

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1 Name and Address of Company**

Sino-Forest Corporation (the “**Company**”)  
90 Burnhamthorpe Road West  
Suite 1208  
Mississauga, ON L5B 3C3

**ITEM 2 Date of Material Change**

February 6, 2009

**ITEM 3 News Release**

A press release was disseminated on February 6, 2009 through Canada Newswire. A copy of the press release is attached hereto as Schedule “A”.

**ITEM 4 Summary of Material Change**

The Company announced that it acquired 55 million ordinary shares in the capital of Omnicorp Limited (“**Omicorp**”), a Hong Kong listed company, and 4% secured convertible bonds of Omnicorp due 2009 (the “**Omicorp Convertible Bonds**”) with an aggregate principal amount of approximately US\$21.6 million from various vendors (the “**Omicorp Transaction**”).

**ITEM 5 Full Description of Material Change**

The Company announced that it acquired 55 million ordinary shares in the capital of Omnicorp and Omnicorp Convertible Bonds with an aggregate principal amount of approximately US\$21.6 million. The aggregate purchase price paid by the Company was approximately US\$4.3 million in cash for the Omnicorp shares at a purchase price of HK\$0.60 per share, and the issuance of approximately 2.7 million common shares in the capital of the Company (the “**Common Shares**”) at an issuance price of Cdn\$10.00 per share for the Omnicorp Convertible Bonds.

The acquisition was completed in the secondary market from various third parties, including Simon Murray (or an entity he controls), a director of the Company. The value of the Omnicorp shares and Omnicorp Convertible Bonds being sold by Mr. Murray to the Company represents approximately 5.5% of the aggregate value of the overall Omnicorp Transaction.

As a result of the completion of the Omnicorp Transaction, the Company’s stake in Omnicorp has increased to approximately 20.0% of Omnicorp’s outstanding shares as well as 89.6% of the outstanding Omnicorp Convertible Bonds. The Omnicorp Convertible Bonds held by the Company are convertible into an additional 106,164,150 Omnicorp ordinary shares at a price of HK\$2.00 per share at any time prior to November 9, 2009, subject to certain terms and restrictions. Assuming the full conversion by the Company of the acquired Omnicorp Convertible Bonds, subject to certain terms and conditions of the Omnicorp Convertible Bonds, the Company would own approximately 40.2% of Omnicorp’s outstanding shares.

Omicorp owns a 60.4% interest in its subsidiary Greenheart Resources Holdings Limited (“**Greenheart**”), which is one of the largest natural forest concession owners and operators in Suriname, South America and owns 180,000 hectares of tropical hardwood concession and cutting rights in Suriname, with a harvestable standing stock volume of approximately 4.4 million cubic metres. Greenheart’s concession and cutting rights represent 13% of the largest concession type available in Suriname.

The Omnicorp Transaction was approved at a meeting of the board of directors of the Company at which Simon Murray disclosed his interest in the Omnicorp Transaction. Further, Mr. Murray left the meeting prior to the time that the Omnicorp Transaction was unanimously approved by the remaining members of the board who were present at the meeting.

Due to the participation of Simon Murray, the Omnicorp Transaction is considered a “related party transaction” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101, based on a determination that the fair market value of the Omnicorp Transaction, insofar as it involves Simon Murray (being approximately Cdn\$1.76 million), does not exceed 25% of the Company’s market capitalization (being approximately Cdn\$1.8 billion at the closing of the Omnicorp Transaction).

As a result of the completion of the Omnicorp Transaction, Simon Murray indirectly holds 152,686 Common Shares, representing approximately 0.08% of the issued and outstanding Common Shares.

The Company entered into the Omnicorp Transaction primarily for investment purposes, due to its belief that the relative purchase price for the Omnicorp securities was below the actual market value of Greenheart’s forestry assets.

**ITEM 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

N/A

**ITEM 7 Omitted Information**

N/A

**ITEM 8 Executive Officer**

Dave Horsley  
Senior Vice President and Chief Financial Officer  
Telephone: 905.281.8889  
Fax: 905.281.3338

**ITEM 9 Date of Report**

February 13, 2009

## SCHEDULE "A"

### FOR IMMEDIATE RELEASE

#### **Sino-Forest Increases Investment in Omnicorp Limited; Expanding foothold in South American tropical forest**

Toronto, February 6, 2009 – Sino-Forest Corporation ("Sino-Forest" or the "Company") (TSX: TRE), a leading commercial forestry plantation operator in China, is pleased to announce that it has acquired 55 million ordinary shares in the capital of Omnicorp Limited ("Omnicorp") (HKSE:0094), a Hong Kong listed company, and Omnicorp 4% secured convertible bonds due 2009 (the "Convertible Bonds") with an aggregate principal amount of approximately US\$21.6 million (i.e. HK\$168 million) (the "Sale Bonds").

The aggregate purchase price paid by Sino-Forest was approximately US\$4.3 million in cash for the Omnicorp shares at a price of HK\$0.60 per share, and the issuance of approximately 2.7 million common shares in the capital of Sino-Forest at a price of Cdn\$10.00 per share for the Sale Bonds. The issuance of the Sino-Forest shares represents a dilution of approximately 1.4% of its existing outstanding shares. The acquisition was completed in the secondary market from various third parties including Simon Murray (or an entity he controls), a director of Sino-Forest. The value of the Omnicorp shares and Sale Bonds being sold by Mr. Murray to Sino-Forest represents approximately 5.5% of the aggregate value of the overall Omnicorp Transaction.

Upon the completion of such transaction, Sino-Forest's stake in Omnicorp has increased to approximately 20.0% of Omnicorp's outstanding shares as well as 89.6% of the outstanding Convertible Bonds. The Convertible Bonds held by Sino-Forest are convertible into an additional 106,164,150 Omnicorp ordinary shares at a price of HK\$2.00 per share at any time prior to November 9, 2009, subject to certain terms and restrictions. Assuming the full conversion by Sino-Forest of the acquired Convertible Bonds, subject to certain terms and conditions of the Convertible Bonds, Sino-Forest would own approximately 40.2% of Omnicorp's outstanding shares.

Omnicorp owns a 60.4% interest in its subsidiary Greenheart Resources Holdings Limited ("Greenheart") - one of the largest natural forest concession owners and operators in Suriname, South America and owns 180,000 hectares of tropical hardwood concession and cutting rights in Suriname, with a harvestable standing stock volume of approximately 4.4 million cubic metres. Greenheart's concession and cutting rights represents 13% of the largest concession type available in Suriname. Over 60% of the world's growing stock is hardwood, with approximately 45% coming from Latin America, while Asia-Pacific is the largest market for tropical hardwood logs, representing approximately 59% of the total global market.

Mr. Allen Chan, Sino-Forest's Chairman & CEO, said "We are very pleased to increase our equity stake in Omnicorp and indirectly in Greenheart. Omnicorp's strategy will be to

source quality fibre from outside China, especially tropical hardwood to be sold in the Chinese markets.”

Mr. Chan added, “As Greenheart adheres to the sustainable forestry management and silviculture systems developed by CELOS (The Centre for Agricultural Research in Suriname) and practised by the Suriname Government, we are confident that Greenheart will operate in a responsible and environment-friendly manner.”

### **About Sino-Forest Corporation**

Sino-Forest Corporation is a leading commercial forestry plantation operator in the Peoples Republic of China. The Canadian company started its operations in 1994 and was one of the first few foreign and privately managed operators involved in forest products in China. Its principal businesses include the ownership and management of forestry plantation trees and sales of standing timber, wood logs and complementary manufacturing of downstream engineered-wood products. The Corporation’s common shares have traded on the Toronto Stock Exchange under the symbol TRE since 1995.

FOR FURTHER INFORMATION, PLEASE CONTACT:

DAVE HORSLEY - Senior Vice President & Chief Financial Officer

Tel: +905 281 8889

Email: [davehorsley@sinoforest.com](mailto:davehorsley@sinoforest.com)

LOUISA WONG - Senior Manager, Investor Communications & Relations

Tel: +852 2514 2109

Email: [louisa-wong@sinoforest.com](mailto:louisa-wong@sinoforest.com)

*Please note: This press release contains projections and forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of the Company and are subject to risks and uncertainties that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, but not limited to, changes in China and international economies; changes in currency exchange rates; changes in worldwide demand for the Company's products; changes in worldwide production and production capacity in the forest products industry; competitive pricing pressures for the Company's products and changes in wood and timber costs.*