance Committee is responsible (i) for the review of the membership and chairs of the Board committees, as well as the mandates and activities of each committee; and (ii) to make such recommendations to the Board arising out of such review as each committee deems appropriate.

6. ***Provide an orientation and education program for new recruits to the board.***

The Corporation currently has an informal orientation program for new members of the Board.

7. ***Examine the size of the board of directors with a view to determining the impact of the number of directors upon effectiveness.***

As of the date of this Management Information Circular, the Board is composed of eight members. The Board has reviewed its size and has concluded that a range of six to nine directors is efficient and effective, given the size and scope of the Corporation's operations.

8. ***Review the adequacy and form of the compensation of directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.***

The Compensation Committee is responsible for the review and approval of the design and administration of all compensation and benefit plans and policies for the Corporation's Board and senior management. Directors' compensation is fixed by the Compensation Committee at what the committee believes to be competitive levels with due consideration to the periodic changes in the levels of responsibility assigned to members of the Board.

9. ***Committees of the board of directors should generally be composed of outside directors, a majority of whom are unrelated directors.***

Each of the committees of the Board are currently comprised entirely of non-management and unrelated directors.

10. ***Each board should assume responsibility for, or assign to a committee of directors the general responsibility for, developing the corporation's approach to governance issues.***

The mandate of the Corporate Governance Committee includes responsibility for reviewing the Corporation's approach to corporate governance issues, monitoring compliance with Corporation's stated corporate governance policies and otherwise generally having responsibility for the Corporation's corporate governance.

11. ***Position descriptions should be developed for both the board and for the CEO, involving the definition of the limits to management's responsibilities.***

The Board has responsibility for the stewardship of the Corporation and specifically for: (i) providing input and guidance on and approving the strategic plan and business objectives developed by senior management and overseeing management's implementation of the strategic plan; (ii) considering the principal risks of the business based on regular reports by senior management and based on the Audit Committee's review of the findings of the external auditor; (iii) assessing the performance of, and developing a succession plan for, the CEO; and (iv) reviewing the ongoing sufficiency and integrity of the Corporation's internal control, financial reporting and management information systems with management and the Corporation's external auditor. In addition to the specific responsibilities enumerated above, the Board is responsible for the supervision of the management of the business, but not the day-to-day operations which are the responsibility of the CEO. The Board will also consider those matters that are brought to it by the CEO that, as noted below, are deemed to be material matters.

The CEO is specifically charged with the responsibility for managing the strategic and operational agenda of the Corporation and for the execution of the directives and policies of the Board.

12. *Establish procedures to enable the board to function independently of management.*

The Board's "unrelated" directors have unrestricted, direct access to both management and the external auditor of the Corporation. Part of the mandate of the Corporate Governance Committee is to continuously monitor the relationship between management and the Board.

13. *Establish an audit committee which should be composed only of outside directors with a specifically defined mandate.*

The Audit Committee has primary responsibility for ensuring the integrity of the Corporation's financial reporting, risk management and internal controls. The Audit Committee has unrestricted access to the Corporation's personnel and documents and has direct communication channels with the Corporation's external auditor in order to discuss audit and related matters whenever appropriate. The Audit Committee receives and reviews the annual financial statements of the Corporation and makes recommendations thereon to the Board prior to their approval by the full Board. The Audit Committee also reviews the scope and planning of the external audit, the form of audit report and any correspondence from or comments by the external auditor regarding financial reporting and internal controls. Moreover, the Audit Committee is responsible for correcting weaknesses identified by the external auditor with respect to the internal control systems and for ensuring that the recommended corrections had been implemented.

The composition of the Audit Committee is described above.

14. *Implement a system to enable individual directors to engage an outside advisor at the expense of the corporation in appropriate circumstances*

In appropriate circumstances, the Board will approve the engagement of an outside advisor at the expense of the Corporation.

SCHEDULE "B"

CHANGE OF AUDITOR REPORTING PACKAGE

NOTICE OF CHANGE OF AUDITOR

TO: ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS

TAKE NOTICE THAT Sino-Forest Corporation (the "**Corporation**") has accepted the resignation of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation.

TAKE FURTHER NOTICE THAT:

- (a) Ernst & Young LLP resigned as auditors of the Corporation effective March 7, 2005 on its own initiative;
- (b) there have been no reservations contained in the auditors' reports on the annual financial statements of the Corporation for the two most recently completed fiscal years immediately preceding the date of this notice nor for any period subsequent to the most recently completed period for which an audit report was issued;
- (c) the Corporation's audit committee of the board of directors has considered and approved the resignation of Ernst & Young LLP, Chartered Accountants; and
- (d) in the opinion of the Corporation, no reportable events (within the meaning of National Instrument 51-102) occurred in connection with the audits of the two most recently completed fiscal years of the Corporation and or any period subsequent to the most recently completed period for which an audit report was issued.

DATED the 14th day of March, 2005.

SINO-FOREST CORPORATION

"Kee Y. Wong"

Kee Y. Wong
Executive Vice-President
and Chief Financial Officer



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

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

March 22, 2005

British Columbia Securities Commission
Securities Division, Department of Justice, Newfoundland
Alberta Securities Commission
Nova Scotia Securities Commission
Commission des valeurs mobilières du Québec
Manitoba Securities Commissions
Office of the Administrator, New Brunswick
Ontario Securities Commission
Registrar of Securities, Prince Edward Island
Saskatchewan Securities Commission
The Toronto Stock Exchange

Dear Sirs/Mesdames:

Re: Sino-Forest Corporation (the "Corporation")

We hereby advise that we have read the Notice of Change of Auditor of the Corporation dated March 14, 2005 and that we agree with statements (a), (b) and (d) contained therein. We have no basis to agree or disagree with statement (c).

Yours very truly,

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.

Chartered Accountants
Toronto, Canada

c.c. Mr. Kee Y. Wong, Sino-Forest Corporation

NOTICE OF CHANGE OF AUDITOR

TO: BDO MCCABE LO & CO.

AND TO: ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS

TAKE NOTICE THAT Sino-Forest Corporation (the “**Corporation**”) has accepted the resignation of Ernst & Young LLP, Chartered Accountants, as auditors of the Corporation and that the directors of the Corporation have resolved to appoint BDO McCabe Lo & Co. as successor auditors in their place.

TAKE FURTHER NOTICE THAT:

- (a) Ernst & Young LLP resigned as auditors of the Corporation effective March 7, 2005 on its own initiative;
- (b) there have been no reservations contained in the auditors’ reports on the annual financial statements of the Corporation for the two most recently completed fiscal years immediately preceding the date of this notice nor for any period subsequent to the most recently completed period for which an audit report was issued;
- (c) the Corporation’s board of directors and its audit committee of the board of directors has considered and approved both the resignation of Ernst & Young LLP, Chartered Accountants and the appointment of BDO McCabe Lo & Co. as successor auditor;
- (d) BDO McCabe Lo & Co. has been appointed as auditors of the Corporation as of March 21, 2005; and
- (d) in the opinion of the Corporation, no reportable events (within the meaning of National Instrument 51-102) occurred in connection with the audits of the two most recently completed fiscal years of the Corporation and or any period subsequent to the most recently completed period for which an audit report was issued.

DATED the 24th day of March, 2005.

SINO-FOREST CORPORATION

“Kee Y. Wong”

Kee Y. Wong
Executive Vice-President
and Chief Financial Officer



BDO McCabe Lo & Company
Certified Public Accountants

8th Floor Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2541 5041
Facsimile: (852) 2815 2239

德萊嘉信會計師事務所

香港干諾道中一五一十一號
永安中心八樓
電話：(八五二) 二五四一 五〇四一
傳真：(八五二) 二八一五 二二五九

4 April 2005

British Columbia Securities Commission
Securities Division, Department of Justice, Newfoundland
Alberta Securities Commission
Nova Scotia Securities Commission
Commission des valeurs mobilières du Québec
Manitoba Securities Commission
Office of the Administrator, New Brunswick
Ontario Securities Commission
Registrar of Securities, Prince Edward Island
Saskatchewan Securities Commission
The Toronto Stock Exchange

Dear Sirs/Mesdames:

Re: Sino-Forest Corporation (the "Corporation")

We hereby advise that we have read the Notice of Change of Auditor of the Corporation dated March 24, 2005 and that we agree with each statement contained therein.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours very truly,

BDO MCCABE LO & COMPANY

Jennifer Yip
Partner

cc: Kee Y. Wong, Sino-Forest Corporation