
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the Offers, this Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or otherwise transferred all of your securities in Greenheart Group Limited, you should at once hand this Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Document should be read in conjunction with the accompanying Form(s) of Acceptance, the provision of which form part of the terms and conditions of the Offers.

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EMERALD PLANTATION GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

**OFFER DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY GENERAL CASH OFFER
BY**

**MOELIS & COMPANY ASIA LIMITED
ON BEHALF OF**

**EMERALD PLANTATION GROUP LIMITED
TO ACQUIRE ALL THE ISSUED ORDINARY SHARE CAPITAL
OF
GREENHEART GROUP LIMITED
(STOCK CODE 094.HK)**

**(OTHER THAN THE ORDINARY SHARES ALREADY OWNED OR CONTROLLED BY
EMERALD PLANTATION GROUP LIMITED AND PARTIES
ACTING IN CONCERT WITH IT AT THE TIME THE OFFER IS MADE),
OFFER FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS AND
OFFER FOR ALL OUTSTANDING CONVERTIBLE NOTES**

**Financial adviser to
Emerald Plantation Group Limited**

MOELIS & COMPANY

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Document.

A letter from Moelis is set out on pages 6 to 16 of this Document.

The procedures for acceptance and other information relating to the Offers are set out in Appendix I to this Document and in the accompanying Form(s) of Acceptance. Acceptances of the Offers should be received by the Registrar (as regards the Share Offer) or the company secretary of the Offeree (as regards the Option Offer and the Convertible Notes Offer) in accordance with those procedures no later than 4:00 p.m. (Hong Kong time) on Thursday, 21 March 2013 or such later time and/or date as the Offeror may decide and announce, with the consent of the Executive, in accordance with the Code.

Persons receiving copies of this Document, the Form(s) of Acceptance and any related documents, including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward such documents to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in paragraph 6 of Appendix I to this Document before taking any action. It is the responsibility of each Overseas Holder wishing to accept an Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements.

21 February 2013

CONTENTS

	<i>Pages</i>
Expected timetable	ii
Definitions	1
Letter from Moelis	6
Appendix I — Further terms of the Offers	17
Appendix II — General information	26
Accompanying document(s) — Form(s) of Acceptance	

EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made as and when appropriate.

Commencement date of the Offers (*Note 1*) Thursday, 21 February 2013

Latest date for posting of the Offeree Document (*Note 2*) Thursday, 7 March 2013

Latest time and date for acceptance of the Offers (*Note 3*) 4:00 p.m. on
Thursday, 21 March 2013

Closing Date of the Offers (*Note 3*) Thursday, 21 March 2013

Announcement of the results of the Offers to be
posted on the Stock Exchange's website (*Note 4*) by 7:00 p.m. on
Thursday, 21 March 2013

Latest date for posting of remittances for the amounts
due in respect of valid acceptances received
under the Offers (*Note 5*) Wednesday, 3 April 2013

Notes:

1. The Offers are being made on Thursday, 21 February 2013, being the date of posting of this Document, and are capable of acceptance from that date.
2. The Offeree is required to post the Offeree Document to Shareholders, holders of Options and holders of Convertible Notes within 14 days from the posting of this Document in accordance with the Code, unless the Executive consents to a later date and the Offeror agrees to extend the Closing Date.
3. The Offers, which are unconditional, will close on Thursday, 21 March 2013 and the latest time for acceptance is 4:00 p.m. on Thursday, 21 March 2013, unless the Offeror revises or extends the Offers, with the consent of the Executive, in accordance with the Code. Beneficial owners of Share(s) who hold their Share(s) in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptance of the Offers shall be irrevocable and cannot be withdrawn, except in the circumstances set out in Rule 19.2 of the Code.
4. An announcement will be published on the website of the Stock Exchange by 7:00 p.m. on Thursday, 21 March 2013 stating whether the Offers have been closed, revised or extended, and, if the Offers are extended or revised, the announcement will state the next closing date or that the Offers will remain open until further notice.
5. Remittances in respect of the cash consideration payable for the Offer Shares, the Options or the Convertible Notes tendered under the Offers will be posted to the accepting Shareholder(s), the accepting holder(s) of Options and the accepting holder(s) of Convertible Notes at his/her/its own risk as soon as possible but in any event within 7 Business Days of the date of receipt by the Registrar (as regards the Share Offer) or the company secretary of the Offeree (as regards the Option Offer and Convertible Notes Offer) of all the relevant documents to render the acceptance under the Offers complete and valid.

All time and date references contained in this Document and the accompanying Form(s) of Acceptance refer to Hong Kong times and dates.

DEFINITIONS

In this Document, the following expressions have the following meanings unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto in the Code;
“Announcement”	the announcement dated 31 January 2013 issued by Moelis on behalf of the Offeror in relation to the Offers;
“Board”	the Board of Directors of any of the Offeror or the Offeree, as applicable;
“Business Day”	a day on which the Stock Exchange is open for the transaction of business;
“CCAA”	the Companies’ Creditors Arrangement Act (Canada), R.S.C. 1985, c. C-36;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Closing Date”	Thursday, 21 March 2013, the first closing date of the Offers or such other later date revised or extended by the Offeror, with the consent of the Executive, in accordance with the Code;
“Code”	the Hong Kong Code on Takeovers and Mergers, as in force from time to time;
“Companies Act”	the Companies Act (1981) of Bermuda (as amended);
“Companies Law”	the Companies Law (Revised) of the Cayman Islands;
“Compulsory Acquisition”	the compulsory acquisition in accordance with applicable law and regulations of Offer Shares held by Shareholders who do not accept the Share Offer;
“Convertible Notes”	the US dollar denominated convertible notes due 17 August 2015 with an aggregate principal amount of US\$25,000,000 issued by the Offeree and convertible into 97,077,922 Shares;
“Convertible Notes Offer”	the unconditional cash offer to acquire the Convertible Notes;
“Directors”	directors of any of the Offeror or the Offeree, as applicable;
“Document”	this document issued by the Offeror in relation to the Offers;
“EPHL”	Emerald Plantation Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the ultimate holding company of the Offeror;

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegates;
“Form(s) of Acceptance”	the WHITE Form of Acceptance, the YELLOW Form of Acceptance and the PINK Form of Acceptance;
“GSHL”	Greater Sino Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the holder of the Convertible Notes;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Day”	23 January 2013, being the last complete trading day prior to suspension of trading in the Shares on 24 January 2013 pending the release of the Announcement;
“Latest Practicable Date”	18 February 2013, being the latest practicable date prior to the printing of this Document for the purpose of ascertaining certain information in this Document;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Moelis”	Moelis & Company Asia Limited, a licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activity, a company incorporated in Hong Kong with limited liability and the financial adviser to the Offeror;
“Notes”	the following notes issued by Sino-Forest: (a) under an indenture dated 23 July 2008, being US\$345,000,000 5.00% Convertible Senior Notes due 2013; (b) under an indenture dated 27 July 2009, being US\$399,517,000 10.25% Guaranteed Senior Notes due 2014; (c) under an indenture dated 17 December 2009, being US\$460,000,000 4.25% Convertible Senior Notes due 2016; and (d) under an indenture dated 21 October 2010, being US\$600,000,000 6.25% Guaranteed Senior Notes due 2017;

DEFINITIONS

“Offers”	the Share Offer, the Option Offer and the Convertible Notes Offer;
“Offeree”	Greenheart Group Limited, a company incorporated in Bermuda with limited liability;
“Offeree Document”	the response document in respect of the Offers to be issued by the Offeree to all Shareholders, holders of Options and holders of Convertible Notes in accordance with the Code;
“Offeror”	Emerald Plantation Group Limited, a company incorporated in the Cayman Islands with limited liability;
“Offeror Group”	the Offeror and each of its subsidiaries (as such term is defined in the Companies Law);
“Offer Period”	has the meaning ascribed thereto in the Code, being the period commencing on the publication of the Announcement on 31 January 2013 and ending on the Closing Date;
“Offer Shares”	the Shares in issue at the date on which the Share Offer is made and any further Shares which are unconditionally allotted or issued after the date on which the Share Offer is made and on or before the date on which the Share Offer closes including any Shares which are unconditionally allotted or issued on the exercise of options granted under the Share Option Scheme or conversion of the Convertible Notes, other than those Shares held by the Offeror, SCGI and any other member of the Offeror Group and persons acting in concert with the Offeror;
“Option Offer”	the unconditional cash offers for the cancellation of all outstanding Options;
“Options”	outstanding options granted by the Offeree under the Share Option Scheme;
“Overseas Holders”	Shareholders and holders of Options and holders of Convertible Notes whose registered address, as shown in the register of members of the Offeree, is outside Hong Kong;
“PINK Form of Acceptance”	the PINK form of acceptance and transfer of Convertible Notes in respect of the Convertible Notes Offer accompanying this Document;

DEFINITIONS

“Plan”	the plan of compromise and reorganisation of Sino-Forest by way of a debt-equity conversion under the CCAA as amended and approved by the Ontario Superior Court of Justice and the creditors of Sino-Forest;
“Registrar”	Tricor Tengis Limited, the Hong Kong branch share registrar of the 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the agent to receive the WHITE Form of Acceptance under the Share Offer;
“Relevant Period”	the period from 31 July 2012, being the date falling on the six months before the date of the Announcement, up to and including the Latest Practicable Date;
“SCGI”	Sino-Capital Global Inc., a company incorporated in the British Virgin Islands, prior to implementation of the Plan a wholly-owned subsidiary of Sino-Forest and following implementation of the Plan a wholly-owned subsidiary of the Offeror;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
“Shareholders”	shareholders of the Offeree;
“Share Offer”	the unconditional mandatory general cash offer to acquire the Offer Shares;
“Share Option Scheme”	the share option schemes of the Offeree, being the share option scheme adopted on 22 March 2002 and the share option scheme adopted on 28 June 2012;
“Share Offer Price”	the price at which the Share Offer is made, being HK\$0.58 per Offer Share;
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Offeree;
“Sino-Forest”	Sino-Forest Corporation, a company incorporated in Canada and formerly listed on the Toronto Stock Exchange;
“Stamp Office”	the Stamp Office of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“WHITE Form of Acceptance”	the WHITE form of acceptance and transfer of Shares in respect of the Share Offer accompanying this Document; and

DEFINITIONS

“YELLOW Form of Acceptance”

the **YELLOW** form of acceptance and cancellation of Options in respect of the Option Offer accompanying this Document.

1. All time and date references contained in this Document refer to Hong Kong times and dates;
2. Certain amounts and percentage figures in this Document have been subject to rounding adjustments;
3. Certain English translations of Chinese names or words or Chinese translations of English names or words in this Document are included for information and identification purposes only and should not be regarded as the official English translation of such Chinese names or words or Chinese translation of such English names or words, respectively;
4. The singular includes the plural and vice versa, unless the context otherwise requires;
5. References to any Appendix, paragraph and any sub-paragraphs of them are references to the Appendices to, and paragraphs of, this Document and any sub-paragraphs of them respectively;
6. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Document;
7. HK\$ means Hong Kong dollars, the lawful currency of Hong Kong;
8. US\$ means United States dollars, the lawful currency of the United States of America; and
9. Reference to one gender is a reference to all or any genders.

LETTER FROM MOELIS

MOELIS & COMPANY Y

Moelis & Company Asia Limited
Suite 1708-09
One Pacific Place
88 Queensway, Admiralty
Hong Kong

21 February 2013

*To the Shareholders,
holders of Options and holders of Convertible Notes*

**UNCONDITIONAL MANDATORY GENERAL CASH OFFER
BY
MOELIS & COMPANY ASIA LIMITED
ON BEHALF OF
EMERALD PLANTATION GROUP LIMITED
TO ACQUIRE ALL THE ISSUED ORDINARY SHARE CAPITAL
OF
GREENHEART GROUP LIMITED
(STOCK CODE 094.HK)
(OTHER THAN THE ORDINARY SHARES ALREADY OWNED OR CONTROLLED BY
EMERALD PLANTATION GROUP LIMITED AND PARTIES
ACTING IN CONCERT WITH IT AT THE TIME THE OFFER IS MADE),
OFFER FOR THE CANCELLATION OF ALL OUTSTANDING OPTIONS AND
OFFER FOR ALL OUTSTANDING CONVERTIBLE NOTES**

The defined terms used in this letter have the same meaning as those set out in the section headed “Definitions” in the offer document issued by Emerald Plantation Group Limited to the Shareholders, holders of Options and holders of Convertible Notes dated 21 February 2013 (“**Offer Document**”), unless otherwise stated.

1. INTRODUCTION

On 31 January 2013, it was announced that Moelis, as the Offeror’s financial adviser, would on behalf of the Offeror make (i) an unconditional mandatory general cash offer to acquire all of the Shares of the Offeree, other than those Shares already held by the Offeror, other members of the Offeror Group and persons acting in concert with the Offeror, at the time the Share Offer is made: (ii) the Option Offer to cancel all outstanding Options; and (iii) the Convertible Notes Offer to acquire all of the outstanding Convertible Notes (other than Convertible Notes converted into Shares in the period prior to the close of the Share Offer).

Pursuant to the implementation on 30 January 2013 of the Plan, all of Sino-Forest’s group companies and substantially all of the other assets of Sino-Forest, including the entire issued share capital of SCGI (which holds 495,519,102 Shares representing approximately 63.6 per cent of the issued Shares), were transferred to the Offeror. As a consequence, the Offeror acquired an indirect interest in 495,519,102 Shares representing approximately 63.6 per cent of the issued Shares.

LETTER FROM MOELIS

As a result of the implementation of the Plan, the Offeror is required under Rule 26.1 of the Code to make a mandatory general offer for all of the Shares of the Offeree other than the Shares already owned or controlled by the Offeror and parties acting in concert with it and, under Rule 13 of the Code, to make an appropriate offer for cancellation of all outstanding Options and an appropriate offer for the Convertible Notes. As the Offeror and persons acting in concert with it hold more than 50 per cent of the voting rights of the Offeree, the mandatory general offer, the offer for outstanding Options and the offer for Convertible Notes are unconditional.

As at the Latest Practicable Date the Offeror, through its wholly-owned subsidiary SCGI and persons acting in concert with the Offeror, currently owns or controls 495,519,102 Shares, representing approximately 63.6 per cent of the current issued Shares. The Offeror, and persons acting in concert with it, do not hold, own or control any other Shares, convertible securities, warrants, options or derivatives of the Offeree.

As at the Latest Practicable Date there were:

- (a) 284,205,002 Offer Shares in issue, representing approximately 36.4 per cent of the current Shares.
- (b) 46,202,070 outstanding Options under the Share Option Scheme each exercisable into one Share.
- (c) Convertible Notes in aggregate convertible into 97,077,922 Shares.

Apart from these securities, the Offeree has no outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Code) as at the Latest Practicable Date.

This letter sets out, amongst other things, the details of the Offers and the intention of the Offeror regarding the Offeree. Further details on the terms of and procedures for acceptance of the Offers are set out in Appendix I to this Document and in the accompanying Form(s) of Acceptance.

2. THE OFFERS

Moelis, the financial adviser to the Offeror, is making the Offers, which are unconditional in all respects, on behalf of the Offeror in compliance with the Code on the following terms:

2.1 The Share Offer

For each Offer Share HK\$0.58 in cash.

LETTER FROM MOELIS

The Share Offer will extend to all Shares in issue on the date on which the Share Offer is made and to any further Shares which are unconditionally allotted or issued after the date on which the Share Offer is made and before the Closing Date, including any Shares which are unconditionally allotted or issued on the exercise of Options granted under the Share Option Scheme or on conversion of the Convertible Notes, other than those Shares held by the Offeror, SCGI and any other member of the Offeror Group, and persons acting in concert with the Offeror.

2.2 The Option Offer

For cancellation of each Option with an exercise price of:

HK\$0.501 (14,430,000 options in total)HK\$0.079 in cash.

HK\$1.266 (300,000 options in total)HK\$0.001 in cash.

HK\$1.952 (2,000,000 options in total)HK\$0.001 in cash.

HK\$1.65 (9,770,000 options in total)HK\$0.001 in cash.

HK\$2.18 (6,576,000 options in total)HK\$0.001 in cash.

HK\$2.50 (7,626,070 options in total)HK\$0.001 in cash.

HK\$2.71 (2,000,000 options in total)HK\$0.001 in cash.

HK\$2.93 (3,500,000 options in total)HK\$0.001 in cash.

2.3 The Convertible Notes Offer

For each US\$1.00 face value of the Convertible Notes HK\$2.252 in cash.

The Convertible Notes Offer will apply to the outstanding Convertible Notes in issue on the date on which the Convertible Notes Offer is made and will not apply to any Convertible Notes which are or have been converted into Shares prior to the Closing Date.

2.4 Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will agree to sell their Offer Shares to the Offeror or a nominated member of the Offeror Group or its nominee fully paid and free from all liens, claims, charges, options, equities, encumbrances or other third party rights of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, the rights to receive all future dividends and/or other distributions (if any) declared, paid or made on or after the date of the Announcement. The Offeror has nominated SCGI to acquire the Offer Shares.

LETTER FROM MOELIS

By accepting the Option Offer, the holders of outstanding Options will agree to the cancellation of their outstanding Options, together with all rights attached thereto with effect from the date on which the Option Offer is made.

By accepting the Convertible Notes Offer, the holders of Convertible Notes will agree to sell their Convertible Notes to the Offeror or a nominated member of the Offeror Group or its nominee fully paid and free from all liens, claims, charges, options, equities, encumbrances or other third party rights of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, the rights to receive all future dividends and/or other distributions (if any) declared, paid or made after the date of the Announcement. The Offeror has nominated SCGI to acquire the Convertible Notes.

Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Code.

2.5 Comparison of value

(a) *The Share Offer*

The Share Offer, valued at HK\$0.58 per Offer Share, represents:

- (i) a discount of approximately 1.7 per cent to the closing price of the Shares quoted on the Stock Exchange of HK\$0.59 per Share on the Last Trading Day;
- (ii) a discount of approximately 1.0 per cent to the average closing price of the Shares quoted on the Stock Exchange of HK\$0.59 per Share over the 5 trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 0.9 per cent to the average closing price of the Shares quoted on the Stock Exchange of HK\$0.59 per Share over the 10 trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 1.3 per cent over the average closing price of the Shares quoted on the Stock Exchange of HK\$0.57 per Offeree Share over the 30 trading days up to and including the Last Trading Day;
- (v) a premium of approximately 4.3 per cent over the average closing price of the Shares quoted on the Stock Exchange of HK\$0.56 per Share over the 60 trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 6.7 per cent over the average closing price of the Shares quoted on the Stock Exchange of HK\$0.54 per Share over the 90 trading days up to and including the Last Trading Day; and

LETTER FROM MOELIS

- (vii) a premium of approximately 16.9 per cent over the average closing price of the Shares quoted on the Stock Exchange of HK\$0.50 per Share over the 180 trading days up to and including the Last Trading Day.

Highest and lowest prices

During the Relevant Period:

- (i) the highest closing price of Shares as quoted on the Stock Exchange was HK\$0.79 on 1 February 2013; and
- (ii) the lowest closing price of Shares as quoted on the Stock Exchange was HK\$0.41 on 3 August 2012.

(b) *The Option Offer*

The Option Offer price of HK\$0.079 for Options with an exercise price of HK\$0.501 represents the difference between the exercise price of HK\$0.501 and the Share Offer Price.

The exercise prices for Options between HK\$1.266 - HK\$2.93 are higher than the Share Offer Price and these Options are out of the money. In the circumstances, the Option Offer is made at a nominal price of HK\$0.001 for the cancellation of each corresponding Option.

(c) *The Convertible Notes Offer*

The offer price for the Convertible Notes is HK\$2.252 for each US\$1.00 face value of the Convertible Notes determined, in accordance with Practice Note 6 to the Code, as the “see-through” consideration for each Convertible Note, being the number of Shares into which the Convertible Note is convertible multiplied by the Share Offer Price. The Convertible Notes are in aggregate convertible into 97,077,922 Shares which when multiplied by the Share Offer Price (HK\$0.58) per Share values the total Convertible Notes Offer at HK\$56,305,195.

2.6 **Total consideration**

(a) *The Share Offer*

The Share Offer values the Offer Shares in issue at the Latest Practicable Date at HK\$164,838,901 in aggregate and the whole of the current issued Shares at HK\$452,239,980.

(b) *The Option Offer*

The total amount required to satisfy the cancellation of all the outstanding Options is HK\$1,171,742, assuming full acceptance of the Option Offer by all holders of Options.

LETTER FROM MOELIS

(c) *The Convertible Notes Offer*

The total amount required to satisfy full acceptance of the Convertible Notes Offer is HK\$56,305,195, assuming acceptance in respect of the whole principal amount of the outstanding Convertible Notes of US\$25,000,000.

2.7 Financial resources

The Offeror intends to finance the Offers from the internal resources of the Offeror Group. Moelis is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

2.8 Settlement of consideration

Payment in cash in respect of acceptances of the Offers will be made in full as soon as practicable but in any event within 7 Business Days of the date of receipt by the Registrar (as regards the Share Offer) or the company secretary of the Offeree (as regards the Option Offer and Convertible Notes Offer) of all the relevant documents to render the acceptance under the Offers complete and valid.

As the Option Offer price is of three decimal places, the remittance in respect of the cash consideration payable for the Options tendered for acceptance under the Option Offer will be rounded up to the nearest Hong Kong cent.

3. OVERSEAS HOLDERS

The Offers will be made available to all holders of Offer Shares, Options and Convertible Notes, including those Shareholders, holders of Options and holders of Convertible Notes whose registered address, as shown on the register of members of the Offeree, is outside Hong Kong.

As the making of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are resident, any Shareholder or holder of Options or holder of Convertible Notes who are not citizens or are not residents of Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and where necessary seek legal advice.

It is the responsibility of each Overseas Holder who wishes to accept the Share Offer and/or the Option Offer and/or the Convertible Notes Offer to satisfy himself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including, but not limited to, the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements and the payment of any issue, transfer or other taxes due by accepting the Share Offer, Option Offer or Convertible Notes Offer in such jurisdiction. Each Overseas Holder who wishes to accept the Share Offer and/or the Option Offer and/or the Convertible Notes Offer is also fully responsible for other taxes and duties by whomsoever payable in respect of all relevant jurisdictions. The Offeror, Moelis and any person involved in the Offers shall be entitled to be fully indemnified and held harmless by you for any taxes as you may be required to pay.

LETTER FROM MOELIS

Acceptances of the Offers by any such person will be deemed to constitute a representation and warranty by such person to the Offeror that the local laws and requirements have been complied with and such person is permitted under all applicable laws to accept the Offers and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

The Offeror reserves the right to notify any matter, including the making of the Offers, to Overseas Holders by announcement or by advertisement in a newspaper which may not be circulated in the jurisdictions in which the Overseas Holders are resident. The notice will be deemed to have been sufficiently given, despite any failure by an Overseas Holder to receive or see that notice.

4. THE OFFEROR'S INTENTIONS IN RELATION TO THE OFFEREE

4.1 Compulsory Acquisition

If, within four months after making of the Share Offer, the Offeror together with other members of the Offeror Group acquires not less than nine-tenths in value of the Offer Shares from Shareholders representing three-fourths in number of the holders of Offer Shares, the Offeror intends to exercise any rights it may have under Section 102 of the Companies Act and in accordance with Rule 2.11 of the Code to proceed to the Compulsory Acquisition of those Offer Shares not acquired by the Offeror pursuant to the Share Offer.

4.2 Maintaining listing

If the Offeror does not achieve the level of acceptances required for Compulsory Acquisition, the Directors of the Offeror intend that the Offeree shall maintain the listing of the Shares on the Stock Exchange.

The Stock Exchange has stated that, if, at the close of the Offers, less than 25 per cent of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Directors of the Offeror understand that Rule 8.08 of the Listing Rules relating to the minimum prescribed percentage of Shares to be held by the public has to be complied with and will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that sufficient public float exists in the Shares if the Offeror does not achieve the level of acceptances required for Compulsory Acquisition.

LETTER FROM MOELIS

4.3 Continuation of business

The Offeror has not formed any views on whether major changes should be introduced to the Offeree's business (including the redeployment of the fixed assets of the Offeree), or on the continued employment of the employees of the Offeree group. The Offeror intends to review the business activities and management of the Offeree group, with a view to evaluating its strategy on its equity investment in the Offeree and its financial support to the Offeree group. This review, which is expected to continue after closing of the Offers, may or may not result in the Offeror changing its strategy with respect to the Offeree group. No assurance is given by the Offeror that it will not seek to introduce changes to the business or management of the Offeree group post review. Changes to the Offeree group, if any, will be made in accordance with the applicable laws and the Listing Rules.

4.4 Directors of the Offeree

The Offeror has made no decision in relation to appointments to and removals from the Offeree's Board. Any such change will only take effect in accordance with the requirements of the Code and the publication requirement under the Listing Rules to inform the public accordingly.

4.5 EPHL is considering its strategic options to realise value

EPHL continues to evaluate its strategic options to realise value for its shareholders, who comprise former holders of Notes and other creditors of Sino-Forest. EPHL is in the preliminary stages of soliciting interest in the Offeror from possibly interested parties as part of its endeavour to assess its strategic options. EPHL's strategic options include a possible sale or sales of all or any of its assets including a sale of the Offeror, or other Offeror Group companies or assets. Such sale may or may not, depending on the circumstances, affect the interests in Shares and give rise to an obligation on any purchaser to make a mandatory general offer to Shareholders of the Offeree under the Code.

Any such sale transactions, including a possible transaction affecting interests in Shares, may or may not proceed and is speculative. Accordingly, Shareholders should exercise caution in dealing with their Shares.

5. BACKGROUND TO AND REASONS FOR THE OFFERS

5.1 Sino-Forest group and compromise and reorganisation pursuant to the Plan

During the course of 2011 Sino-Forest experienced certain financial difficulties and, as a result, defaulted on certain of its obligations under certain of the Notes. Waivers of breaches were granted but expired without extension and consequently Sino-Forest was in default under the Notes.

On 30 March 2012, Sino-Forest filed a motion under the CCAA seeking the protection of the Ontario Superior Court of Justice to rearrange its affairs.

On 14 August 2012, Sino-Forest filed the Plan with the Ontario Superior Court of Justice setting out the terms of the proposed plan of compromise and reorganisation of Sino-Forest by way of a debt-equity conversion under the CCAA. On 23 October 2012, Sino-Forest filed an amended version of the Plan with the Ontario Superior Court of Justice. The meeting of creditors approved the Plan on 3 December 2012 and the court sanctioned the Plan in hearings on 7 and 10 December 2012.

LETTER FROM MOELIS

Pursuant to the implementation on 30 January 2013 of the Plan as approved by the creditors of Sino-Forest on 3 December 2012 and sanctioned by the Ontario Superior Court of Justice on 10 December 2012, all of Sino-Forest's group companies and substantially all of the other assets of Sino-Forest, including the entire issued share capital of SCGI (which holds 495,519,102 Shares representing approximately 63.6 per cent of the issued Shares), were transferred to the Offeror. As a consequence, the Offeror acquired an interest in all the direct subsidiaries of Sino-Forest (including SCGI) and other Sino-Forest assets and through SCGI the Offeror has acquired an indirect interest in 495,519,102 Shares representing approximately 63.6 per cent of the issued Shares.

5.2 Obligation to make mandatory general offer under Rule 26.1

Under Rule 26.1 of the Code a mandatory general offer is required to be made where any person or group of persons acting in concert acquire voting rights of 30 per cent or more in respect of a company to which the Code applies.

Note 8 to Rule 26.1 of the Code sets out what is known as the chain principle. The Note says:

“Occasionally, a person or group of persons acting in concert acquiring statutory control of a company (which need not be a company to which the Takeovers Code applies) will thereby acquire or consolidate control, as defined in the Codes, of a second company because the first company itself holds, either directly or indirectly through intermediate companies, a controlling interest in the second company, or holds voting rights which, when aggregated with those already held by the person or group, secure or consolidate control of the second company. The Executive will not normally require an offer to be made under this Rule 26 in these circumstances unless either:-

- (a) *the holding in the second company is significant in relation to the first company. In assessing this, the Executive will take into account a number of factors including, as appropriate, the assets and profits of the respective companies. Relative values of 60% or more will normally be regarded as significant; or*
- (b) *one of the main purposes of acquiring control of the first company was to secure control of the second company.”*

The holding of 63.6 per cent of the Shares of the Offeree is regarded as significant in relation to SCGI.

5.3 Implementation of the Plan

The Plan was implemented on 30 January 2013, including the acquisition by the Offeror of SCGI, and in accordance with Rule 26.1 of the Code and the chain principle under the Code, the Offeror is now required to make an unconditional mandatory general cash offer in respect of the Offeree.

6. INFORMATION ABOUT THE OFFEROR AND THE OFFEROR GROUP

The Offeror is a company newly incorporated in the Cayman Islands pursuant to the Plan for the purpose of receiving the transfer of certain assets of Sino-Forest. Save for taking transfer of such assets in accordance with the Plan, the Offeror has not traded since its incorporation.

LETTER FROM MOELIS

The Offeror is a direct, wholly-owned subsidiary of EPHL, which is also a company newly incorporated in the Cayman Islands pursuant to the Plan. EPHL is, on implementation of the Plan, the ultimate holding company of the Offeror. The shareholders of EPHL comprises the former holders of the Notes and other creditors of Sino-Forest recognised in accordance with the Plan. No shareholder of EPHL is expected to hold 30 per cent or more of the voting rights of EPHL.

SCGI is a company incorporated in the British Virgin Islands and immediately prior to implementation of the Plan was a direct, wholly-owned subsidiary of Sino-Forest and is the holding company for the 495,519,102 Shares (representing approximately 63.6 per cent of the current issued Shares). Upon implementation of the Plan on 30 January 2013, SCGI has become a direct, wholly-owned subsidiary of the Offeror.

There is no outstanding arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Offeree and which might be material to the Offers. There is no agreement or arrangement to which the Offeror is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers. The Offeror, through SCGI, is interested in more than 50 per cent of voting rights of the Offeree and accordingly, the Offers are unconditional.

As at the Latest Practicable Date, neither the Offeror nor any person acting in concert with it has received any irrevocable commitment to accept the Offers. There are no relevant securities (as defined in Note 4 to Rule 22 of the Code) of the Offeree which the Offeror or any person acting in concert with it has borrowed or lent.

7. GENERAL MATTERS

7.1 Stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% (HK\$1.00 for every HK\$1,000 (or part of HK\$1,000)) of the consideration payable will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror Group will pay buyer's ad valorem stamp duty on the acquisition of any shares.

7.2 Taxation

Shareholders, holders of Options and holders of Convertible Notes are recommended to consult their own professional advisers if they are in doubt as to the taxation implications of their acceptance of the Offers. It is emphasised that none of the Offeror, Moelis, the Offeree or any of their respective directors or any other person involved in the Offers accepts responsibility for any tax effects on, or liabilities of, any person or persons as a result of their acceptance(s) or non-acceptance(s) of the Offers.

LETTER FROM MOELIS

7.3 Interests in Shares and Options

Save as disclosed in paragraph 5 above, as at the Latest Practicable Date, neither the Offeror nor any member of the Offeror Group nor any person acting in concert with the Offeror, owns or controls any Shares or has options to acquire (or other outstanding derivatives in respect of) any Shares. Neither the Offeror nor any member of the Offeror Group nor any person acting in concert with the Offeror has (a) borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Code) of the Offeree; or (b) received any irrevocable commitment to accept the Offer in respect of any Offer Shares. The Offeror Group comprises the Offeror and the subsidiaries of Sino-Forest (including SCGI) transferred to the Offeror on implementation of the Plan. Save for statements that relate to the Offeror and its concert parties, the statements relating to SCGI's and the Offeror Group's interests and dealings in Shares are based on the disclosure of interests notifications provided by the Sino-Forest group (including SCGI) to the Offeree and to the Stock Exchange pursuant to section 324 of the SFO, as at the Latest Practicable Date.

7.4 Nominee holders

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Offer Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

7.5 Further terms of the Offers

Your attention is drawn to the further terms of the Offers set out in Appendix I to the Offer Document and in the accompanying Form(s) of Acceptance. Shareholders, holders of Options and holders of Convertible Notes with registered addresses outside Hong Kong should also note the paragraph headed "Overseas Holders" in Appendix I to the Offer Document.

All documents and remittances sent to Shareholders, holders of Options and holders of Convertible Notes will be sent to them at their own risk by ordinary post. Such documents and remittances will be sent to the Shareholders, holders of Options and holders of Convertible Notes at their respective addresses as they appear in the register of members of the Offeree or, in the case of joint Shareholders, to the Shareholder whose name stands first in the register of members of the Offeree. None of the Offeror, Moelis, the Offeree, or any of their respective directors or any other person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

7.6 Additional information

Your attention is drawn to the Appendices to the Offer Document, all of which form part of the Offer Document.

Yours faithfully,
For and on behalf of
Moelis & Company Asia Limited
Richard Orders
Managing Director

1. PROCEDURES FOR ACCEPTANCE

1.1 The Share Offer

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed **WHITE** Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) by post or by hand, to the Registrar, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in any event not later than 4:00 p.m. on Thursday, 21 March 2013 or such later time and/or date as the Offeror may determine and announce in accordance with the Code.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:
- (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Acceptance duly completed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Offeree through the Registrar, and deliver the **WHITE** Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Moelis or their respective agent(s) to collect from the Offeree or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Acceptance.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) Acceptance of the Share Offer will be treated as valid only if the completed **WHITE** Form of Acceptance is received by the Registrar on or before 4:00 p.m. on Thursday, 21 March 2013 and the Registrar has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of you, the person accepting the Share Offer, executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)).

If the **WHITE** Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) must be produced.

- (f) Seller's ad valorem stamp duty payable by Shareholders who accept the Share Offer calculated at a rate of 0.1% of the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfer of the Offer Shares to the Stamp Office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (g) No acknowledgement of receipt of any **WHITE** Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

1.2 The Option Offer

- (a) If you accept the Option Offer and the certificate(s) of the Options and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in your name, you should complete the **YELLOW** Form of Acceptance in accordance with the instructions printed thereon in respect of the number of the Options held by you that you wish to tender to the Option Offer, which instructions form part of the terms and conditions of the Option Offer.
- (b) The completed **YELLOW** Form of Acceptance should be forwarded, together with the relevant certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) which you intend to accept the Option Offer, by post or by hand as soon as possible and in any event so as to reach the company secretary of the Offeree at 16/F Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong no later than 4:00 p.m. on Thursday, 21 March 2013.
- (c) No acknowledgement of receipt of any **YELLOW** Form of Acceptance, the certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (d) As the Option Offer prices are of three decimal places, the remittances in respect of the cash consideration payable for the Options tendered for acceptance under the Option Offer will be rounded up to the nearest Hong Kong cent.

1.3 The Convertible Notes Offer

- (a) If you accept the Convertible Notes Offer and the certificate(s) of the Convertible Notes and/or transfer receipts and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in your name, you should complete the **PINK** Form of Acceptance in accordance with the instructions printed thereon in respect of the face value of the Convertible Notes held by you that you wish to tender to the Convertible Notes Offer, which instructions form part of the terms and conditions of the Convertible Notes Offer.
- (b) The completed **PINK** Form of Acceptance should be forwarded, together with the relevant certificate(s) of the Convertible Notes and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) which you intend to accept the Convertible Notes Offer, by post or by hand as soon as possible and in any event so as to reach the company secretary of the Offeree at 16/F Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong no later than 4:00 p.m. on Thursday, 21 March 2013.
- (c) Seller's ad valorem stamp duty payable by the holders of Convertible Notes who accept the Convertible Notes Offer and calculated at a rate of 0.1% of consideration payable by the Offeror in respect of the relevant acceptances of the Convertible Notes Offer will be deducted from the amount payable by the Offeror to such person on acceptance of the Convertible Notes Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting holders of Convertible Notes and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Convertible Notes Offer and the transfer of the Convertible Notes to the Stamp Office in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
- (d) No acknowledgement of receipt of any **PINK** Form of Acceptance, the certificate(s) of the Convertible Notes and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offers have previously been extended, with the consent of the Executive, in accordance with the Code, the Forms of Acceptance must be received by 4:00 p.m. on Thursday, 21 March 2013 in accordance with the instructions printed on the relevant Form(s) of Acceptance, and the Offers will be closed on Thursday, 21 March 2013.
- (b) If the Offers are extended or revised, the announcement of such extension or revision shall state the next Closing Date or that the Offers will remain open until further notice. For the latter case, at least 14 days' notice in writing will be given to the Shareholders, the holders of Options and the holders of Convertible Notes who have not accepted the Offers before the Offers are closed, and an announcement in respect thereof shall be released.

If the Offeror revises the terms of the Offers, the Shareholders, the holders of Options and/or the holders of Convertible Notes, whether or not they have already accepted the Share Offer, the Option Offer or the Convertible Notes Offer (as the case may be), will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days following the date on which the revised offer document is posted.

- (c) If the Closing Date is extended, any reference in this Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.

3. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Offers. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating whether the Offers have been closed, revised or extended. The announcement must state the following:
 - (i) the total number of Shares and rights over Shares for which acceptances of the Share Offer, the Options for which acceptance of the Option Offer have been received and the Convertible Notes for which acceptances of the Convertible Notes Offer;
 - (ii) the total number of Shares, rights over Shares, Options and Convertible Notes held, controlled or directed by the Offeror or persons acting in concert with it before the Offer Period;
 - (iii) the total number of Shares, rights over Shares, Options and Convertible Notes acquired by the Offeror or persons acting in concert with it during the Offer Period;
 - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Code) in the Offeree which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
 - (v) the percentages of the issued share capital of the Offeree and the percentages of voting rights of the Offeree represented by these numbers of Shares.
- (b) In computing the total number of Shares, Options and Convertible Notes represented by acceptances, only valid acceptances that have been received by the Registrar (as regards the Share Offer) or the company secretary of the Offeree (as regards the Option Offer and the Convertible Notes Offer) no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Code, all announcements in respect of Offers will be made in accordance with the requirements of the Listing Rules.

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by the Shareholders, the holders of Options and the holders of Convertible Notes (as the case may be) shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “ANNOUNCEMENTS” above, the Executive may require that the Shareholders, the holders of Options and the holders of Convertible Notes (as the case may be) who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met. In such case, upon the Shareholders, the holders of Options and/or the holders of Convertible Notes (as the case may be) withdrawing their acceptance(s), the Offeror, Registrar or the company secretary of the Offeree (as the case may be) shall, as soon as possible but in any event within seven Business Days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the **WHITE** Form of Acceptance to the relevant Shareholder(s) and the certificate(s) of the Convertible Notes and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the **PINK** Form of Acceptance to the relevant holders of Convertible Notes respectively. The certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the **YELLOW** Form of Acceptance to the relevant holders of Options shall also be returned by the company secretary of the Offeree as soon as possible but in any event within seven Business Days thereof.

5. SETTLEMENT OF THE OFFERS**(a) The Share Offer**

Provided that a valid **WHITE** Form of Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or transfer receipt(s) (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder less seller’s ad valorem stamp duty in respect of the Offer Shares tendered by him under the Share Offer will be despatched to such Shareholder by ordinary post at his own risk as soon as possible but in any event within seven Business Days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

(b) The Option Offer

Provided that a valid **YELLOW** Form of Acceptance and the relevant certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the company secretary of the Offeree no later than the latest time for acceptance, a cheque for the amount due to each accepting holder of

Options in respect of the Options tendered by him under the Option Offer will be despatched to such holder of Options by ordinary post at his own risk as soon as possible but in any event within seven Business Days of the date on which all the relevant documents are received by the company secretary of the Offeree to render such acceptance complete and valid.

(c) The Convertible Notes Offer

Provided that a valid **PINK** Form of Acceptance and the relevant certificate(s) of the Convertible Notes and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the company secretary of the Offeree no later than the latest time of acceptance, a cheque for the amount due to each accepting holder of Convertible Notes less seller's ad valorem stamp duty in respect of the Convertible Notes tendered by him under the Convertible Notes Offer will be despatched to such holder of Convertible Notes by ordinary post at his own risk as soon as possible but in any event within seven Business Days of the date on which all the relevant documents are received by the company secretary of the Offeree to render such acceptance complete and valid.

Settlement of the consideration to which any Shareholders, the holders of Options and/or the holders of Convertible Notes are entitled under the Offers will be implemented in full in accordance with the terms of the Offers (save with respect of the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders, holders of Options and holders of Convertible Notes.

6. OVERSEAS HOLDERS

The making of the Offers to Overseas Holders may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Holders should inform themselves of and observe any applicable legal and regulatory requirements. It is the responsibility of each Overseas Holder wishing to accept an Offer to satisfy himself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including, but not limited to, the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements and the payment of any issue, transfer or other taxes due by accepting the Share Offer, Option Offer or Convertible Notes Offer (as the case may be) in such jurisdiction.

Each Overseas Holder who wishes to accept the Share Offer and/or the Option Offer and/or the Convertible Notes Offer is also fully responsible for other taxes and duties by whomsoever payable in respect of all relevant jurisdictions. The Offeror, Moelis and any person involved in the Offers shall be entitled to be fully indemnified and held harmless by you for any taxes as you may be required to pay.

Acceptances of an Offer by any such person will be deemed to constitute a representation and warranty by such person to the Offeror that the local laws and requirements have been complied with and such person is permitted under all applicable laws to accept such Offer and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws.

7. TAXATION

Shareholders, holders of Options and holders of Convertible Notes are recommended to consult their own professional advisers if they are in doubt as to the taxation implications of their acceptance of the Offers. It is emphasised that none of the Offeree, the Offeror, Moelis, or any of their respective directors or any other person involved in the offers accepts responsibility for any tax effects on, or liabilities of, any person or persons as a result of their acceptance(s) of the Offers.

8. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, Share certificates, certificate(s) of Options and Convertible Notes, transfer receipts (as the case may be), other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Shareholders and/or the holders of Options and/or the holders of Convertible Notes will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeree, the Offeror, Moelis and any of their respective agents nor the Registrar or the company secretary of the Offeree or other parties involved the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, or such person or persons as the Offeror may direct to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as it may direct the Shares, the Options and/or the Convertible Notes in respect of which such person or persons has accepted the Offers.

- (f) Reference to the Offers in this Document and in the Form(s) of Acceptance shall include any extension or revision thereof.

- (g) The English text of this Document and the Form(s) of Acceptance shall prevail over their respective Chinese text in case of inconsistency.

1. RESPONSIBILITY STATEMENT

- (a) This Document includes particulars given in compliance with the Code for the purpose of providing information to the Shareholders, the holders of Options and the holders of Convertible Notes with regard to the Offeror, the Offeree and its subsidiaries and the Offers.
- (b) The Directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Document, save that the only responsibility of the Directors of the Offeror in respect of information contained in this Document relating to the Offeree, which has been compiled and reproduced from public sources, is to ensure that such information is correctly and fairly reproduced and presented. Subject as aforesaid, they confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Document have been arrived at after due and careful consideration and there are no other facts not contained in this Document, the omission of which would make any statement in this Document misleading.
- (c) The following table sets out the names of the Directors of the Offeror as at the date of this Document:

Executive director:

Paul Brough

Non-executive directors:

Barry Field

Wang Tong Sai

Colin Keogh

Eugene Davis

2. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share <i>HK\$</i>
31 July 2012	0.41
31 August 2012	0.475
30 September 2012	0.50
31 October 2012	0.52
30 November 2012	0.55
31 December 2012	0.54
23 January 2013 (the Last Trading Day)	0.59
31 January 2013	0.67
18 February 2013 (the Latest Practicable Date)	0.71

Note: Trading in the Shares was suspended from 1:00 p.m. on 24 January 2013 to 1:00 p.m. on 31 January 2013 pending the release of the Announcement.

The highest and lowest closing prices of the Shares during the Relevant Period were HK\$0.79 per Share (on 1 February 2013) and HK\$0.41 per Share (on 3 August 2012) respectively.

3. INTERESTS OF THE OFFEROR AND ITS DIRECTORS

As at the Latest Practicable Date, through its wholly-owned subsidiary SCGI and persons acting in concert with the Offeror, the Offeror currently owns or controls 495,519,102 Shares, representing approximately 63.6 per cent of the current issued Shares. Except for these Shares, the Offeror, and persons acting in concert with it, do not hold, own or control any other Shares, convertible securities, warrants, options or derivatives of the Offeree.

The Offeror Group comprises the Offeror and the subsidiaries of Sino-Forest (including SCGI) transferred to the Offeror on implementation of the Plan.

Save as disclosed in this paragraph 3, neither the Offeror nor any member of the Offeror Group nor any Director of the Offeror nor any person acting in concert with the Offeror:

- (a) had any interest in the Shares, options, warrants, derivatives or securities which are convertible into Shares as at the Latest Practicable Date;
- (b) has dealt for value in the Shares, warrants, options and derivatives or securities which are convertible into Shares during the Relevant Period.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE OFFEREE

Save as disclosed in paragraph 3 above:

- (a) as at the Latest Practicable Date, there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of Code between the Offeror and its associates (as defined under the Code), or any person acting in concert with the Offeror, and any other person;
- (b) as at the Latest Practicable Date, there were no Shares, convertible securities, warrants, options and derivatives in respect of Shares in the Offeree which the Offeror or any party acting in concert with it has borrowed or lent;
- (c) as at the Latest Practicable Date, no shareholding in the Offeree was owned or controlled by a person who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Code with the Offeree or any person who is an associate of the Offeree by virtue of classes (1), (2), (3) and (4) of the definition of associate under the Code or by a person with whom the Offeror or any persons acting in concert with the Offeror has any arrangement of the kind referred to in Note 8 to Rule 22 of the Code;

- (d) during the Relevant Period, none of the Offeror, or any parties acting in concert with it who has an arrangement of the kind referred to in Note 8 to Rule 22 of the Code with the Offeree or non-exempt discretionary fund managers and principal traders connected with the Offeror, had dealt for value in the Shares or any warrants, options or derivatives or securities which are convertible into Shares of the Offeree;
- (e) during the Relevant Period, none of the Offeror, its ultimate beneficial owner, its directors and parties acting in concert with any one of the Offeror or its ultimate beneficial owners has borrowed or lent any Shares or other securities of the Offeree carrying voting rights, or convertible securities, warrants, options or derivatives of the Offeree, save for any borrowed Shares which have been either on-lent or sold;
- (f) there was no arrangement (whether by way of options, indemnity or otherwise) in relation to the shares of the Offeror or the Offeree which might be material to the Offers; and
- (g) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept the Offers.

5. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) had been or would be given to any Director of the Offeree as compensation for loss of office or otherwise in connection with the Offers;
- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror, any person acting in concert with it and any Director of the Offeree, recent Director of the Offeree, Shareholder or recent Shareholder which had any connection with or dependent upon the Offers;
- (c) no material contracts had been entered into by the Offeree in which any Director of the Offeree has a material personal interest;
- (d) there was no agreement or arrangement to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offers;
- (e) there was no agreement, arrangement or understanding that the securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;

- (f) there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Offeree which might be material to the Offers; and
- (g) none of the Offeror or parties acting in concert with it has received any irrevocable commitment to accept the Offers.

6. CONSENT AND QUALIFICATION

The following is the qualification of the expert whose letter is contained in this Document:

Name	Qualification
Moelis	a licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activity, a company incorporated in Hong Kong with limited liability and the financial adviser to the Offeror

Moelis has given and has not withdrawn its written consent to the issue of this Document with copy of its letter and the references to its name included herein in form and context in which they are respectively included.

7. GENERAL

- (a) The Offeror is a company newly incorporated in the Cayman Islands pursuant to the Plan for the purpose of receiving the transfer of certain assets of Sino-Forest. Save for taking transfer of such assets in accordance with the Plan, the Offeror has not traded since its incorporation.

As at the Latest Practicable Date:

- (i) the Offeror is a direct, wholly-owned subsidiary of EPHL, which is also a company newly incorporated in the Cayman Islands pursuant to the Plan. EPHL is, on implementation of the Plan, the ultimate holding company of the Offeror. The shareholders of EPHL comprises the former holders of the Notes and other creditors of Sino-Forest recognised in accordance with the Plan. No shareholder of EPHL holds 30 per cent or more of the voting rights of EPHL.
 - (ii) SCGI is a company incorporated in the British Virgin Islands and immediately prior to implementation of the Plan was a direct, wholly-owned subsidiary of Sino-Forest and is the holding company for the 495,519,102 Shares (representing approximately 63.6 per cent of the current issued Shares). Upon implementation of the Plan on 30 January 2013, SCGI has become a direct, wholly-owned subsidiary of the Offeror.
- (b) The directors of EPHL are:
 - (i) Paul Brough;

- (ii) Barry Field;
 - (iii) Wang Tong Sai;
 - (iv) Colin Keogh; and
 - (v) Eugene Davis.
- (c) The registered address of Moelis is Suite 1708-09, One Pacific Place, 88 Queensway, Admiralty, Hong Kong.
- (d) The registered address of the Offeror is Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (e) The English text of this Document and the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of interpretations.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection: (a) on the website of the SFC (www.sfc.hk); and (b) on the website of the Offeror at www.emerald-plantation.com during the period from the date of this Document to the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Moelis as set out on pages 6 to 16 of this Document; and
- (c) the written consent referred to in the paragraph headed “Consent and qualification” in this appendix.